EBRO | 2020

Financial Report

Financial Figures

CONSOLIDATED DATA (000€)

PROFIT AND LOSS	2018	2019	2019/2018	2020	2020/2019	CAGR 2020/2018
Revenue	2,297,882	2,510,381	9.2%	2,897,589	15.4%	12.3%
Advertising	(72,931)	(77,564)	(6.4%)	(88,605)	14.2%	10.2%
EBITDA-A	277,901	306,617	10.3%	364,224	18.8%	14.5%
EBIT-A	199,619	206,592	3.5%	252,022	22.0%	12.4%
Operating profit	196,796	191,142	(2.9%)	242,623	26.9%	11.0%
Consol profit for year (continuing operations)	133,283	118,299	(11.2%)	140,842	19.1%	2.8%
Net profit from discontinued operations	16,028	31,989	99.6%	65,809	105.7%	102.6%
Net profit of parent	141,589	141,752	0.1%	192,415	35.7%	16.6%
	31-12-18	**31-12-19**	**2019/2018**	**31-12-20**	**2020/2019**	
Average working capital	588,403	643,139	(9.3%)	643,970	(0.1%)	
Average capital employed	1,805,986	2,080,166	(15.2%)	2,191,813	(5.4%)	
ROCE-A **(1)**	12.3	11.1		14.2		
Capex **(2)**	138,930	148,705	7.0%	117,600	(20.9%)	
Average headcount	7,153	7,522	5.2%	7,664	1.9%	

CONSOLIDATED DATA (000€)

STATEMENT OF FINANCIAL POSITION	12-31-18	12-31-19	2019/2018	12-31-20	2020/2019
Equity	2,162,334	2,262,203	4.6%	1,927,351	(14.8%)
Net debt	704,621	999,849	(41.9%)	950,870	4.9%
Average net debt	627,350	871,658	(38.9%)	917,583	(5.3%)
Leverage **(3)**	29.0%	38.5%		47.6%	
Total assets	3,834,069	4,381,004	14.3%	4,035,662	(7.9%)
STOCK MARKET DATA	**12-31-18**	**12-31-19**	**2019/2018**	**12-31-20**	**2020/2019**
Number of shares	153,865,392	153,865,392	0.0%	153,865,392	0.0%
Market capitalisation at year-end	2,683,412	2,968,063	10.6%	2,914,211	(1.8%)
Earnings per share (EPS)	0.92	0.92	0.1%	1.25	35.7%
Dividend per share (DPS)	0.57	0.57	0.0%	2.51	340.4%
Underlying carrying amount per share	14.05	14.70	4.6%	12.53	(14.8%)

(1) ROCE-A = Average profit after D&A but before tax for the last 12 months (excluding extraordinary/non-recurring items) divided by average capital employed
(2) Capex = Cash outflows for investment purposes
(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

RICE BUSINESS (000€)

PROFIT AND LOSS	2018	2019	2019/2018	2020	2020/2019	CAGR 2020/2018
Revenue	1,412,702	1,566,239	10.9%	1,817,679	16.1%	13.4%
Advertising	(26,969)	(33,010)	(22.4%)	(36,789)	11.4%	16.8%
EBITDA-A	162,065	192,264	18.6%	235,809	22.6%	20.6%
EBIT-A	123,990	143,061	15.4%	178,503	24.8%	20.0%
Operating result	125,392	134,445	7.2%	174,734	30.0%	18.0%
Capex	64,583	75,160	16.4%	69,345	(7.7%)	3.6%

PASTA BUSINESS (000€)

PROFIT AND LOSS	2018	2019	2019/2018	2020	2020/2019	CAGR 2020/2018
Revenue	949,905	1,009,007	6.2%	1,162,471	15.2%	10.6%
Advertising	(46,605)	(46,490)	0.2%	(53,176)	14.4%	6.8%
EBITDA-A	123,589	126,307	2.2%	142,708	13.0%	7.5%
EBIT-A	84,020	76,984	(8.4%)	89,330	16.0%	3.1%
Operating result	78,069	68,809	(11.9%)	81,863	19.0%	2.4%
Capex	73,946	71,772	(2.9%)	47,474	(33.9%)	(19.9%)

Auditor’s Report

INDIVIDUAL ANNUAL ACCOUNTS

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of EBRO FOODS, S.A.:

Audit report on the financial statements

Opinion

We have audited the financial statements of EBRO FOODS, S.A. (the "Company"), which comprise the balance sheet as at December 31, 2020, the income statement, the statement of changes in equity, the statement of cash flows, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial reporting (identified in Note 2 to the accompanying financial statements) and, in particular, the accounting principles and policies set forth therein.

Basis of the opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of equity investments in group companies and associates

Description	As shown on the accompanying balance sheet, the Company recognized 1,863,955 thousand euros related to investments in equity instruments of group companies and associates. At year-end, management analyzes the existence of indications of impairment and, if necessary, estimates the recoverable amount of these investments, which entails making complex judgments, primarily when determining assumptions about the future results of group companies and associates. Due to the complexity of the abovementioned estimates and the hypotheses used to make them, we determined this area to be a key audit matter. The description of the balance, movements, and possible impairment loss recorded following management's recoverability analysis, are provided in Note 8 to the accompanying financial statements.
Our response	Our audit procedures related to this matter included: ► Understanding the procedures and assessing the design and implementation of the relevant controls established by the Company to evaluate the existence of indications of impairment, including those carried out to determine the recoverable amount of investments in group companies and associates. ► Obtaining calculations made by management, in collaboration with an independent expert, to value the cash-generating units (CGUs) pertaining to investments in group companies and associates at year end. ► Reviewing, in collaboration with our valuation experts, the reasonableness of the business assumptions and methodology for determining the impairment tests applied to investments in group companies and associates, when the discounted cash flow method was used. ► Reviewing the documentation supporting alternative analyses conducted by management when the latter is used to substantiate recoverable amount, as well as the equity of investees adjusted by unrealized capital gains existing at year end. ► Reviewing the disclosures made in the notes to the consolidated financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: Management report

Other information refers exclusively to the 2020 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the non-financial statement and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the Company obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair value of the equity and financial position and the results of the Company, in accordance with the regulatory financial reporting framework applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the financial statement auditing standards prevailing in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legally stipulated disclosure requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Ebro Foods audit committee on April 9, 2021.

Term of engagement

During the Ordinary General Shareholders' Meeting held on July 29, 2020, we were appointed auditors for a period of three years, commencing the year ended December 31, 2020.

Previously, we were appointed auditors by the shareholders in general meeting for three years and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG
(Registered in Spain's Official Register of Auditors
under No. S0530)

(Signed on the original in Spanish)

Ramón Masip López
(Registered in Spain's Official Register of Auditors
under entry no. 16253)

April 9, 2021

Individual Annual Accounts

MANAGEMENT REPORT

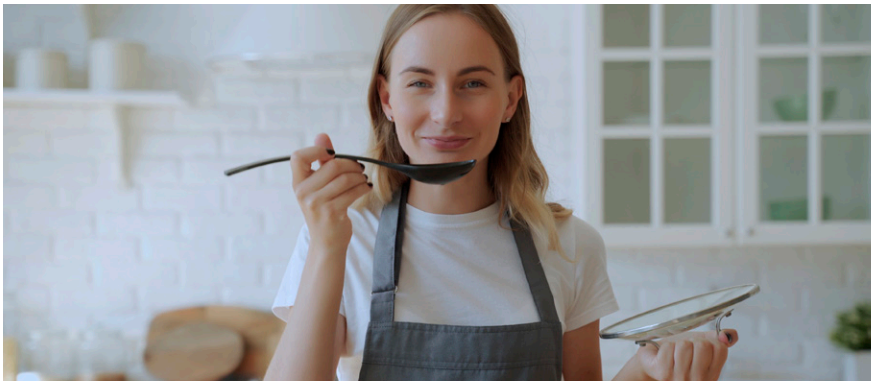
ANNUAL CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING (ICFR)

Ebro Foods, S.A.

BALANCE SHEET

AT DECEMBER 31, 2020 AND 2019



ASSETS (000€)	NOTE	12-31-20	12-31-19
A) NON-CURRENT ASSETS		**2,085,244**	**2,106,357**
I. Intangible assets	**5**	**5,202**	**5,994**
3. Patents, licenses and trademarks		3,930	4,717
5. Software		1,272	1,277
II. Property, plant and equipment	**6**	**723**	**683**
1. Land and buildings		0	0
2. Plant and other PP&E		723	683
III. Investment properties	**7**	**8,509**	**8,543**
1. Land		7,276	7,276
2. Buildings		1,233	1,267
IV. Non-current investments in group companies and associates	**8**	**2,063,955**	**2,064,681**
1. Equity instruments		1,863,955	1,864,681
2. Loans to companies	**8 & 17**	200,000	200,000
V. Non-current financial assets	**9**	**146**	**20,216**
2. Loans to third parties		0	20,070
5. Other financial assets		146	146
VI. Deferred tax assets	**15**	**6,709**	**6,240**
B) CURRENT ASSETS		**41,468**	**35,880**
III. Trade and other receivables	**9 y 10**	**18,531**	**13,340**
1. Trade receivables		124	55
2. Trade receivables, group companies and associates	**17**	11,187	8,031
3. Sundry receivables		8	8
4. Receivable from employees		7	17
5. Current tax assets	**15**	6,183	4,439
6. Other tax receivables	**15**	1,022	790
IV. Current investments in group companies and associates		**0**	**27**
2. Loans to companies	**17**	0	27
V. Current financial assets	**9**	**0**	**1,464**
2. Loans to third parties		0	1,464
VI. Prepayments and accrued income		**0**	**0**
VII. Cash and cash equivalents	**11**	**22,937**	**21,049**
1. Cash		22,937	21,049
TOTAL ASSETS		**2,126,712**	**2,142,237**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2020.

Ebro Foods, S.A.

BALANCE SHEET

AT DECEMBER 31, 2020 AND 2019

LIABILITIES (000€)	NOTE	12-31-20	12-31-19
A) EQUITY		**1,086,219**	**1,437,959**
A.1) CAPITAL AND RESERVES	**12**	**1,086,219**	**1,437,959**
I. Capital		**92,319**	**92,319**
1. Issued capital		92,319	92,319
II. Share premium		**5**	**5**
III. Reserves		**959,434**	**458,367**
1. Legal and statutory reserves		18,464	18,464
2. Other reserves		940,970	439,903
VII. Profit/(loss) for the year		**34,461**	**887,268**
A.2) VALUATION ADJUSTMENTS		**0**	**0**
B) NON-CURRENT LIABILITIES		**650,546**	**543,525**
I. Non-current provisions	**14**	**18,622**	**17,846**
1. Non-current employee benefit obligations		2,652	1,876
4. Other provisions		15,970	15,970
II. Non-current borrowings	**9**	**207,513**	**213,227**
2. Bank borrowings	13	199,851	204,865
4. Derivatives	9	7,650	8,350
5. Other financial liabilities		12	12
III. Non-current borrowings from group companies and associates	**17**	**370,209**	**260,728**
IV. Deferred tax liabilities	**15**	**54,202**	**51,724**
C) CURRENT LIABILITIES		**389,947**	**160,753**
III. Current borrowings:	**9**	**365,143**	**143,604**
2. Bank borrowings	13	365,143	143,604
IV. Current borrowings from group companies and associates	**17**	**300**	**10,298**
V. Trade and other accounts payable:	**9**	**24,504**	**6,851**
1. Trade payables		626	1,740
2. Trade payables, group companies and associates		21	319
4. Employee benefits payable		4,691	3,626
6. Other tax payables	15	19,166	1,166
TOTAL EQUITY AND LIABILITIES		**2,126,712**	**2,142,237**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2020.

Ebro Foods, S.A.

STATEMENT OF PROFIT OR LOSS FOR THE YEARS
ENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE	2020	2019
CONTINUING OPERATIONS			
Revenue		**48,916**	**929,269**
Revenue from services rendered		3,715	3,438
Dividends from group companies and associates	**8 & 17**	43,123	925,803
Finance income from group companies	**17**	2,078	28
Other operating income		**5,510**	**5,507**
Ancillary and other operating income		5,510	5,507
Employee benefits expense		**(13,602)**	**(11,624)**
Wages, salaries and similar		(10,734)	(9,429)
Employee benefits		(1,220)	(1,194)
Termination benefits		0	(155)
Provisions		(1,648)	(846)
Other operating expenses		**(9,750)**	**(13,844)**
External services		(9,168)	(12,877)
Taxes other than income tax		(582)	(950)
Other operating expenses	**14**	0	(17)
Depreciation and amortization	**5, 6 & 7**	**(1,384)**	**(1,370)**
Impairment of and gains/(losses) on disposal of fixed assets		**213**	**922**
Gains/(losses) on disposals	**7**	213	922
OPERATING PROFIT		**29,903**	**908,860**
Finance income		**1,088**	**1,020**
From marketable securities and other financial instruments:			
Third parties		1,088	1,020
Finance costs		**(4,323)**	**(17,508)**
Borrowings from group companies and associates	**17**	(2,285)	(12,952)
Third-party borrowings		(2,038)	(4,556)
Change in fair value of financial instruments		**700**	**(5,981)**
Held-for-trading portfolio and other securities	**9**	700	(5,981)
Net exchange gains/(losses)	**9**	**1,093**	**(1,541)**
Impairment of and gains/(losses) on disposal of financial assets		**1,666**	**1,363**
Impairment and write-downs	**8**	5,900	(8,017)
Gains/(losses) on disposals	**9**	(4,234)	9,380
NET FINANCE INCOME/(COST)		**224**	**(22,647)**
PROFIT BEFORE TAX		**30,127**	**886,213**
Income tax	**15**	**4,334**	**1,055**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**34,461**	**887,268**
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations, net of income tax		**0**	**0**
PROFIT FOR THE YEAR		**34,461**	**887,268**

The accompanying notes 1 to 20 are an integral part of the statement of profit or loss for the year ended December 31, 2020.

Ebro Foods, S.A.

STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE	2020	2019
A) Profit as per statement of profit or loss		34,461	887,268
Income and expense recognized directly in equity			
I. Measurement of financial instruments			
1. Available-for-sale financial assets	9	0	0
2. Other income/expense			
II. Cash flow hedges			
III. Grants, donations and bequests received			
IV. Actuarial gains and losses and other adjustments			
V. Tax effect		0	0
B) Total income and expense recognized directly in equity		0	0
Amounts reclassified to profit or loss			
VI. Measurement of financial instruments			
1. Available-for-sale financial assets	9	0	0
2. Other income/expense			
VII. Cash flow hedges			
VIII. Grants, donations and bequests received			
IX. Tax effect		0	0
C) Total amounts reclassified to profit or loss		0	0
TOTAL RECOGNIZED INCOME AND EXPENSE (A + B + C)		34,461	887,268

The accompanying notes 1 to 20 are an integral part of the statement of recognized income and expense for the year ended December 31, 2020.

Ebro Foods, S.A.

STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(000€)	CAPITAL	SHARE PREMIUM	RESERVES	OWN SHARES	RETAINED ANTERIORES	PROFIT FOR THE YEAR	DIVIDENDO DIVIDEND	OTHER EQUITY INSTRUMENTS	VALUATION ADJUSTMENTS	GRANTS, DONATIONS AND BEQUESTS RECEIVED	TOTAL
OPENING BALANCE AT 31-12-2018	92,319	5	550,846	0	0	(4,776)	0	0	0	0	638,394
I. Restatements for changes in accounting criteria											0
II. Restatements for prior-year errors											0
RESTATED BALANCE AT 1-1-2019	92,319	5	550,846	0	0	(4,776)	0	0	0	0	638,394
I. Total recognized income and expense						887,268			0		887,268
II. Transactions with shareholders and owners:	0	0	(87,705)	0	0	0	0	0	0	0	(87,705)
Dividend distribution			(87,703)								(87,703)
Transactions with own shares (net)			(2)								(2)
Other transactions with shareholders											0
III. Other changes in equity			(4,774)			4,776					2
CLOSING BALANCE AT 31-12-2019	92,319	5	458,367	0	0	887,268	0	0	0	0	1,437,959
I. Restatements for changes in accounting criteria											0
II. Restatements for prior-year errors											0
RESTATED BALANCE AT 1-1-2020	92,319	5	458,367	0	0	887,268	0	0	0	0	1,437,959
I. Total recognized income and expense						34,461			0		34,461
II. Transactions with shareholders and owners:	0	0	(386,202)	0	0	0	0	0	0	0	(386,202)
Dividend distribution			(386,202)								(386,202)
Transactions with own shares (net)											0
Other transactions with shareholders			0								0
III. Other changes in equity			887,269			(887,268)					1
CLOSING BALANCE AT 31-12-2020	**92,319**	**5**	**959,434**	**0**	**0**	**34,461**	**0**	**0**	**0**	**0**	**1,086,219**

The accompanying notes 1 to 20 are an integral part of the statement of total changes in equity for the year ended December 31, 2020.

Ebro Foods, S.A.

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		**50,774**	**281,898**
1. Profit for the year before tax		**30,127**	**886,213**
2. Adjustments for non-cash income and expenses:		**(42,606)**	**(901,890)**
a) Depreciation and amortization (+)	5,6 & 7	1,384	1,370
b) Impairment charges (+/–)	8	(5,900)	8,017
c) Changes in provisions (+/–)	14	1,648	846
e) Gains/(losses) on derecognition and disposal of fixed assets (+/–)	7	(213)	(922)
f) Gains/(losses) on derecognition and disposal of financial instruments (+/–)	8	4,234	(9,380)
g) Finance income (–)		(3,166)	(1,048)
h) Finance costs (+)		3,623	23,489
i) Exchange differences (+/–)	9,1	(1,093)	1,541
k) Other income and expenses (+/–)		(43,123)	(925,803)
3. Changes in working capital		**18,587**	**844**
b) Trade and other accounts receivable (+/-)		291	(68)
c) Other current assets (+/–)		0	(74)
d) Trade and other payables (+/–-)		18,296	986
4. Other cash flows from operating activities		**44,666**	**296,731**
a) Interest paid (–)		(2,189)	(5,258)
b) Dividends received (+)		43,123	293,996
c) Interest received (+)		2,028	0
d) Income tax receipts (payments) (+/–)		1,704	7,993
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**16,898**	**(288,793)**
6. Payments for investments (–)		**(615)**	**(312,641)**
a) Group companies and associates		0	(311,111)
b) Intangible assets		(340)	(1,229)
c) Property, plant and equipment	6	(275)	(301)
7. Proceeds from disposals (+)		**17,513**	**23,848**
a) Group companies and associates		17,300	21,564
b) Intangible assets		0	1,055
c) Property, plant and equipment		0	989
d) Investment properties		213	240
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		**(63,489)**	**28,122**
9. Proceeds from and payments for equity instruments		**(644)**	**(599)**
c) Acquisition of own equity instruments (–)		(644)	(599)
10. Proceeds from and repayment of financial liabilities		**323,357**	**116,424**
a) Issuance of:		**555,363**	**510,821**
2. Bank borrowings (+)		405,349	429,628
3. Borrowings from group companies and associates (+)		150,014	81,193
b) Repayment of:		**(232,006)**	**(394,397)**
2. Bank borrowings (–)		(188,595)	(387,396)
3. Borrowings from group companies and associates (–)		(43,336)	(6,925)
4. Other borrowings (–)		(75)	(76)
11. Dividends and payments on other equity instruments		**(386,202)**	**(87,703)**
a) Dividends (–)		(386,202)	(87,703)
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**(2,295)**	**(722)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,888**	**20,505**
Cash and cash equivalents, opening balance		**21,049**	**544**
CASH AND CASH EQUIVALENTS, CLOSING BALANCE		**22,937**	**21,049**

The accompanying notes 1 to 20 are an integral part of the statement of cash flows for the year ended December 31, 2020.

1. Corporate information

Ebro Foods, S.A., a Spanish public limited company (sociedad anónima), hereinafter, the Company, was created by the merger by absorption of Puleva S.A. into Azucarera Ebro Agrícolas S.A. on January 1, 2001. On the occasion of that transaction, Azucarera Ebro Agrícolas, S.A.'s name was changed to Ebro Puleva, S.A. Later, at the Annual General Meeting of June 1, 2010, its registered name was changed again to its current name: Ebro Foods, S.A.

The Company's current registered office is in Madrid (28046), at Paseo de la Castellana, 20. The Company's corporate object is to perform the following business activities in Spanish and foreign markets:

a) The production, preparation, sale, research, export and import of all manner of food and dietary products for both human and animal consumption, in addition to energy food products, including their by-products and waste, and, in particular, rice, pasta, sauces and all manner of nutritional products.

b) The production, exploitation and sale of all manner of food, soft and alcoholic beverages.

c) The use of by-products and the provision of services or products of all types relating to the aforementioned activities, including refrigeration cabinets, ice, industrial gas, steam, cold and energy.

d) The acquisition, lease, creation, installation, development and management of industrial, farming and livestock facilities in the food, nutrition and beverage (including alcohol) industries.

e) The performance of projects and installation work and the provision of all manner of technical assistance to other companies in the aforementioned industries; the creation, development, protection and use of patents, trademarks and other assets susceptible to intellectual property protection.

f) Staff training, computer programming or management, investment and monetization of resources, advertising and image, transport, distribution and sale and marketing activities that are ancillary or complementary to the aforementioned activities.

The activities comprising the Company's corporate object may be carried on through the subscription or acquisition of shares or other equity interests in companies with an identical or similar corporate purpose.

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group or the Group) with which it has separately presented consolidated financial statements for 2020, which were authorized for issue by the Board of Directors of Ebro Foods, S.A. on March 24, 2021. The 2019 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on July 29, 2020 and duly filed with Madrid's Companies Register.

This fact should be taken into consideration in assessing the working capital position typical of year-end in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends and additional bank or group financing, among other alternatives.

The key figures contained in the 2020 and 2019 consolidated financial statements, which were drawn up in accordance with Final Provision Eleven of Spanish Law 62/2003, of December 30, 2003, under the International Financial Reporting Standards approved by the European Commission, are replicated below:

(000€)	AT 12-31-2020		AT 12-31-2019 RESTATED	
TOTAL ASSETS		**4,035,662**		**4,381,004**
Equity:		**1,957,798**		**2,291,670**
Attributable to equity holders of the parent	1,927,351		2,262,203	
Attributable to non-controlling interests	30,447		29,467	
Revenue		**2,897,589**		**2,510,381**
Profit for the year:		**206,651**		**150,288**
Attributable to equity holders of the parent	192,415		141,752	
Attributable to non-controlling interests	14,236		8,536	

2. Basis of presentation of the financial statements

The figures provided in these financial statements are presented in thousands of euros, unless otherwise indicated.

FINANCIAL REPORTING FRAMEWORK APPLICABLE TO THE COMPANY

The accompanying financial statements were authorized for issue by the directors in keeping with the financial reporting regulatory framework applicable to Company, namely:

a) Spain's Code of Commerce and other company law.

b) Spain's General Accounting Plan, enacted by Royal Decree 1514/2007, as amended in 2016 by Royal Decree 602/2016, and other prevailing company law.

c) The binding rules issued by the ICAC enacting the General Accounting Plan and its complementary rules and regulations.

d) Other applicable Spanish accounting regulations.

FAIR PRESENTATION

The accompanying financial statements were prepared from the Company's accounting records in keeping with the prevailing applicable financial reporting framework and, specifically, the accounting principles and criteria contained therein, to present fairly the Company's equity and financial position at year-end and financial performance and cash flows during the year.

These financial statements have been authorized for issue by the Company's directors and will be submitted for shareholder approval at the Annual General Meeting at which they are expected to be ratified without modification. The 2019 financial statements were approved at the Annual General Meeting held on July 29, 2020.

COMPARATIVE INFORMATION

The information provided in these financial statements in respect of 2020 is presented to enable a reader comparison with the equivalent 2019 figures.

CRITICAL ISSUES REGARDING THE MEASUREMENT AND ESTIMATION OF UNCERTAINTY

The directors have prepared the Company's financial statements using estimates based on historical experience and other factors considered reasonable under the circumstances. The carrying amounts of assets and liabilities that are not readily apparent from other sources were established on the basis of those estimates. The Company reviews those estimates continually. However, given the uncertainty inherent in those estimates, there is a considerable risk that the carrying amounts of affected assets and liabilities may have to be significantly adjusted in the future should material changes occur in the assumptions, events or circumstances on which they were based.

In addition to other relevant information regarding the estimation of uncertainty at the reporting date, the key assumptions regarding the future that imply a risk that the carrying amounts of assets and liabilities may require material adjustment in the next financial year, are as follows:

→ **Taxation**

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period from the date of presentation of the respective returns has elapsed. The directors believe that no significant additional tax liabilities would arise for the Company in the event of a tax inspection (note 15).

→ **Impairment of non-financial assets**

Until December 31, 2015, the Company used to test its non-financial assets for signs of impairment annually. Specifically, indefinite-lived intangible assets were tested for impairment at least annually.

Since January 1, 2016, as provided for in Spanish Royal Decree 602/2016 December 2nd, which introduces a change in the criteria applicable to the amortization of intangible assets, those assets are now subject to amortization on a straight-line basis over a 10-year period. Irrespective of the new amortization regime, those intangible assets are tested for signs of impairment annually, along with the rest of the Company's non-financial assets.

→ **Deferred tax assets**

Deferred tax assets are recognized on the basis of the Company's estimates regarding the probability of occurrence and level of future taxable profits (note 15).

→ **Provisions**

The Company recognizes provisions for liabilities in keeping with the accounting policy outlined in note 4.n below. The Company has made judgments and estimates as to the likelihood that the provisioned liabilities will materialize, as well as the corresponding amounts, and has recognized provisions when the liability is deemed probable, estimating the cost that would be generated by the obligating event (note 14).

Although the above-mentioned estimates were made on the basis of the best information available at year-end, events that take place in the future, specifically including events related with the COVID-19 situation (outlined below), might make it necessary to revise them (upwards or downwards) in coming years. Any changes in accounting estimates would be applied prospectively.

COVID-19: IMPLICATIONS OF THE PANDEMIC ON THE 2020 FINANCIAL STATEMENTS

On March 11, 2020, the World Health Organization escalated the status of the public health crisis triggered by the expansion of the coronavirus (COVID-19) to that of a global pandemic. The speed at which events unfolded, in Spain and abroad, has caused an unprecedented health crisis that has impacted the macroeconomic environment and the Group's business performance.

To tackle that situation, among other things, the Spanish government declared a state of alarm, which finalized on June 21, 2020 but was later reinstated until May 9, 2021, and passed a raft of extraordinary urgent measures designed to mitigate the economic and social fallout from COVID-19. Other countries have taken similar actions, introducing their own measures.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impact of the situation induced by COVID-19 on the financial situation, performance and cash flows of Ebro Foods, S.A., the following specific disclosures are made:

1. To date there have been no material adverse impacts on the financial position, earnings performance or cash flows of Ebro Foods, S.A. or its consolidated group.
2. Ebro Foods, S.A., in its capacity as the holding company for its group of subsidiaries and associates, does not carry on industrial or sales activities directly. It has not therefore been impacted by the pandemic in that respect. Nor has the Ebro Group sustained material adverse impacts. The reader is referred to the COVID-19 disclosures made in the notes to the Group's 2020 consolidated financial statements.
3. The pandemic is not over and is having different impacts in each country. Given the complexity of the situation and difficulty implicit in assessing its direction, it is not presently possible to make a reliable quantitative estimate of its potential additional impact, if any, on Ebro Foods, S.A. or its Group beyond December 31, 2020, which, if necessary, will be recognized prospectively in the 2021 financial statements.
4. Ebro Foods, S.A. continues to take the steps required to tackle the situation and minimize its impact. It believes that the situation is circumstantial and, based on its most recent estimates and its liquidity position as of the reporting date, will not compromise its ability to continue as a going concern.

TRANSACTIONS CONCLUDED IN 2020 THAT AFFECT THE BASIS OF PRESENTATION

The Company did not undertake any transactions in 2020 that affect the presentation or comparability of these financial statements.

In 2019, as indicated under item a) below, the Company liquidated Beira Terrace (Portugal), a wholly-owned subsidiary. No other corporate transactions with an impact on the presentation or comparability of these financial statements were closed in 2019.

Other transactions undertaken in prior years require specific disclosures in subsequent reporting periods, as outlined below:

a) **The liquidation of Beira Terrace Soc.de Const., Ltda. (Portugal), all of whose assets and liabilities were assigned to Ebro Foods, S.A. by way of liquidating dividend:** This Ebro Foods, S.A. subsidiary was dissolved in December 2019, its only significant transferred asset being a property in the Portuguese city of Setúbal (carried at 737 thousand euros). It did not have any liabilities.

b) **Merger by absorption of Productos La Fallera, S.A.:**
Refer to the 2003 financial statements.

c) **Dissolution of Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (GDP), transferring all of its assets and liabilities to Ebro Foods, S.A.:**
Refer to the 2003 financial statements.

d) **Non-monetary contribution to Ebro Financial Corporate Services S.L.:**
Refer to the 2012 financial statements.

e) **Liquidation of Azucarera Energías, S.A. in December 2015:**
Refer to the 2015 financial statements.

3. Appropriation of profit

(000€)	AMOUNT
Basis of appropriation	
Unrestricted reserves	937,800
Profit for the year (as per statement of profit or loss)	34,461
TOTAL	**972,961**

The distribution of profit proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors held on December 16, 2020 for submission for ratification at the upcoming Annual General Meeting is as follows:

The profit generated by the Ebro Foods Group in 2020 makes it possible, as in prior years, to propose the payment of a cash dividend, with a charge against unrestricted reserves and profit for the year, of 0.57 euros per share, payable in the course of 2021, in a total amount of 87,703 thousand euros (note 12.g).

The dividend will be paid out in three equal instalments of 0.19 euros per share on April 6, June 30 and October 1, 2021.

LIMITATIONS ON THE DISTRIBUTION OF DIVIDENDS
The Company is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount equal to at least 20% of share capital. This reserve cannot be distributed to shareholders (note 12.c) unless it exceeds and only in the amount by which it exceeds this 20% threshold.

Once the legal and bylaw-stipulated requirements have been met, dividends may be distributed against profit for the year or freely distributable reserves so long as the value of equity is not lower than or would not fall below share capital as a result of the distribution. Any profit recognized directly in equity may not be distributed either directly or indirectly for such purposes. If prior-year losses were to reduce the Company's equity to below the amount of share capital, profit would have to be allocated to offset those losses.

4. Recognition and measurement standards

A) INTANGIBLE ASSETS

Intangible assets are initially measured at either acquisition or production cost. The cost of intangible assets acquired in a business combination is their acquisition-date fair value.

Following initial recognition, they are stated at cost less accumulated amortization and any impairment losses.

Intangible assets are assets with a finite useful life and are therefore amortized on a straight-line basis as a function of their estimated useful life and residual value. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable.

Intangible assets are tested for impairment at least at each financial year-end and any impairment is recognized. Patents, licenses and trademarks are amortized on a straight-line basis over their useful lives, generally 10 years, while computer software is amortized over an estimated useful life of four years.

B) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recognized at either acquisition or production cost. The cost of property, plant and equipment acquired in a business combination is the fair value of the assets at the acquisition date. Following initial recognition, these assets are carried at cost less accumulated depreciation and any impairment losses.

The cost of assets acquired or produced since January 1, 2008 that require more than one year to get ready for use (qualifying assets) includes borrowing costs accrued prior to putting the assets to use whenever such expenses meet the capitalization requirements.

Property, plant, and equipment likewise includes the initial estimate of the present value of asset dismantling or retirement obligations and other associated costs, such as the cost of restoring assets, when these obligations trigger the recognition of provisions.

Expenses for repairs that do not prolong the useful life of the assets, as well as maintenance expenses, are taken to profit and loss in the year incurred. Expenses incurred for expansion or improvements that increase the productivity or prolong the useful life of those assets are capitalized as an increase in the carrying amount of the item.

Depreciation charges are recognized in the statement of profit or loss. Assets are depreciated from when they are available for use.

Items of property, plant and equipment are depreciated on a straight-line basis over their respective estimated useful lives, taking into consideration actual depreciation sustained through operation, usage and wear and tear, as follows:

	DEPRECIATION RATES
Buildings	2.0 to 3.0%
Machinery, plant and tools	2.0 to 8.0%
Furniture and other fixtures	10.0 to 25.0%
Vehicles	5.5 to 16.0%

The Company reviews its material assets' residual values, useful lives and depreciation methods at each year-end and adjusts them prospectively where applicable.

C) INVESTMENT PROPERTIES

Investment properties comprise land and buildings that are leased to third parties or not being used for operating purposes. Buildings so classified are depreciated on a straight-line basis over an estimated useful life of 50 years.

The measurement criteria applicable to property, plant and equipment apply in full to investment properties. Transfers are made to (or from) investment property only when there is a change in use.

D) EXCHANGES OF ASSETS

Assets acquired in exchange for other assets are analyzed individually to determine whether the related transaction has commercial substance.

When the transaction has commercial substance, the asset received is measured at the fair value of the asset given up, plus any monetary compensation where applicable, except for transactions for which the evidence supporting the fair value of the asset received is better, in which case this measurement is taken. Any valuation differences arising upon derecognition of the asset given up are recognized in the statement of profit or loss.

When the exchange does not have commercial substance or when the fair value of the assets exchanged cannot be reliably measured, the asset received is measured at the carrying amount of the asset given up, plus monetary consideration given, if any.

E) IMPAIRMENT OF NON-CURRENT AND NON-FINANCIAL ASSETS

The Company assesses whether there is any indication that any non-current, non-financial asset or cash-generating unit may be impaired at least at each reporting date. If there is any indication of impairment, the asset's recoverable amount is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. When the carrying amount exceeds the recoverable amount, the asset is considered impaired.

Value in use is the present value of expected future cash flows, discounted using risk-free market rates, adjusted for the risks specific to the asset. For those assets that do not generate cash flows that are largely independent of those of other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which the assets belong.

Impairment losses and any subsequent reversals are recognized in profit and loss. Impairment losses are reversed only if the circumstances giving rise to them have ceased to exist. Goodwill impairment losses are not reversed. Any such reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset in question.

F) LEASES

Leases are classified as finance leases when, based on the economic terms of the arrangement, substantially all the risks and rewards incidental to ownership of the leased item have been transferred to the lessee. All other lease arrangements are classified as operating leases.

Company as lessee

Assets acquired under finance leases are classified by their nature within property, plant and equipment and are measured at the lower of the fair value of the leased property and the present value of the minimum lease payments; a corresponding financial liability is recognized in the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired and derecognized using the same criteria as apply to owned assets of a similar nature.

Operating lease payments are expensed in profit and loss as they accrue.

Company as lessor

Rental income from operating leases is recognized in the statement of profit or loss as accrued. Direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are expensed over the term of the lease using the same criteria as are used to recognize lease income.

G) FINANCIAL ASSETS

1. Classification and measurement

1.1. Loans and receivables

The Company recognizes trade and non-trade receivables in this category, which includes financial assets with fixed or determinable payments not quoted on active markets that it expects to recover in full, other than because of credit impairment.

Upon initial recognition on the balance sheet, these investments are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost.

Nevertheless, trade receivables that mature within less than one year from the reporting date with no contractual interest rate, as well as advances, loans to employees, deposits, dividends receivable and called-up payments on equity instruments, the amount of which is expected to be realized in the short term, are carried at their nominal value both upon initial and subsequent measurement when the effect of not discounting the cash flows is not material.

1.2. Held-to-maturity investments

Held-to-maturity investments include debt instruments with fixed maturities and fixed or determinable payments traded on active markets which the Company has the positive intention and the ability to hold to maturity.

Upon initial recognition on the balance sheet, these investments are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Subsequent to initial recognition, these financial assets are measured at amortized cost.

1.3. Equity investments in group companies, jointly-controlled entities and associates

This category includes investments in entities over which the Company exercises control, joint control under bylaw stipulations or by contractual arrangement, or has significant influence. Equity investments in group companies, jointly controlled entities and associates are initially measured at fair value. In the absence of evidence to the contrary, that is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. However, in non-monetary contributions to a group company for the purpose of a business, the Company measures its investment at the carrying amount at which the contributed items constituting the business are recognized. The initially-recognized amount of an equity investment includes preferential subscription and similar rights acquired.

Equity investments in group companies, jointly controlled entities and associates are subsequently measured at cost less any accumulated impairment.

When an investment is newly classified as an investment in a group company, jointly controlled entity or associate, cost is deemed to be the investment's recognized carrying amount; previously-recognized unrealized valuation adjustments are left in equity until the investment is either sold or impaired.

Where preferential subscription or similar rights are sold or separated for the purpose of exercising them, the cost of the rights decreases the carrying amount of the respective assets.

In the case of equity investments in group companies that give control over the subsidiary, the fees paid to legal advisors and other professionals in connection with the acquisition have been recognized directly in the statement of profit or loss since January 1, 2010.

1.4. Financial assets held for trading

This category includes financial assets created or acquired for the purpose of obtaining a profit in the short term. This category also includes derivative financial instruments that have not been designated as hedging instruments.

They are initially recognized at fair value which is equivalent to their transaction price, barring evidence to the contrary. Transaction costs that are directly attributable to their issuance are recognized in profit or loss.

The initially-recognized amount of an equity investment includes preferential subscription and similar rights acquired.

Subsequent to initial recognition, financial assets held for trading are carried at fair value without any deduction for transaction costs that may be incurred on sale or other disposal. Changes in fair value are recognized in profit or loss.

1.5. Available-for-sale financial assets

This category includes debt securities and equity instruments that have not been classified in any of the preceding categories.

Upon initial recognition on the balance sheet, these investments are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs. The initially-recognized amount of an equity investment includes preferential subscription and similar rights acquired.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes in fair value are recognized directly in equity until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss previously deferred in equity is taken to the statement of profit or loss. However, foreign exchange gains and losses on monetary assets denominated in foreign currency are recognized in profit or loss.

Equity instruments whose fair value cannot be reliably determined are measured at cost, less any cumulative impairment.

Where preferential subscription or similar rights are sold or separated for the purpose of exercising them, the cost of the rights decreases the carrying amount of the respective assets.

1.6. Hedging derivatives

These are derivatives that qualify for hedge accounting.

Financial instruments that have been designated as hedging instruments or hedged items are measured as described in note 4.j below.

2. Derecognition

Financial assets are derecognized when (i) the contractual rights to the related cash flows have expired; or (ii) when the assets have been transferred, provided that the risks and rewards incidental to ownership have been substantially transferred.

If the Company has neither substantially transferred nor retained the risks and rewards incidental to ownership of the financial asset, it is derecognized when control over the asset is relinquished. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. to the extent of its continuing involvement, recognizing the associated liability as well.

The difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and the carrying amount of the asset transferred, plus any cumulative gain or loss recognized directly in equity, determines the gain or loss generated upon derecognition, and is included in the statement of profit or loss for the year to which it relates.

The Company does not derecognize financial assets in respect of the sale of financial assets in which it has retained substantially the risks and rewards incidental to ownership, such as discounted bills, recourse factoring, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitizations of financial assets in which it retains subordinate financing or other types of guarantees which substantially absorb estimated losses. In those instances, it recognizes a financial liability at an amount equal to the consideration received.

3. Interest and dividend income generated by financial assets

Interest and dividends accrued on financial assets subsequent to their acquisition are recognized as income; specifically, dividends and finance income received from group companies are classified as revenue in the statement of profit or loss. Interest is recognized using the effective interest rate method; dividends are recognized when the right to receive them is established.

To this end, financial assets are recognized separately upon initial measurement based on maturity, accrued explicit interest receivable at that date, and the dividends approved by the competent governing body up to the date the assets are acquired. Explicit interest refers to the contractual interest rate applied to the financial instrument.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because amounts have been distributed which are higher than the profits generated by the investment since acquisition, the difference is accounted for as a deduction in the carrying amount of the investment and not recognized as income.

H) IMPAIRMENT OF FINANCIAL ASSETS

The carrying amount of financial assets is adjusted against profit and loss when there is objective evidence of an impairment loss.

To determine whether its financial assets may be impaired, the Company tests individual assets and portfolios of assets with similar risk traits for impairment.

Debt instruments

There is objective evidence that debt instruments (receivables, loans and debt securities) are impaired when an event has occurred after the initial recognition of the instrument that has an adverse impact on the related estimated future cash flows.

The Company designates debt instruments as impaired assets (doubtful exposures) when there is objective evidence of impairment, which refers basically to the existence of unpaid balances, contractual breaches, refinancing activity and/or other information evidencing the possibility that the total agreed-upon cash flows will not be collected on time, or at all.

For financial assets measured at amortized cost, impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the market rate prevailing upon initial recognition. For financial assets with floating interest rates, the effective interest rate at the reporting date is used.

For trade and other receivables, the Company considers balances past due by more than six months for which collection is uncertain, as well as balances owed by counterparties that have filed for creditor protection, to be doubtful assets.

Market value is used instead of the present value of estimated future cash flows in the case of quoted instruments, provided that this is considered a sufficiently reliable proxy for fair value.

The reversal of an impairment loss is recognized in the statement of profit or loss. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

Equity instruments

There is objective evidence that equity instruments are impaired when one or more events have occurred after initial recognition that indicate that the cost of the investment in equity instruments may not be recovered due to a prolonged or significant decline in their fair value. Specifically, the Company considers that its equity instruments are impaired when their quoted value has decreased by 40% or for 18 months without having recovered their initial value.

In the case of equity instruments measured at fair value and included in the available-for-sale financial asset portfolio, impairment losses are measured at the difference between acquisition cost and fair value, less any previously recognized impairment losses. Unrealized capital losses deferred in equity are recognized immediately in profit or loss whenever it is deemed that such losses reflect a decline in fair value resulting from impairment. In the case of available-for-sale equity instruments, impairment losses give rise to a new cost basis for the impaired asset that provides the benchmark going forward for determining whether the investment has sustained additional permanent impairment and recognizing the related impairment losses. If, in a subsequent period, impairment losses are partially or totally reversed, a valuation adjustment is recognized for the related amount in equity.

In the case of equity instruments measured at cost and included in 'Available-for-sale financial assets' and 'Investments in group companies and associates', impairment loss is measured as the difference between the carrying amount of the financial asset and the recoverable amount, which is the greater of the asset's fair value less costs to sell and the present value of future cash flows derived from the investment. Unless better evidence is available, impairment of this type of asset is estimated based on the investee's equity adjusted for any unrealized capital gains existing on the measurement date. Impairment losses are recognized in the statement of profit or loss and offset directly against the equity instrument.

For investments in group companies and associates, the reversal of an impairment loss is recognized in the statement of profit or loss and is limited to the carrying amount of the investment that would have been recognized on the reversal date had the original impairment not occurred; an impairment loss recognized in previous years on available-for-sale financial assets measured at cost cannot be reversed.

I) FINANCIAL LIABILITIES

1. Classification and measurement

1.1. Debts and payables

These instruments include financial liabilities generated by the purchase of goods and services in the ordinary course of the Company's business and non-trade payables that are not derivative instruments.

Upon initial recognition, they are recognized at fair value, which, barring evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost. Accrued interest is recognized in profit and loss using the effective interest rate method.

Nevertheless, trade payables falling due within one year for which there is no contractual interest rate, as well as called-up payments on shares, payment of which is scheduled in the short term, are carried at their nominal value when the effect of not discounting the cash flows is not material.

1.2. Financial liabilities held for trading:

This category includes financial liabilities issued with the intention of buying them back in the near term and derivative instruments that have not been designated as hedging instruments. These financial assets are recognized and measured using the same criteria as apply to financial assets held for trading.

1.3. Hedging derivatives

These are derivatives that qualify for hedge accounting. Financial instruments that have been designated as hedging instruments or hedged items are measured as described in note 4.j below.

2. Derecognition

The Company derecognizes a financial liability when the obligation under the liability has been extinguished.

When debt instruments are exchanged, insofar as their contractual terms are substantially different, the original financial liability is derecognized and a new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner.

The difference between the fair value of the derecognized financial liability (or part thereof) and the consideration paid, including any attributable transaction costs, and including any asset sold other than cash or any liability assumed, is recognized in profit or loss in the year to which it relates.

When debt instruments are exchanged for other instruments whose contractual terms are not substantially different, the original financial liability is not derecognized and the commissions paid are recognized as a correction to the carrying amount. The new amortized cost of the financial liability is determined by applying the effective interest rate, namely that which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

J) HEDGE ACCOUNTING

The Company typically arranges fair value hedges in respect of its foreign currency-denominated accounts receivable and cash flow hedges on loans arranged at floating rates and also hedges its net investments in its US subsidiaries.

Transactions are only designated as hedges when they effectively eliminate any risk inherent to the hedged item or position throughout the duration of the hedge, which means that the hedging item must be deemed highly effective at the inception of the contract (prospective effectiveness) and there must be sufficient evidence that the hedge has been effective throughout the life of the hedge (retrospective effectiveness).

The Company adequately documents its hedges, including how it is intended to achieve and measure effectiveness under current risk management policies.

To test its hedges for effectiveness, the Company verifies the actual results of the hedge, i.e., that the changes in the cash flows of the hedged item are offset by changes in the cash flows of its hedging instrument within a range of 80% and 125% throughout the life of the hedge, effectively delivering the forecasts established at inception.

If this correlation ceases to hold at any time, hedge accounting is discontinued and the hedges are reclassified as trading derivatives.

For measurement purposes, the Company classifies its hedges into three categories:

- **Fair value hedges:** These arrangements hedge the risk of variations in the fair value of accounts receivable as a result of changes in exchange rates. The changes generated by exchange differences in respect of both the hedging instrument and the hedged item are recognized in profit or loss.
- **Cash flow hedges:** These instruments hedge the risk of variations in cash flows attributable to changes in the interest rates borne on loans taken on. The Company uses interest rate swaps to exchange floating for fixed rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized temporarily in equity; the cumulative gain or loss is reclassified to profit or loss in the year or years in which the hedged transaction affects profit or loss.
- **Hedges of net investments in foreign operations:** These instruments hedge the foreign currency risk associated with the Company's net investments in its US subsidiaries. These hedges take the form of the dollar-denominated loans used to finance the acquisition of these businesses. The exchange gains and losses arising on both the hedging instrument and the US investments are recognized in profit or loss.

K) OWN SHARES

Own shares are recognized at the amount of consideration delivered; they are recognized in equity (as a deduction) when they are acquired, and no gain or loss is recognized in the statement of profit or loss when they are sold or canceled. The costs incurred to trade in own shares are recognized directly in equity as a deduction from reserves.

L) CASH AND CASH EQUIVALENTS

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements that meet the following criteria:

- They are readily convertible to cash
- They mature within less than three months from the acquisition date
- The risk of change in value is insignificant
- They are part of the Company's standard cash management strategy

For cash flow statement purposes, occasional bank overdrafts used as part of the Company's cash management strategy are recognized as a decrease in cash and cash equivalents.

M) GRANTS

Grants are classified as non-repayable once the terms attaching to their award have been met. They are recognized directly in equity, net of the corresponding tax effect.

Repayable grants are recognized as liabilities by the Company until deemed non-repayable; no income is recorded until that point.

Grants received to finance specific expenses are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate. Grants received to acquire property, plant and equipment are released to income in proportion to the related depreciation charges.

N) PROVISIONS AND CONTINGENCIES

Provisions are recognized on the balance sheet when the Company has a present obligation (legal or constructive, explicit or implicit) arising from past events, settlement of which is expected to result in an outflow of resources embodying economic benefits that can be measured reliably.

Provisions are measured at the present value of the best possible estimate of the amount needed to cancel the obligation or transfer it to a third party, recognizing the increase in the carrying amount of the provision due to the passage of time as borrowing cost. Provisions due to be settled within twelve months are not discounted if the impact of not doing so is not material. Provisions are reviewed at each reporting date and adjusted to reflect the best estimate of the liability at each review date.

O) NON-CURRENT EMPLOYEE BENEFIT LIABILITIES

Under its prevailing collective bargaining agreements and other non-binding agreements, the Company is obliged to make annual supplementary payments of various kinds and other bonuses for long service and retirement, where applicable, to its permanent employees upon retirement at the legally stipulated age or early retirement. At present, the Company only has these commitments with some of its current employees.

The provision recognized for long-service bonuses represents the present value, calculated using actuarial studies performed by independent experts, of the potential future payments to these employees.

The post-employment and similar obligations have been externalized as stipulated under prevailing legislation. Since externalizing this obligation, the Company is committed to making annual contributions to the externalized pension fund in an estimated amount that is not material in respect of the universe of employees affected.

In addition, the Company grants its employees certain voluntary retirement bonuses of undetermined amount. Those bonuses, which are scantly material, are recognized as an expense when they are paid.

P) INCOME TAX

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less any applicable tax credits, taking into account changes during the year in recognized deferred tax assets and liabilities. The corresponding tax expense is recognized in the statement of profit or loss, except when it relates to transactions recognized directly in equity, in which case it is likewise recognized in equity, and when it relates to business combinations, in which case it is recognized with a charge or credit to goodwill.

Deferred income tax is recognized using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in ‘Deferred tax assets’ or ‘Deferred tax liabilities’ on the balance sheet, as applicable.

The Company recognizes deferred tax liabilities in respect of all taxable temporary differences, except as stipulated in prevailing legislation.

The Company recognizes deferred tax assets for all deductible temporary differences and the carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, except as disallowed under prevailing legislation.

At each reporting date the Company reassesses recognized and unrecognized deferred taxes. Based on the outcome of that assessment, the Company derecognizes a previously recognized deferred tax asset if its recovery is no longer deemed probable, and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the period in which they reverse, as required by enacted tax laws, and in the manner in which it reasonably expects to recover or settle the deferred tax asset or liability, respectively.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

Q) DISTINCTION BETWEEN CURRENT AND NON-CURRENT

A distinction is made between current and non-current assets and liabilities in the balance sheet. An item is classified as current if it is associated with the Company’s normal operating cycle and its realization, sale or consumption is expected to occur within that cycle; falling beyond this scope, if its realization is expected to occur within twelve months of the reporting period; if it is held primarily for the purpose of trading; or if it is cash or a cash equivalent, so long as its use is not restricted for more than one year.

R) INCOME AND EXPENSE

Revenue and expenses are recognized on an accruals basis, regardless of when actual payment or collection occurs.

Revenue from sales of goods and rendering of services

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any discounts, price reductions or similar promotions the Company may grant, and, where relevant, net of the interest income arising from sales financing granted. Applicable indirect taxes on transactions that are reimbursed by third parties are not included.

Revenue is recognized based on the economic substance of the transaction and only when all of the following prerequisites have been met:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods (regardless of when they are legally transferred).

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

c) The amount of revenue can be measured reliably.

d) It is probable that the economic benefits associated with the transaction will flow to the Company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

S) DISCONTINUED OPERATIONS

The income and expenses of discontinued operations are included in a single line item, net of the corresponding tax effect, under 'Profit/(loss) for the year from discontinued operations, net of income tax'. This heading also includes the after-tax gain or loss recognized upon measuring the assets or disposal groups constituting the discontinued operation at fair value less costs to sell.

T) FOREIGN CURRENCY TRANSACTIONS

The Company's functional and presentational currency is the euro.

Transactions in foreign currency are initially translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the balance sheet date. All exchange gains or losses arising from translation as well as those resulting from settlement of balance sheet items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at historical cost are translated at the exchange rate prevailing on the date of the transaction. As an exception, as indicated in note 4.j above, valuation adjustments deriving from the impact of exchange rate movements on the Company's US subsidiaries are recognized by restating the value of those net investments with a credit or charge in profit or loss.

Non-monetary items measured at fair value are translated at the exchange rate prevailing when fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss is similarly recognized in equity; conversely, when the gain or loss is recognized in profit or loss, any exchange component is recognized in the statement of profit or loss.

U) ENVIRONMENTAL ASSETS AND LIABILITIES

Expenses relating to decontamination and restoration work in contaminated areas, as well as the elimination of waste and other expenses incurred to comply with environmental legislation, are expensed in the year to which they relate, unless they correspond to the purchase of assets for the purpose of long-standing use in its business operations whose main purpose is to minimize environmental damage and/or enhance environmental protection, in which case they are recognized in the corresponding heading within 'Property, plant and equipment' and are depreciated using the same criteria as other assets so classified.

V) TERMINATION BENEFITS

Under prevailing legislation, the Company is obliged to pay severance to employees that are discontinued under certain circumstances. Termination benefits that can be reasonably estimated are recognized as an expense in the year in which the redundancy decision is taken.

X) RELATED-PARTY TRANSACTIONS

The Company conducts all related-party transactions on an arm's length basis. In addition, its transfer prices are duly documented so that the Company's directors do not believe there is a significant risk of related liabilities going forward.

5. Intangible assets

The reconciliation of the carrying amounts of the various items comprising intangible assets at the beginning and the end of 2020 and 2019 is as follows:

CARRYING AMOUNTS	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
Balance at Dec. 31, 2018	5,505	342	**5,847**
Balance at Dec. 31, 2019	4,717	1,277	**5,994**
Balance at Dec. 31, 2020	3,930	1,272	**5,202**

GROSS CARRYING AMOUNTS	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
BALANCE AT DEC. 31, 2018	**13,110**	**2,913**	**16,023**
Business combinations			0
Additions		1,229	1,229
Decreases			0
Translation differences			0
Transfers	(1)	(1)	(2)
BALANCE AT DEC. 31, 2019	**13,109**	**4,141**	**17,250**
Business combinations			0
Additions		341	341
Decreases			0
Translation differences			0
Transfers			0
BALANCE AT DEC. 31, 2020	**13,109**	**4,482**	**17,591**

AMORTIZATION AND IMPAIRMENT CHARGES	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
BALANCE AT DEC. 31, 2018	**(7,605)**	**(2,571)**	**(10,176)**
Business combinations			0
Additions	(787)	(294)	(1,081)
Decreases			0
Translation differences			0
Transfers		1	1
BALANCE AT DEC. 31, 2019	**(8,392)**	**(2,864)**	**(11,256)**
Business combinations			0
Additions	(787)	(347)	(1,134)
Decreases			0
Translation differences			0
Transfers		1	1
BALANCE AT DEC. 31, 2020	**(9,179)**	**(3,210)**	**(12,389)**

At year-end 2020, the Company had patents and trademarks with an original cost of 1,649 thousand euros (year-end 2019: 1,649 thousand euros) and computer software with an original cost of 2,632 thousand euros (year-end 2019: 2,583 thousand euros) still in use that were fully amortized.

None of the Company's intangible assets is located outside Spain other than the Portuguese brand "Saludaes" and the Dutch brand "Lassie", both acquired in 2011. The Company was not party to any firm commitments for the acquisition of intangible assets at either year-end.

There were no major movements in intangible assets in either reporting period.

In 2020, the Company recognized 1,134 thousand euros of amortization charges in respect of these intangible assets (2019: 1,081 thousand euros); it did not recognize any impairment losses on these assets in either reporting period.

Although the Company did not identify potential indications that their carrying amount could exceed their fair value in 2020, it tested the Lassie and Saludaes brands for impairment at both year-ends. The mains assumptions made to test those brands for impairment are detailed next. The recoverable amount of the Company's trademarks and brands was determined by calculating their value in use, using cash flow projections that are based on budgets that cover a five-year horizon and are then projected for another five years. The table below presents the discount rates used to discount those assets' projected cash flows for the initial five-year projection period and the medium- to long-term growth rates used to extrapolate the cash flows for each CGU beyond that horizon:

	PRE-TAX DISCOUNT RATE		POST-TAX DISCOUNT RATE		GROWTH RATE "G"	
	2020	2019	2020	2019	2020	2019
Lassie (Netherlands)	5.20%	5.60%	5.75%	5.30%	1.90%	1.89%
Saludaes (Portugal)	7.50%	7.80%	7.00%	7.30%	1.80%	1.85%

With respect to the assumptions used to calculate these brands' value in use, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to significantly exceed their recoverable amounts, indicating the need to recognize additional impairment losses.

6. Property, plant and equipment

The reconciliation of the carrying amounts of the various items comprising property, plant and equipment at the beginning and the end of 2020 and 2019 is as follows:

CARRYING AMOUNTS					
	LAND	BUILDINGS	PLANT & OTHER PP&E	IN PROGRESS AND PREPAYMENTS	TOTAL
Balance at Dec. 31, 2018	281	0	658	0	**939**
Balance at Dec. 31, 2019	0	0	683	0	**683**
Balance at Dec. 31, 2020	0	0	723	0	**723**

GROSS CARRYING AMOUNTS					
	LAND	BUILDINGS	PLANT & OTHER EQUIPMENT	IN PROGRESS	TOTAL
BALANCE AT DEC. 31, 2018	**281**	**0**	**5,136**	**0**	**5,417**
Additions			299		299
Decreases	(281)		(4)		(285)
Transfers					0
BALANCE AT DEC. 31, 2019	**0**	**0**	**5,431**	**0**	**5,431**
Additions			275		275
Decreases					0
Transfers					0
BALANCE AT DEC. 31, 2020	**0**	**0**	**5,706**	**0**	**5,706**

ACCUMULATED DEPRECIATION					
	LAND	BUILDINGS	PLANT & OTHER EQUIPMENT	IN PROGRESS	TOTAL
BALANCE AT DEC. 31, 2018	**0**	**0**	**(4,478)**	**0**	**(4,478)**
Additions			(274)		(274)
Decreases			4		4
Transfers					0
BALANCE AT DEC. 31, 2019	**0**	**0**	**(4,748)**	**0**	**(4,748)**
Additions			(235)		(235)
Decreases					0
Transfers					0
BALANCE AT DEC. 31, 2020	**0**	**0**	**(4,983)**	**0**	**(4,983)**

There were no significant movements under this heading in 2020. In 2019, the Company sold one property in Teruel, generating a pre-tax gain of 717 thousand euros.

According to the directors' estimates and projections, there are no indications that its property, plant or equipment may be impaired. The Company has taken out insurance policies to cover the carrying amount of its property, plant and equipment. The breakdown at year-end of the original cost of fully-depreciated items of property, plant and equipment still in use is shown in the next table:

	2020	2019
Other fixtures, tools and furniture	2,362	2,361
Other PP&E	2,125	1,695

There were no firm commitments for the acquisition of material amounts of property, plant and equipment at either year-end. No material items of property, plant or equipment are located outside Spain.

OPERATING LEASES

The Company leases its head offices in Madrid under an agreement in force until April 1, 2023, and its Barcelona office under an agreement that terminates on March 1, 2023. The leases are rolled over automatically (tacitly in some cases) if neither party gives termination notice. There are no material contingent payments under these leases. Expenditure under operating leases (including rent and general expenses) totaled 1,087 thousand euros in 2020 (2019: 1,115 thousand euros). The future minimum payments under the Company's non-cancelable operating leases at December 31, 2020 break down as follows:

	12-31-2020	12-31-2019
Within one year	961	958
Between one and five years	935	1,668
More than five years	0	0
	1,896	**2,626**

7. Investment properties

The reconciliation of the carrying amounts of the Company's investment properties at the beginning and the end of 2020 and 2019 is as follows:

CARRYING AMOUNTS			
	LAND	BUILDINGS	TOTAL
Balance at Dec. 31, 2018	7,276	562	**7,838**
Balance at Dec. 31, 2019	7,276	1,267	**8,543**
Balance at Dec. 31, 2020	7,276	1,233	**8,509**

GROSS CARRYING AMOUNTS			
	LAND	BUILDINGS	TOTAL
BALANCE AT DEC. 31, 2018	**7,276**	**920**	**8,196**
Additions		737	737
Decreases		(29)	(29)
BALANCE AT DEC. 31, 2019	**7,276**	**1,628**	**8,904**
Additions			0
Decreases		(32)	(32)
BALANCE AT DEC. 31, 2020	**7,276**	**1,596**	**8,872**

ACCUMULATED DEPRECIATION			
	LAND	BUILDINGS	TOTAL
BALANCE AT DEC. 31, 2018	**0**	**(358)**	**(358)**
Additions		(14)	(14)
Decreases		11	11
BALANCE AT DEC. 31, 2019	**0**	**(361)**	**(361)**
Additions		(15)	(15)
Decreases		13	13
BALANCE AT DEC. 31, 2020	**0**	**(363)**	**(363)**

There were no material movements under this heading in 2020. The most significant movement under this heading in 2019 was the recognition of a property in Portugal, in the amount of 737 thousand euros, as a result of the liquidation of Beira Terrace Soc.de Const., Ltda. (Portugal), whose assets and liabilities were assigned to Ebro Foods, S.A. by way of liquidating dividend. Ebro Foods, S.A. liquidated that subsidiary in December 2019 and its only significant asset was that property in the Portuguese town of Setúbal. In addition, the Company sold a small property in Madrid in 2019, generating a gain of 205 thousand euros.

Except for the Portuguese property, mentioned above, the Company has no investment properties outside of Spain. The original cost of fully-depreciated investment properties still in use was 81 thousand euros at both year-ends. The expenses associated with these properties related to their upkeep and the related depreciation charges. Maintenance expenses totaled 211 thousand euros in 2020 (2019: 221 thousand euros). All expenses are recognized in the statement of profit or loss as accrued. The Company has no contractual obligations to acquire, build on or develop its investment properties or to repair, maintain or upgrade them.

The breakdown of the future minimum payments receivable under non-cancelable operating leases at year-end is as follows:

	YEAR-END 2020	YEAR-END 2019
Within one year	87	86
Between one and five years	0	0
More than five years	0	0
	87	**86**

There are no restrictions on the monetization of the Company's investment properties or any proceeds from their disposal.

8. Non-current investments in group companies and associates

The reconciliation of the carrying amounts of the Company's investments at the beginning and the end of 2020 and 2019 is as follows:

ITEM	BALANCE AT 12-31-2018	INCREASES	DECREASES	TRANSFERS	BALANCE AT 12-31-2019
Equity instruments in group companies	1,594,774	320,071	(28,293)	0	1,886,552
Equity instruments in associates	31,615	0	0	0	31,615
Provision for impairment	(54,174)	(8,000)	8,688	0	(53,486)
	1,572,215	**312,071**	**(19,605)**	**0**	**1,864,681**
Loans to group companies	0	200,000	0	0	200,000
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	**1,572,215**	**512,071**	**(19,605)**	**0**	**2,064,681**

ITEM	BALANCE AT 12-31-2019	INCREASES	DECREASES	TRASPASOS	BALANCE AT 12-31-2020
Equity instruments in group companies	1,886,552	0	(6,626)	0	1,879,926
Equity instruments in associates	31,615	0	0	0	31,615
Provision for impairment	(53,486)	0	5,900	0	(47,586)
	1,864,681	**0**	**(726)**	**0**	**1,863,955**
Loans to group companies	200,000	0	0	0	200,000
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	**2,064,681**	**0**	**(726)**	**0**	**2,063,955**

A) EQUITY INSTRUMENTS IN GROUP COMPANIES:

The main changes in each year are as follows:

2020

1. In 2020, the Company's equity investments in group companies declined by 5,724 thousand euros: The original cost basis of the investment in Riviana Foods Inc. (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

   The corresponding adjustment in 2020 was a decrease of 5,724 thousand euros, which was recognized as a charge in the statement of profit or loss; the accumulated net gain at year-end 2020 stood at 27,812 thousand euros (note 9.2.c).

2. A decrease of 902 thousand euros corresponding to the settlement of the final price paid for the acquisition of the Tilda Group in 2019. As indicated in paragraph 5 below, the price paid in 2019 was before potential adjustments for debt and working capital, which were still being negotiated at year-end 2019 and were ultimately settled in 2020.

2019

3. In 2019, the Company's equity investments in group companies increased by 8,977 thousand euros as follows: The original cost basis of the investment in Riviana Foods Inc. (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

   The corresponding adjustment in 2019 was an increase of 8,977 thousand euros, which was recognized as a gain in the statement of profit or loss; the accumulated net gain at year-end 2019 stood at 33,536 thousand euros.

4. An increase of 4,500 thousand euros due to the acquisition of Ebro Frost ENA, Inc.: This US business, which makes and markets frozen rice and pasta products, was acquired in January 2019. The cost of the investment was 4,500 thousand euros. That investee was originally held indirectly through Ebro Frost Holding, Gmbh (Germany), with a 55% interest, but is now wholly-owned directly by Ebro Foods, S.A.

5. Acquisition of the Tilda Group: On August 28, 2019, under the umbrella of its strategy for becoming a global benchmark in the premium food sector, Ebro Foods, S.A. acquired 100% of the companies and assets encompassing the Tilda business worldwide from Hain Celestial. In total, the Company invested 306,594 thousand euros for 100% of the business (before potential debt and working capital adjustments, which at year-end 2019 were still under negotiation; those adjustments, which were not material, were settled in 2020). The acquisition was financed using a mix of own funds and borrowings.

6. A decrease of 1,500 thousand euros due to the sale of Jiloca Industrial, S.A.: Ebro Foods, S.A. sold this wholly-owned subsidiary, based in Teruel and devoted primarily to making and selling organic and humic manure and improvers, on June 27, 2019. The sale generated a gain (recognized under 'Gains/(losses) on disposals') of 5,690 thousand euros.

7. A decrease of 12,436 thousand euros, as a result of the liquidation of Beira Terrace Soc.de Const., Ltda. (Portugal), whose assets and liabilities were assigned to Ebro Foods, S.A. by way of liquidating dividend. Ebro Foods, S.A. liquidated this wholly-owned subsidiary in December 2019; its only significant asset was a property in the Portuguese town of Setúbal. The liquidation of that that investee prompted the recognition of a gain of 190 thousand euros (under 'Gains/(losses) on disposals').

8. Lastly, a decrease of 14,356 thousand euros due to the following: When the Company acquired the Tilda Group in August 2019 (refer to paragraph 5 above), some of the total investment cost of 306,594 thousand euros, namely 14,356 thousand euros, corresponded to one of the entities acquired, specifically an entity based in the Isle of Man.

   In December 2019, it was decided to embark on the liquidation of that entity in the Isle of Man and before that happened, Ebro Foods, S.A. resold 100% of that company to Tilda Limited of the UK.

B) EQUITY INSTRUMENTS IN ASSOCIATES:

The 31,615 thousand euro investment corresponds to a 40% equity interest in Italy's Riso Scotti S.p.A. In August 2013, the Company acquired 25% of this Italian company from the Scotti Group. In 2016, it increased its shareholding to 40%.

The Scotti Group is an Italian group specialized in the production and processing of rice. It is the leading maker of risotto rice in Italy and boasts a broad portfolio of products that it sells under the Scotti brand in more than 70 markets. This portfolio includes multiple value-added products (rice and soy milk, rice biscuits, rice oils, ready meals, etc.) that represent a modern take on Italian cuisine and are targeted at the premium segment. The Company's 40% interest in the Scotti Group is accounted for as an investment in an associate.

C) NON-CURRENT LOANS TO GROUP COMPANIES:

At December 31, 2020 and 2019, this balance corresponded exclusively to the financing extended to the Company's wholly-owned subsidiary, Panzani, SAS (France). In December 2019, Panzani, SAS declared a dividend payable to its shareholder, Ebro Foods, S.A., of 200 million euros; on that same date it entered into a financing agreement (due December 2022).

D) IMPAIRMENT LOSSES:

The decreases in 2020 relate to adjustments to the impairment losses recognized on the investments in Ebro Germany, Gmbh (Germany) and Geovita Functional Ingredients (Italy).

The increases and decreases in 2019 corresponded to: (i) the derecognition of the 8,668 thousand euro impairment provision recognized against the investment in Beira Terrace Sociedad de Construçoes, Ltda. following its dissolution; and (ii) increases in the impairment losses recognized against the investments in Ebro Frost Ena, Inc. (USA) and Geovita Functional Ingredients (Italy).

The earnings of the group companies indicated in the table at the end of this note correspond in their entirety to continuing operations.

The direct investments held by Ebro Foods, S.A. in group companies and associates at December 31, 2020 (none of the group companies being listed other than Ebro Foods, S.A. itself) are:

SUBSIDIARIES AND ASSOCIATES

	INVESTMENT	IMPAIRMENT LOSSES	% SHAREHOLDING	REGISTERED OFFICE	BUSINESS ACTIVITY	(A) CAPITAL & RESERVES	(A) PROFIT/(LOSS) 2020	DIVIDEND PAID IN 2020	TOTAL EQUITY	OP. PROFIT/ (LOSS)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,778	2	-	7,780	1
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holding	8,012	93	(700)	7,405	124
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	32,551	172	-	32,723	57
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	148,056	(5,108)	(30,000)	112,948	(6,079)
Herba Ricemills S.L	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	206,865	16,056	(9,000)	213,921	22,147
Herba Nutrición S.L	526	-	100.00%	Madrid (Spain)	Production and sale of rice	4,168	3,001	(3,000)	4,169	2
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	-	-	301	3
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (Spain)	Financial and insurance management	156,272	732	-	157,004	(62)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	8,592	333	(87)	8,838	454
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,422	364	(29)	2,757	451
Riviana Foods Inc. (Group) (**)	554,451	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	897,732	106,001	(8)	1,003,725	188,865
Panzani, SAS (Group)	440,838	-	100.00%	Lyon (France)	Production and sale of pasta and sauces	547,323	42,125	-	589,448	73,923
Ebro Foods, Gmbh (Group) (***)	87,078	(28,517)	68.90%	Germany	Production and sale of pasta and sauces	89,500	6,561	-	96,061	125
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	126	(6)	-	120	(8)
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	119,256	13,332	-	132,588	20,669
Geovita Functional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	36,034	840	(299)	36,575	1,319
Ebro Frost ENA, Inc.	4,500	(4,500)	100.00%	Houston (US)	Production and sale of rice and pasta	(885)	(976)	-	(1,861)	(976)
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	281,558	19,813	-	301,371	23,203
Ebro Tilda Private Limited	8,600	-	100.00%	New Delhi (India)	Sale and marketing of rice	8,884	484	-	9,368	1,159
Riso Scotti, S.p.a. (Group)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	83,285	4,500	-	87,785	9,100
TOTAL	**1,911,541**	**(47,586)**						**(43,123)**		

(A) Whenever the subsidiary's name is followed by "(Group)", the figures pertaining to that company's capital, reserves and profit or loss refer to the consolidated figures of that investee and its own subsidiaries and associates before considering dividends paid during the reporting period. In order to present uniform data for the various companies and groups of companies, the capital, reserves and earnings figures are obtained applying the International Financial Reporting Standard adopted by the European Union.

(*) Ebro Foods, S.A. owns 100% of this company, 20% directly and the other 80% indirectly via Herba Foods, S.L.

(**) Ebro Foods, S.A. owns 100% of this company, 84.5% directly and the other 15.5% indirectly via wholly-owned subsidiaries of Riviana.

(***) Ebro Foods, S.A. owns 100% of this company, 68.9% directly and the other 31.1% indirectly via subsidiaries.

The direct investments held by Ebro Foods, S.A. in group companies and associates at December 31, 2019 are itemized below:

SUBSIDIARIES AND ASSOCIATES										
	INVESTMENT	IMPAIRMENT LOSSES	% SHAREHOLDING	REGISTERED OFFICE	BUSINESS ACTIVITY	(A) CAPITAL & RESERVES	(A) PROFIT/(LOSS) 2019	DIVIDEND PAID IN 2016	TOTAL EQUITY	OP. PROFIT/ (LOSS)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,785	(6)	-	7,779	(3)
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holding	7,715	897	(600)	8,012	1,181
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	32,315	237	-	32,552	245
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	114,745	33,311	-	148,056	(21,685)
Herba Ricemills S.L	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	201,283	14,582	(9,000)	206,865	17,919
Herba Nutrición S.L	526	-	100.00%	Madrid (Spain)	Production and sale of rice	4,158	3,010	(3,000)	4,168	14
Jiloca Industrial, S.A.	-	-	-	Teruel (Spain)	Sold in 2019	-	-	-	0	-
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	0	-	301	0
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (Spain)	Financial and insurance management	156,131	144	-	156,275	(91)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	8,383	373	(85)	8,671	483
Beira Terrace Soc. de Const., Ltda.	-	-	-	Porto (Portugal)	Liquidated in 2019	-	-	-	0	-
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,390	322	-	2,712	359
Riviana Foods Inc. (Group) (**)	560,175	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,586,987	81,464	(699,962)	968,489	90,069
Panzani, SAS (Group)	440,838	-	100.00%	Lyon (France)	Production and sale of pasta and sauces	709,012	52,095	(200,000)	561,107	62,532
Ebro Foods, Gmbh (Group) (***)	87,078	(30,917)	68.90%	Germany	Production and sale of pasta and sauces	76,381	5,619	-	82,000	(225)
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	167	(22)	-	145	(21)
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	138,734	8,115	(11,600)	135,249	10,563
Geovita Functional Ingredients	20,000	(3,500)	52.00%	Vercelli (Italy)	Production and sale of pulses	39,244	(2,768)	(156)	36,320	1,365
Ebro Frost ENA, Inc.	4,500	(4,500)	100.00%	Houston (US)	Production and sale of rice and pasta	490	(1,531)	-	(1,041)	(1,500)
Tilda Limited (Tilda)	283,638	-	100.00%	London (UK)	Production and sale of rice	285,354	2,649	-	288,003	4,312
Ebro Tilda Private Limited	8,600	-	100.00%	New Delhi (India)	Sale and marketing of rice	9,181	(49)	-	9,132	87
Riso Scotti, S.p.a. (Group)	31.615	-	40.00%	Milan (Italy)	Production and sale of rice	79,640	3,500	(1,400)	81,740	6,730
TOTAL	**1,918,167**	**(53,486)**						**(925,803)**		

(A) Whenever the subsidiary's name is followed by "(Group)", the figures pertaining to that company's capital, reserves and profit or loss refer to the consolidated figures of that investee and its own subsidiaries and associates before considering dividends paid during the reporting period. In order to present uniform data for the various companies and groups of companies, the capital, reserves and earnings figures are obtained applying the International Financial Reporting Standard adopted by the European Union.

(*) Ebro Foods, S.A. owns 100% of this company, 20% directly and the other 80% indirectly via Herba Foods, S.L.

(**) Ebro Foods, S.A. owns 100% of this company, 84.5% directly and the other 15.5% indirectly via wholly-owned subsidiaries of Riviana.

(***) Ebro Foods, S.A. owns 100% of this company, 68.9% directly and the other 31.1% indirectly via subsidiaries.

9. Financial instruments

9.1 FINANCIAL ASSETS

The breakdown of financial assets, excluding investments in group companies, jointly-controlled entities and associates (note 8), at year-end, is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (ASSETS)

	EQUITY INSTRUMENTS		DEBT SECURITIES		LOANS, RECEIVABLES & DERIVATIVES		TOTAL	
CATEGORY	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Assets at fair value through profit or loss:								
a) Held for trading							0	0
b) Other							0	0
Held-to-maturity investments							0	0
Loans and receivables					200,146	220,216	200,146	220,216
Available-for-sale financial assets:								
a) Measured at fair value	0	0					0	0
b) Measured at cost							0	0
Hedging derivatives							0	0
TOTAL	**0**	**0**	**0**	**0**	**200,146**	**220,216**	**200,146**	**220,216**

CURRENT FINANCIAL INSTRUMENTS (ASSETS)

	EQUITY INSTRUMENTS		DEBT SECURITIES		LOANS, RECEIVABLES & DERIVATIVES		TOTAL	
CATEGORY	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Assets at fair value through profit or loss:								
a) Held for trading							0	0
b) Other					0	0	0	0
Held-to-maturity investments							0	0
Loans and receivables					11,326	9,602	11,326	9,602
Available-for-sale financial assets:								
a) Measured at fair value							0	0
b) Measured at cost							0	0
Hedging derivatives							0	0
TOTAL	**0**	**0**	**0**	**0**	**11,326**	**9,602**	**11,326**	**9,602**

LOANS AND RECEIVABLES

	12-31-20	12-31-19
Non-current financial instruments		
Loans to group companies (notes 8 & 17)	200,000	200,000
Loans to third parties	0	20,070
Long-term deposits	146	146
	200,146	**220,146**
Current financial instruments		
Loans to group companies (notes 8 & 17)	0	27
Trade and other receivables (note 10)	11,326	8,111
Loans to third parties	0	1,464
	11,326	**9,602**
TOTAL	**211,472**	**229,818**

The balance of loans to third parties at year-end 2019 corresponded to the deferred portion of the purchase price for the Nomen brands under the agreement reached in 2012 and amended in 2014, 2017 and 2019. That loan was fully repaid in November 2020 with the Company collecting the sum of 17,300 thousand euros. That definitive settlement gave rise to the recognition of a loss of 4,234 thousand euros, which is included under 'Net finance income/(cost)' in the 2020 statement of profit or loss.

Exchange differences recognized in profit or loss for the year

The exchange differences recognized in profit or loss in 2020 and 2019 for each financial asset category are broken down below:

EXCHANGE DIFFERENCES RECOGNIZED IN PROFIT OR LOSS	LOANS AND RECEIVABLES		EQUITY INSTRUMENTS IN GROUP COMPANIES		LOANS AND PAYABLES		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019
For transactions settled during the year	(2,493)	(793)	0	0	190	(24)	(2,303)	(817)
For transactions pending settlement at year-end	0	0	0	0	3,396	(1,423)	3,396	(1,423)
For foreign exchange hedges	0	0	(5,724)	8,977	5,724	(8,278)	0	699
TOTAL (EXPENSE)/INCOME RECOGNIZED IN PROFIT OR LOSS FOR THE YEAR	**(2,493)**	**(793)**	**(5,724)**	**8,977**	**9,310**	**(9,725)**	**1,093**	**(1,541)**

9.2 FINANCIAL LIABILITIES

The breakdown of the Company's financial liabilities at December 31, 2020 and 2019 is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (LIABILITIES)	BANK BORROWINGS		BONDS AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHER ACCOUNTS PAYABLE		TOTAL	
CATEGORY	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Debts and payables	199,851	204,865			12	12	199,863	204,877
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other					7,650	8,350	7,650	8,350
Hedging derivatives							0	0
TOTAL	**199,851**	**204,865**	**0**	**0**	**7,662**	**8,362**	**207,513**	**213,227**

CURRENT FINANCIAL INSTRUMENTS (LIABILITIES)	BANK BORROWINGS		BONDS AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHER ACCOUNTS PAYABLE		TOTAL	
CATEGORY	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Debts and payables	365,143	143,604			5,338	5,685	370,481	149,289
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other							0	0
Hedging derivatives							0	0
TOTAL	**365,143**	**143,604**	**0**	**0**	**5,338**	**5,685**	**370,481**	**149,289**

A) BANK BORROWINGS Refer to note 13.

B) DERIVATIVES AND OTHER ACCOUNTS PAYABLE

The breakdown of the financial liabilities included in this category is as follows:

(000€)	12-31-20	12-31-19
Non-current		
Derivatives	7,650	8,350
Security deposits	12	12
	7,662	**8,362**
Current		
Trade and other payables	5,338	5,685
	5,338	**5,685**

The non-current derivatives balance includes the value assigned to the derivative contracts indicated below:

- Call-put option over 48% of Santa Rita Harinas, S.L. – the value ascribed to this derivative is 950 thousand euros (year-end 2019: 2,050 thousand euros). When acquiring 52% of this entity, the Company arranged two options with the other shareholder over the remaining 48%, granting the seller a put option (exercisable from August 2019 with no expiry date) and the Ebro Group a call option (exercisable from August 2026 with no expiry date). The acquisition price in the event these options are exercised will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the call or put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.

- Call-put option over 48% of Geovita Functional, S.r.l. – the value ascribed to this derivative is 1,450 thousand euros (year-end 2019: 1,050 thousand euros). When acquiring 52% of that entity, the Company granted the other shareholder a put option over the remaining 48% (exercisable over a 10-year period from July 2021). The acquisition price in the event this option is exercised will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.

- A vendor put option over 48% of the Italian pasta group, Garofalo – the value ascribed to this derivative is 5,250 thousand euros at both reporting dates. When the Company acquired a 52% interest in this entity in 2014, it wrote a put option with the other shareholder over the remaining 48% (exercisable until May 2024) and wrote a call option (exercisable from June 2024 to May 2026). The original agreement was amended in 2019 such that the term of the vendor put option has been extended (until December 31, 2029) and the term of the call option held by the Ebro Group has been extended to 2030 (between January 1 and December 31).

  The price of these options will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. As amended in 2019, the option contractually gives rise to a new financial derivative for the period until the put is exercised, due to the existence of a minimum guaranteed price throughout that period; this derivative contract has been recognized as a non-current financial liability.

C) NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The main objective of the Company's capital management policy is to guarantee a capital structure that complies with prevailing regulations in its Group's operating markets. In addition, its capital management policy is designed to preserve its credit metrics and to maximize shareholder value.

The Company's business activities and operations expose it to financial risks including foreign currency and interest rate risk.

Interest-rate risk: The Company is exposed to changes in market interest rates, mainly on account of its non-current payment obligations arranged at floating rates of interest. Its policy is to manage its borrowing costs by using a mix of fixed and variable rates. The goal is minimize the Company's exposure to this risk factor, to which end it tracks market rate trends exhaustively with the help of external experts.

It arranges interest-rate hedges as deemed necessary under which it agrees to swap, during specific periods, the difference between the amount of fixed and variable interest, calculated on the basis of a notional amount of principal agreed between the parties. These derivative or structured products are designed to hedge the underlying payment obligations.

Foreign currency risk: As a result of the investments made in the US, the carrying amounts of the Company's assets and liabilities are significantly exposed to changes in the USD / EUR exchange rate. The Company attempts to mitigate the impact of this structural exchange-rate risk by denominating its borrowings in US dollars.

Liquidity risk: The Company manages the risk of a shortfall of short-term liquidity with a liquidity planning tool. The tool analyzes the maturity of the Company's financial assets and liabilities in conjunction with its operating cash flow projections.

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group) with which it separately presents consolidated financial statements. This fact should be taken into consideration in assessing the working capital position typical of year-end in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends, among other alternatives.

10. Trade and other receivables

The breakdown of trade and other receivables at year-end 2020 and 2019 is as follows:

(000€)	12-31-20	12-31-19
Trade receivables	124	55
Trade receivables, group companies and associates (note 17)	11,187	8,031
Sundry receivables	8	8
Receivable from employees	7	17
	11,326	**8,111**

Impairment allowances: The 'Trade receivables' balance in the table above is presented net of impairment losses. The Company did not recognize any new impairment losses against its trade receivables in 2020 or 2019. The accumulated balance of impairment allowances was nil at both year-ends.

All of the balances recognized under trade receivables are denominated in euros.

11. Cash and cash equivalents

Cash equivalents are typically bank deposits with a maturity of three months or less at the time of their acquisition.

There are no restrictions on these balances.

12. Capital and reserves

a) **Issued capital:** The Company's share capital consisted of 153,865,392 fully subscribed and paid bearer shares with a par value of 0.60 euros each at both year-ends. The Company's shares are traded on the Spanish stock exchanges. All of its shares belong to the same class and carry identical rights.

The shareholders with direct or indirect interests of more than 3% in the capital of Ebro Foods, S.A. at December 31, 2020 (2019), based on information furnished by the said shareholders to Spain's securities market regulator, the CNMV, and to Ebro Foods, S.A., are as follows:

- Grupo Tradifín, S.L., which directly holds 12,248,809 (12,248,809) shares, representing a 7.961% interest (7.961%).
- Hercalianz Investing Group, S.L., which directly holds 12,977,119 (12,248,809) shares, representing an 8.434% interest (7.961%).
- Sociedad Anónima Damm: indirect holder, via Corporación Económica Damm, S.A., of 17,980,610 (17,980,610) shares, representing an 11.686% (11.686%) interest.
- Sociedad Estatal de Participaciones Industriales: indirect holder, via Alimentos y Aceites, S.A., of 15,940,377 (15,940,377) shares, representing a 10.360% (10.360%) interest.

- Corporación Financiera Alba, S.A., which directly holds 21,546,807 (21,546,807) shares, representing a 14.004% (14.004%) interest.
- Empresas Comerciales e Industriales Valencianas, S.L., which directly holds 12,042,637 (12,042,637) shares, representing a 7.827% (7.827%) interest.
- Mr. José Ignacio Comenge Sánchez-Real, who directly holds 3,030 shares (3,030), representing a 0.002% interest (0.002%), and indirectly holds, through Mendibea 2002, S.L., 8,000,000 shares (7,891,633), representing a 5.199% interest (5.129%). Accordingly, this shareholder directly and indirectly holds 8,003,030 (7,894,663) shares in the Company, giving him a 5.201% (5.131%) interest.
- Artemis Investment Management, LLP, which directly holds a 3.420% interest (4.25%).

b) **Share premium:** The Consolidated Text of the Spanish Corporate Enterprises Act permits the use of the share premium account balance to increase share capital and provides no specific limitation with respect to its availability.

c) **Legal reserve:** The companies that generate a profit are required to earmark 10% of net profit for the year to a legal reserve until such reserve is equivalent to 20% of share capital.

The legal reserve cannot be distributed except in the event of dissolution but it can be used to offset losses insofar as other reserves are not available for this purpose and to increase capital by the amount that exceeds 10% of capital after the increase. The Company had fully endowed its legal reserve at both year-ends.

d) **Voluntary reserves:** This reserve is unrestricted other than the limitations imposed under prevailing company law.

e) **Revaluation reserve, Royal Decree-Law 7/1996:** As a result of the asset restatements made in the past by Sociedad General Azucarera de España, S.A. and Puleva S.A. under the scope of Royal Decree-Law 7/1996 of June 7, 1996, the Company recognized revaluation reserves in the amount of 21,767 thousand euros; in the wake of the amounts derecognized in 2001 following the split-off of the sugar business and in 2003 following the dissolution of A. E. Gestion de Patrimonio, S.L., that balance stands at 3,169 thousand euros (included under other reserves).

It can be used, without accruing taxes, to offset tax losses accumulated in prior, current and future tax periods and for the purpose of increasing share capital. Since April 1, 2007, this balance can be earmarked to unrestricted reserves to the extent that the monetary gain has been realized. The monetary gain is deemed realized in respect of the corresponding depreciation charges recognized or when the restated asset items have been sold or derecognized for accounting purposes. If this balance were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be taxable.

f) **Own shares:** In 2020, the Parent had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 and that granted at the Annual General Meeting held on July 29, 2020 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2020, under the scope of the employee share plan, it bought back 44,884 shares, sold 12,500 and delivered 32,384 own shares to employees. The Company did not hold any own shares at December 31, 2020.

In 2019, the Parent similarly had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2019, the Company bought back 58,000 shares, sold 28,250 and, under the scope of the employee share plan, delivered 29,750 own shares to employees. The Company did not hold any own shares at December 31, 2019.

g) Dividends paid in 2020:

Ordinary dividend - Distribution of the dividends approved at the Annual General Meeting held on July 29, 2020 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2019 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2020 for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share (before withholdings) on April 1, June 30 and October 1, 2020.

Extraordinary dividend - Distribution of the dividend approved at the Extraordinary General Meeting held on December 16, 2020, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 1.94 euros per share (before withholdings), for a total outlay of 298,499 thousand euros. That dividend was paid out in one go on December 28, 2020.

13. Bank borrowings

The breakdown of current and non-current bank borrowings (in thousands of euros) at both year-ends:

	2020	2020	2019	2019
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Bank loans arranged in euros	199,851	365,000	204,865	130,000
Bank loans arranged in US dollars	-	-	-	-
Credit facilities arranged in euros	-	-	-	13,260
Interest accrued but not due	-	143	-	344
TOTAL	**199,851**	**365,143**	**204,865**	**143,604**

The non-current euro-denominated bank borrowings at December 31, 2020 included:

- As a result of arrangements set up in 2019: two new bilateral loans for a total of 50 million euros, repayable in a single bullet payment between March and April 2022 and carrying interest at an average rate of 0.525%.
- Arranged in 2020: (i) a new 3-year bilateral loan in the amount of 125 million euros, payable in a single bullet payment in May 2023, carrying interest at an average rate of 0.50%; and (ii) the rollover in December 2020 of a 25 million-euro loan initially due in March 2021 (whose size has been increased to 35 million euros) and now due in March 2024; that loan also carries interest at an average rate of 0.50%.

The current euro-denominated bank borrowings at December 31, 2020 included:

- Two new bilateral loans, arranged in December 2020, with two banks, one in the amount of 150 million euros and the other in the amount of 85 million euros; they are both due in a single bullet payment in December 2021 and carry interest at an average rate of 0.23%.
- The rest of this heading reflects the classification to current bank borrowings of three bilateral loans totaling 130 million euros: two are due in the first quarter of 2021 in an aggregate amount of 80 million euros, while the third, in the amount of 50 million euros, is due during the last quarter of 2021.

The Company is obliged to comply with a series of covenants, specifically a series of ratios calculated on the basis of the consolidated financial statements of the group of which the Company is the parent, throughout the term of these loans. Any breach of the covenants would increase the related borrowing costs and in some cases would trigger an early repayment requirement. The Company was in compliance with all those covenants at both year-ends.

In addition, at year-end 2020, the Company had arranged and guaranteed credit facilities with an aggregate limit of 35 million euros (year-end 2019: 35 million euros), of which 0 thousand euros (13,260 thousand euros) had been drawn down. The average annual rate of interest on these borrowings, excluding the long-term loans, is 3-month EURIBOR plus a market spread of 0.62% (2019: 0.55%) on average.

In addition, the Company has extended sureties and other guarantees to third parties via banks totaling 163,252 thousand euros at year-end 2020 (444,854 thousand euros at year-end 2019) (note 16).

The maturity schedule for bank borrowings (at December 31, 2020):

Due 2021	365,143 thousand euros
Due 2022	50,000 thousand euros
Due 2023	125,000 thousand euros
Due 2024	24,851 thousand euros

14. Non-current provisions

The reconciliation of the Company's provisions at the beginning and end of 2020 and 2019 is as follows:

NON-CURRENT PROVISIONS (000€)							
	EMPLOYEE BENEFIT OBLIGATIONS			OTHER PROVISIONS FOR CONTINGENCIES			TOTAL
	LONG-SERVICE BONUSES	NON-CURRENT REMUNERATION	TOTAL	BUSINESS SALE REPS & WARRANTIES	TAX ASSESSMENTS	TOTAL	
CLOSING BALANCE: DEC. 31, 2018	**165**	**1,877**	**2,042**	**11,240**	**4,779**	**16,019**	**18,061**
Additions (reversal of provisions)	22	766	788	0	(49)	(49)	739
Amounts used	0	(954)	(954)	0	0	0	(954)
CLOSING BALANCE: DEC. 31, 2019	**187**	**1,689**	**1,876**	**11,240**	**4,730**	**15,970**	**17,846**
Additions (reversal of provisions)	11	1,485	1,496	0	0	0	1,496
Amounts used	0	(720)	(720)	0	0	0	(720)
CLOSING BALANCE: DEC. 31, 2020	**198**	**2,454**	**2,652**	**11,240**	**4,730**	**15,970**	**18,622**

PROVISION FOR CONTINGENCIES – REPS AND WARRANTIES GRANTED IN CONNECTION WITH THE SALES OF THE SUGAR AND DAIRY BUSINESSES

The provisions recognized to cover the outcome of lawsuits related to the sales of the sugar business (sold in 2009) and the dairy business (sold in 2010) correspond to the reps and warranties extended to the buyers of these businesses under which an unfavorable ruling in these lawsuits has the effect of reducing the sale-purchase prices for these business. Additions to this provision (or reversals thereof) imply an adjustment to the sale price and are accordingly recognized as a reduction (or increase) in profit in the year in which they are recognized.

These lawsuits had been substantially resolved by year-end 2013, so that the related provision stood at zero. However, in the course of 2014 a number of smaller-sized disputes came to light. Management determined it was necessary to recognize a provision in respect of certain of these cases in light of the possible outflow of resources in the future.

A new lawsuit was brought in August 2014 when Grupo Lactalis Iberia, S.A. passed the proposed ruling in respect of the disciplinary proceedings initiated by the investigative unit of Spain's anti-trust authority, the CNMC, against Spain's leading dairy transformation companies, including Puleva Food, S.L., in connection with alleged anti-competitive practices between 2003 and 2013, on to Ebro Foods, S.A. Ebro Foods, S.A. sold Puleva Food, S.L. to Grupo Lactalis Iberia, S.A. in 2010; the related share purchase agreement (the "SPA") included a liability regime covering future contingencies. Under that regime, Ebro Foods, S.A., as seller, could be held liable to the buyer for any fine imposed on Puleva Food, S.L. with respect to developments taking place prior to the sale.

The above-mentioned proposed ruling qualified the conduct investigated as a very serious infraction of article 62.4.a) of Spain's Anti-Trust Act and recommended that the Board of the CNMC hand down the fine contemplated in article 63 of that same piece of legislation. Grupo Lactalis Iberia, S.A. and Puleva Food, S.L., in keeping with the procedure agreed upon in the SPA, duly presented statements outlining their pleas against the proposed ruling, categorically denying the conduct charged therein.

The ruling issued by the CNMC's Board on February 26, 2015 was received on March 3, 2015. It handed down a fine against Puleva Food, S.L. of 10,270 thousand euros (the Disciplinary Ruling). Although the Ebro Group believed it had solid arguments for defending its position in these lawsuits, and so stated in the appeal lodged before the Spanish High Court (Audiencia Nacional) in September 2015, the risk of an outflow of resources was deemed probable and a provision was accordingly recognized in the 2014 financial statements.

In a ruling issued on October 25, 2018, the High Court annulled the Disciplinary Ruling on account of formal defects, ordering the rewinding of the procedure corresponding to disciplinary investigation S/0425/12, which originally gave rise to the Disciplinary Ruling, to the moment immediately preceding the procedural infraction that gave rise to the annulment. In keeping with the High Court's ruling, in November 2018, the CNMC agreed and notified Puleva Food, S.L. of the resumption of the disciplinary investigation, specifically the resumption of the pertinent proceedings rewound to immediately prior to April 24, 2014.

In the wake of the resumption, on December 21, 2018, by the CNMC of the disciplinary proceedings, with retroactive effect, the CNMC issued a new disciplinary ruling on July 11, 2019. In that new ruling, the CNMC reiterated its original opinion of the underlying facts and levied a fine in the same amount against Puleva Food, S.L. Therefore, and notwithstanding the fact that the Group believes it has substantive arguments against this new ruling, the Company's directors believe that the provision recognized to cover this lawsuit should be maintained.

Elsewhere and in addition, in 2016, the Group recognized a provision of 2,500 thousand euros to cover the litigation risk associated with the tax assessments signed under protest in 2016 in the wake of an inspection of the Puleva Group in respect of the years during which it still belonged to Ebro's consolidated tax group; the case was still pending ruling at December 31, 2020.

PROVISION FOR CONTINGENCIES – TAX ASSESSMENTS

A tax inspection of the Spanish tax group in respect of 2008 to 2011, both inclusive, concluded in May 2014. All of the assessments were paid (using financial criteria), including those signed under protest (albeit not the related fines). The assessments signed under protest have been appealed.

In addition, the Group signed assessments handed down in connection with the deduction accredited and applied as warranted in relation to the 2008 Volvo Ocean Race under protest. The amount contested, which applies from 2008 to 2010, totals 3,021 thousand euros.

In that case, the liability was not initially provided for as the assessments had been appealed and the likelihood of winning the claim was deemed high due to the precedent set by High Court rulings in favor of other taxpayers that had brought identical cases.

However, in July 2017, the Supreme Court ruled against a taxpayer in a very similar case. Therefore, the risk that the outcome of the proceedings will not favor the tax group was reclassified from remote to probable as it is now expected to possibly entail an outflow of resources. As a result, in 2017, the Group recognized a provision of 3,928 thousand euros to cover this liability. The provision was recognized with a charge against corporate income tax expense in the 2017 income statement.

There were no new developments in the lawsuits related with the tax assessments appealed in relation to the 2008-2011 inspection in 2019. On September 11, 2020, the High Court ruled against the Company's appeal. The Company has since appealed that High Court ruling before the Supreme Court and is currently awaiting a date for presenting its case.

Elsewhere, an inspection of the Spanish tax group for 2012 to 2015, both years included, finished in 2018; as a result, in 2018, the Company recognized 851 thousand euros of provisions in relation to preliminary assessments signed under protest. The definitive assessments for the years covered by that inspection were handed down in 2019 and the Company adjusted its provision accordingly, reducing it by 49 thousand euros.

All of the assessments were already recognized in 2018 for accounting purposes either for payment (those not contested) or as provisions (those contested). The assessments signed under protest have been appealed.

In addition, definitive assessments in the amount of 3,641 thousand euros have been signed under protest in relation to a specific concept with which the Ebro Group is in total disagreement. In this instance, the balance has not been provided for as the assessments have been appealed and the likelihood of winning the claim is deemed very high due to the fact that there are solid arguments and precedent following prior inspections, prompting the directors to classify the probability of an outflow of resources as remote.

There were no new developments in the lawsuits related with the tax assessments appealed in relation to the 2012-2015 inspection in 2020.

PROVISION FOR LONG-SERVICE BONUSES

Some Ebro Foods, S.A. employees are entitled to receive long-service bonuses after 25 to 40 years' service from a fund managed internally by the Company. The provision recognized for long-service bonuses at year-end 2020 in the amount of 198 thousand euros (year-end 2019: 187 thousand euros) represents the present value, calculated using actuarial studies performed by independent experts, of the potential future payments to these employees.

The key assumptions used in the most recent actuarial study with effect as of each reporting date are as follows:

a) A discount rate of 0.0855% (2019: 0.4500%)

b) Wage increases: compound annual growth of 3% (2019: 3%)

c) Mortality and survival tables: PERM/F 2000 tables (new policies)

PROVISION FOR LONG-TERM REMUNERATION TO EXECUTIVES

Refer to note 18. The amounts utilized in 2020 relate to the 2016-2018 remuneration plan, specifically the payments corresponding to year three of that three-year plan. The provisions recognized in 2019 and 2020 correspond to the new 2019-2021 bonus plan to be settled between 2021 and 2023.

15. Tax matters

The breakdown of taxes payable and receivable at year-end is as follows:

(000€)	12-31-20	12-31-19
Current		
Current tax assets	6,183	4,439
Other tax receivables	1,022	790
Current tax liabilities	0	0
Other tax payables	(19,166)	(1,166)
	(11,961)	**4,063**
Non-current		
Deferred tax assets	6,709	6,240
Deferred tax liabilities	(54,202)	(51,724)
	(47,493)	**(45,484)**

Under prevailing legislation, tax returns may not be considered final until either they have been inspected by the tax authorities or until the inspection period has prescribed.

The Company has its books open to inspection since 2016 in respect of all applicable taxes. The Company's directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations in respect of the years open to inspection.

15.1. The tax group that files its return under the consolidated tax regime is made up of: Ebro Foods, S.A. (parent of the tax group), Ebro Financial Corporate Services, S.L., Fincas e Inversiones Ebro, S.A., Dosbio 2010, S.L., Arotz Foods, S.A., Herba Foods, S.L., Herba Ricemills, S.L and its subsidiaries, Herba Nutrición, S.L, Fallera Nutrición, S.L. and Española de I+D, S.A.

15.2. The reconciliation of net income and expense for both reporting periods to taxable income (tax loss) is set forth below:

INCOME TAX (000€)	2020		2019	
	ACCOUNTING	TAX	ACCOUNTING	TAX
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**30,127**	**30,127**	**886,213**	**886,213**
Permanent differences	(43,264)	(43,264)	(923,347)	(923,347)
Tax group tax losses for offset	0	0	34,070	34,070
ACCOUNTING PROFIT ADJUSTED FOR PERMANENT DIFFERENCES	**(13,137)**	**(13,137)**	**(3,064)**	**(3,064)**
Temporary differences		(18,136)		(22,334)
Tax group tax losses for offset		4,062		0
TAXABLE INCOME (TAX LOSS) OF THE COMPANY	**(13,137)**	**(27,211)**	**(3,064)**	**(25,398)**
Tax calculated at statutory rate: 25%	(3,284)	(6,803)	(766)	(6,350)
Tax credits	0	0	0	0
TAX EXPENSE/(INCOME) FOR THE YEAR	**(3,284)**	**(6,803)**	**(766)**	**(6,350)**
Restatement of prior-year's income tax	(222)	0	(214)	0
Tax assessments	0		(75)	
Change in deferred tax assets and liabilities	(828)		0	
TOTAL INCOME TAX: EXPENSE (INCOME)	**(4,334)**	**(6,803)**	**(1,055)**	**(6,350)**

The reconciliation of income tax payable/(refundable) by/to Ebro Foods, S.A. and total income tax payable/(refundable) as a result of application of the consolidated tax regime is provided below:

	2020	2019
Tax payable (refundable) corresponding to Ebro Foods, S.A.	(6,803)	(6,350)
Payments made on account during the year	(1,792)	(4,319)
Tax withholdings	(27)	(60)
Tax refundable pending collection from prior years	(4,363)	(59)
Tax payable (refundable) corresponding to the other companies in the tax group	6,802	6,349
TAX GROUP TAX PAYABLE (RECEIVABLE)	**(6,183)**	**(4,439)**

15.3 The reconciliation of tax expense (income) to the result of multiplying total recognized income and expense, as opposed to profit or loss as per the income statement, by applicable tax rates, is as follows:

STATEMENT OF PROFIT OR LOSS (000€)		
	2020	2019
Profit before tax from continuing operations	30,127	886,213
Statutory tax rate	25%	25%
THEORETICAL TAX EXPENSE	**7,532**	**221,553**
Effect of:		
Non-deductible expenses	1,467	2,113
Non-taxable income	(1,502)	(1,499)
Tax group tax losses for offset	0	8,518
Dividends between tax group companies	(10,675)	(3,150)
Dividends within parent company group	(106)	(228,301)
Deductions and other items	0	0
	(3,284)	**(766)**
Breakdown of tax expense (income)		
Current	(6,803)	(6,350)
Deferred	3,519	5,584
EFFECTIVE TAX EXPENSE (INCOME)	**(3,284)**	**(766)**

15.4 The breakdown of the temporary differences arising at Ebro Foods, S.A. in 2020 and 2019 is as follows:

(000€)	2020	2019
Temporary differences - Additions		
Additions to provision for long-term remuneration obligations	1,637	824
Additions to provision for long-service bonuses	11	22
Reversal of impairment provisions on investments in group companies	1,285	6,612
Amortization of trademarks for tax purposes	394	394
TOTAL ADDITIONS	**3,327**	**7,852**
Temporary differences - Decreases		
Goodwill amortization charges	2,007	2,007
Provisions for long-term remuneration obligations used	721	954
Temporary difference on account of goodwill amortization	18,731	18,731
Reversal of impairment provisions on investments in group companies	0	8,493
Utilization of asset recognized for 30% of depreciation charges not deductible	4	1
TOTAL DECREASES	**21,463**	**30,186**
TOTAL NET ADDITIONS (DECREASES)	**(18,136)**	**(22,334)**

15.5 The breakdown of the permanent differences arising at Ebro Foods, S.A. in 2020 and 2019 is as follows:

(000€)	2020	2019
Permanent differences - Additions		
Additions		
Donations	1,602	424
Addition to impairment provisions on investments in group and other companies	0	8,000
Non-deductible loss on financial assets	4,234	0
Other non-deductible expenses	32	26
TOTAL ADDITIONS	**5,868**	**8,450**
Temporary differences - Decreases		
Adjustments for dividends from tax group subsidiaries	42,700	12,600
Adjustments for dividends from other group companies	423	913,203
Amortization of goodwill for tax purposes	109	109
Reversal of impairment provisions on investments in group companies	5,900	0
Gain on sale of investments in group companies	0	5,690
Liquidation of subsidiaries	0	195
TOTAL DECREASES	**49,132**	**931,797**
TOTAL NET ADDITIONS (DECREASES)	**(43,264)**	**(923,347)**

15.6 Ebro Foods, S.A. did not utilize any tax credits in 2020 as a result of the tax loss generated by the tax group. In 2020, it generated 550 thousand euros of tax credits, mainly corresponding to donations, for utilization in future years, in addition to the 7.4 million euros generated and unused in prior years (mainly deductions generated by the reinvestment of extraordinary gains).

The amounts of proceeds reinvested by the Spanish tax group in prior years entitling it to tax credits were 33.1, 5.0, 115.3, 57.3, 1.5, 16.2, 11.2 and 76.3 million euros between 2006 and 2013, respectively. These reinvestments satisfied all of the requirements for qualifying for the related tax relief.

15.7 A reconciliation of Ebro Foods, S.A.'s deferred tax assets and liabilities is provided below:

	12-31-18	ADDITIONS	AMOUNTS DERECOGNIZED	RESTATEMENTS AND OTHER ADDITIONS/ DERECOGNITIONS	12-31-19	ADDITIONS	AMOUNTS DERECOGNIZED	RESTATEMENTS AND OTHER ADDITIONS/ DERECOGNITIONS	12-31-20
Deferred tax assets									
Goodwill	2,107		(502)		1,605		(502)		1,103
Intangible assets: Trademarks	2,434	98			2,532	98			2,630
Property, plant and equipment: Land	108				108				108
Property, plant and equipment: Depreciation	11				11				11
Long-term remuneration obligations	633	206	(238)		601	409	(180)		830
Provisions for contingencies	310				310				310
Provisions for long-service bonuses	41	6			47	3			50
Impairment provisions: investments in group companies	2,123		(2,123)		0				0
Unused tax losses	1,026				1,026	1,015		(374)	1,667
	8,793	**310**	**(2,863)**	**0**	**6,240**	**1,525**	**(682)**	**(374)**	**6,709**
Deferred tax liabilities									
Amortization of goodwill for tax purposes	(46,070)	(4,683)			(50,753)	(4,683)		1,565	(53,871)
Deferral of gains by tax group	(331)				(331)				(331)
Impairment provisions: investments in group companies	(2,456)		1,653	163	(640)		321	319	0
	(48,857)	**(4,683)**	**1,653**	**163**	**(51,724)**	**(4,683)**	**321**	**1,884**	**(54,202)**
TOTAL DEFERRED TAXES, NET	**(40,064)**	**(4,373)**	**(1,210)**	**163**	**(45,484)**	**(3,158)**	**(361)**	**1,510**	**(47,493)**

16. Guarantees extended

The Company had extended the following guarantees in the form of bank sureties at both reporting dates:

	2020	2019
Guarantees extended via banks		
Provided to courts and other bodies in relation to claims and tax deferrals	20,206	9,937
Provided to third parties to guarantee fulfilment of obligations arising in the ordinary course of business	360	360
Guarantees awarded directly by Ebro Foods, S.A.		
Guarantees given to banks to secure other companies' obligations	142,686	434,557

The guarantees extended to banks to secure other companies' obligations correspond mainly to the guarantees given by Ebro Foods, S.A. to its subsidiaries Ebro India, Ltda. (100%-indirectly owned), Ebro Financial Corporate Services, S.L. (100%-directly owned), Mundiriz, Ltda. (100%-indirectly owned), Herba Bangkok, Ltd (100%-indirectly owned), Pastificio Lucio, S.r.l. (52%-indirectly owned), Panzani, SAS (100%-directly owned) and Riviana Foods, Inc. (100%-directly and indirectly owned) to secure their short- and medium-term credit facilities.

17. Balances with group companies and associates

Note 8 lists Ebro Foods, S.A.'s subsidiaries and associates. Transactions with associates did not result in material balances at either year-end.

The main transactions performed by the Company with group companies and associates in 2020 and 2019 are shown below:

	2020		2019	
	GROUP COMPANIES	ASSOCIATES	GROUP COMPANIES	ASSOCIATES
External services	(1,466)	0	(601)	0
Employee benefits expense	0	0	0	0
Finance costs	(2,285)	0	(12,952)	0
TOTAL PURCHASES AND EXPENSES	**(3,751)**	**0**	**(13,553)**	**0**
Services rendered and other income	8,673	0	8,445	0
Finance income	2,078	0	28	0
Dividend income received	43,123	0	924,403	1,400
TOTAL REVENUE AND INCOME	**53,874**	**0**	**932,876**	**1,400**

The resulting balances between Ebro Foods, S.A. and its group companies and associates at the respective year-ends are as follows:

DECEMBER 31, 2020						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	NON-CURRENT LOANS	DUE FROM COMPANIES	CURRENT LOANS	BALANCES PAYABLE		DUE TO COMPANIES
				NON-CURRENT	CURRENT	
Panzani, SAS	200,000	1,449				
Herba Foods, S.L.		69				
Arotz Foods, S.A.		59		(29,107)		(8)
Ebro de Costa Rica, S.L.				(14,075)		
Ebro Riviana de Guatemala, S.L.				(9,493)		
Herba Ricemills, S.L.		6,007				(12)
Riviana Foods (Group)		2,227		(114,434)		
Ebro Financial Corporate Services, S.L.		244		(203,100)		
Lassie Group (Netherlands)		260				
Fundación Ebro Foods					(300)	
Riso Scotti, S.p.a.						
Other companies (minor balances)	0	872		0		(1)
	200,000	**11,187**	**0**	**(370,209)**	**(300)**	**(21)**

DECEMBER 31, 2019						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	NON-CURRENT LOANS	DUE FROM COMPANIES	CURRENT LOANS	BALANCES PAYABLE		DUE TO COMPANIES
				NON-CURRENT	CURRENT	
Panzani, SAS	200,000	1,233	27			(192)
Herba Foods, S.L.		111				
Arotz Foods, S.A.		86		(28,955)		(10)
Ebro de Costa Rica, S.L.				(16,265)		
Ebro Riviana de Guatemala, S.L.				(10,408)		(45)
Herba Ricemills, S.L.		2,559			(10,000)	(6)
Riviana Foods (Group)		1,339				
Ebro Financial Corporate Services, S.L.		59		(205,100)		
Lassie Group (Netherlands)		229				
Fundación Ebro Foods					(298)	
Riso Scotti, S.p.a.		1,000				
Other companies (minor balances)	0	1,415		0		(66)
	200,000	**8,031**	**27**	**(260,728)**	**(10,298)**	**(319)**

All of the balances are denominated in euros, other than the balances payable to Riviana Foods, Inc. (denominated in US dollars), Ebro de Costa Rica, S.L. (Colones) and Ebro Riviana de Guatemala, S.L. (Quetzales).

The long-term loans payable do not carry any fixed maturity; accordingly, the Company has classified them as non-current as it does not expect to repay them in the short term.

The Company has a current business account arrangement with most of its subsidiaries under which it guarantees coverage of all of their financing needs and, as required, remuneration of their cash surpluses, all of which at market interest rates.

18. Related-party transactions

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Group has not extended or received other guarantees in respect of accounts receivable from or payable to its related parties.

The Company did not write down any receivables due from related parties down for impairment in either reporting period. That assessment is undertaken each financial year by examining the financial situation of the related party and the market in which it operates.

18.1 TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS (OR PARTIES RELATED THERETO) OF EBRO FOODS, S.A. (EXCLUDING DIRECTORS)

Note 12 lists the companies that have a significant equity interest in Ebro Foods, S.A.

Other than dividend payments, there were no transactions between Ebro Foods, S.A. and its significant shareholders (excluding directors, for whom the related disclosures are provided in note 18.2) in either reporting period.

18.2 TRANSACTIONS WITH DIRECTORS AND EXECUTIVES (OR PARTIES RELATED THERETO) OF EBRO FOODS, S.A.

Ebro Foods, S.A. realized the following transactions with one of its directors in 2020 and 2019 outside the scope of the dividend and remuneration transactions disclosed in notes 18.3 and 18.7 (amounts in thousands of euros):

NAME OR COMPANY NAME OF DIRECTOR	RELATIONSHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Antonio Hernández Callejas	Relative	Luis Hernández González	Lease (expense)	42	42
Antonio Hernández Callejas	Company	Cardenal Ilundain 4, SL.	Sale of goods (finished and in-progress)	0	2
Antonio Hernández Callejas	Company	Hergón 96, SL.	Sale of goods (finished and in-progress)	0	2
Antonio Hernández Callejas	Company	Hacienda Las Casetas, SL.	Sale of goods (finished and in-progress)	0	1

18.3 OTHER TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS AND DIRECTORS/EXECUTIVES: DIVIDENDS RECEIVED FROM EBRO FOODS, S.A.

Against the backdrop of the general dividend policy of Ebro Foods, S.A., the following amounts were paid in 2020 (2019) (expressed in thousands of euros):

- Dividends paid to significant shareholders (excluding directors): 58,543 (13,499)
- Dividends paid to directors (and persons related thereto) and executives: 213,717 (46,951)

18.4 TRANSACTIONS WITH OTHER RELATED PARTIES

Ebro Foods, S.A. did not transact with 'other related parties' in 2020.

18.5 OTHER DISCLOSURES

Ebro Foods, S.A. holds a 40% shareholding in Riso Scotti S.p.A. The investment in this associate is accounted for using the equity method.

Riso Scotti S.p.A. is an Italian company whose corporate purpose is analogous to that of Ebro Foods, S.A.

Mr. Antonio Hernández Callejas, Chairman of Ebro Foods, S.A., is a director of Riso Scotti, S.p.A.

The transactions performed between Ebro Foods, S.A. and Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2020 and 2019 (amounts in thousands of euros):

TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Services rendered (income)	3	3
Dividends received (income)	0	1,400

18.6 FIDUCIARY DUTIES: CONFLICTS OF INTEREST AND NON-COMPETE DUTY

All of the directors, including in the case of the legal person directors their natural person representatives, have informed the Company that neither they nor any of their related parties found themselves party to any of the direct or indirect conflicts of interest itemized in article 229 of Spain's Corporate Enterprises Act.

In addition, the directors, and where relevant the natural persons representing them on the Board of Directors of Ebro Foods, S.A., itemized below have informed the Company of the following relationships with entities that carry on an analogous business activity to that constituting Ebro Foods, S.A.'s core business:

- Grupo Tradifín, S.L. holds (i) a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive; and (ii) a 100% interest in Cabher 96, S.L., an entity of which it is the sole director.
- Ms. Blanca Hernández Rodríguez (the natural person who represents Grupo Tradifín, S.L. on the Board of Directors of Ebro Foods, S.A.) holds indirect interests in Instituto Hispánico del Arroz, S.A. and Cabher 96, S.L. through her 33.25% direct shareholding in Grupo Tradifín, S.L., an entity of which she is the chairwoman and chief executive: specifically, indirect shareholdings of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Cabher 96, S.L. She does not hold any positions or duties at the latter two entities.
- Hercalianz Investing Group, S.L. holds a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive.
- Mr. Félix Hernández Callejas (the natural person who represents Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.) holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through his direct shareholding of 28.668% in Hercalianz Investing Group, S.L. He is the vice-chairman and chief executive of Instituto Hispánico del Arroz, S.A.
- Mr. Antonio Hernández Callejas holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through the 28.668% interest he holds directly in Hercalianz Investing Group, S.L. Antonio Hernández Callejas does not hold any position at Instituto Hispánico del Arroz, S.A.

The directors of Ebro Foods, S.A. (or their natural person representatives, as warranted) did not perform any transactions with the Company outside of the ordinary course of its business or other than on an arm's length basis in either reporting period.

The directors have not informed the Company of any direct or indirect potential conflicts of interest between them or their related parties and the Company other than those disclosed in this note.

18.7 DIRECTOR AND EXECUTIVE REMUNERATION

Director remuneration.- The remuneration accrued by the members of the Board of Directors of Ebro Foods, S.A. totaled 6,893 thousand euros in 2020 (2019: 5,682 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2020	2019
Type of remuneration		
Attendance fees	317	322
Fixed remuneration received in their capacity as directors	2,850	2,728
TOTAL DIRECTOR REMUNERATION	**3,167**	**3,050**
Wages, salaries and professional fees	3,726	2,632
Termination and other benefits	0	0
TOTAL EXECUTIVE DIRECTOR REMUNERATION	**3,726**	**2,632**
TOTAL REMUNERATION	**6,893**	**5,682**
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

Article 22 of the Bylaws stipulates that "*The overall remuneration received by the members of the Board of Directors in their capacity as such (i.e., in exchange for their supervisory and other non-executive duties) shall consist of: (i) a fixed annual sum; and (ii) fees for attending the meetings of the Board and its committees. Both the fixed annual sum assigned to the Board of Directors as a whole and the amount of the attendance fees shall be determined by the Company's shareholders in general meeting and remain in effect until such time as their modification is approved. It shall be up to the Board of Directors to distribute the fixed sum determined at the Annual General Meeting in accordance with the positions discharged by each, their membership of the Board's various committees and other objective circumstances the Board of Directors deems opportune to its members each year. It shall be similarly up to the Board of Directors to determine the frequency of such payments.../...*"

With respect to the remuneration of the directors in their capacity as such, at a meeting held on February 25, 2021, the Board of Directors resolved, at the recommendation of its Nomination and Remuneration Committee:

(i) to submit a motion for the payment of the pre-tax sum of 2,850 thousand euros of fixed remuneration in respect of 2020 at the upcoming 2021 Annual General Meeting; and

(ii) to leave pre-tax attendance fees at 1,600 euros per meeting of the Board of Directors and 800 euros per meeting of its various committees.

The individual breakdown of pre-tax director remuneration for 2020 (in thousands of euros) is provided below:

DIRECTOR	FIXED REMUNERATION	ATTENDANCE FEES	FIXED REMUNERATION FOR PERFORMANCE OF EXECUTIVE DUTIES	VARIABLE REMUNERATION FOR PERFORMANCE OF EXECUTIVE DUTIES	TOTAL
Hernández Callejas, Antonio	403	23	1,255	2,471	4,152
Carceller Arce, Demetrio	374	27	0	0	401
Alimentos y Aceites, S.A.	125	19	0	0	144
Barreiro Pérez-Pardo, Belén	158	23	0	0	181
Carceller Arce, María	125	19	0	0	144
Castelló Clemente, Fernando	197	28	0	0	225
Comenge Sánchez-Real, José Ignacio	152	20	0	0	172
Corporación Financiera Alba, S.A.	234	24	0	0	258
Costa García, Mercedes	198	28	0	0	226
Empresas Comerciales e Industriales Valencianas, S.L.	125	19	0	0	144
Fernández Alonso, Javier	130	10	0	0	140
Grupo Tradifín, S.L.	192	28	0	0	220
Hercalianz Investing Group, S.L. (*)	152	20	0	0	172
Zorrero Camas, Pedro Antonio	285	27	0	0	312
TOTAL	**2,850**	**315**	**1,255**	**2,471**	**(**) 6,891**

(*) Hercalianz Investing Group, S.L. has never performed either executive or management duties at Ebro Foods, S.A. or at any subsidiary and therefore has not received any remuneration in this respect. It is categorized as an executive director based on the fact that the natural person representing this entity on the Board of Directors of Ebro Foods, S.A. is an executive and director of several Ebro Group subsidiaries.

(**) Total director remuneration in 2020 amounted to 6,892,656 euros, before tax, which, rounded to thousands of euros comes out at 6,893 thousand. That sum differs from the total provided in the table above as a result of the rounding, to the nearest thousandth, of each director's individual remuneration.

Of the total variable remuneration earned by the Chairman of the Board of Directors for performance of his executive duties in 2020, 596 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2016-2018 Business Plan in respect of 2018, a figure representing 50% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2018 financial statements and paid in 2020.

Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2020, the 2020 financial statements recognize a provision of 1,058 thousand euros in respect of the provisional estimate of the amount corresponding to 2020 under the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Plan, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2022.

These bonus schemes are not tied to Ebro Foods' share price performance and do not entitle their beneficiaries to the receipt of shares or any rights over such shares.

Elsewhere, none of the members of the Board of Directors benefits from complementary life insurance or pension cover. Moreover, the Company has neither extended any form of credit or advances to the members of its Board of Directors nor assumed any obligations on their behalf under guarantees.

Officer remuneration

A total of 11 people were considered officers of Ebro Foods, S.A. year-end 2020 (year-end 2019: 10); in 2020 those executives accrued total remuneration (fixed wages and salaries and annual bonuses) of 2,453 thousand euros (2019: 2,226 thousand euros).

In terms of the disclosures corresponding to officer remuneration provided in this section, note that the amounts shown include the remuneration and dividends received by the officers of Ebro Foods, S.A., "officers" understood to mean the Chief Operating Officer (COO), who is the most senior executive of the Ebro Group after the Executive Chairman, and the professionals in charge of the main departments of Ebro Foods, S.A., irrespective of whether they have a special senior management employment agreement with the Company.

In 2020, the team of officers (excluding the Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the Deferred Annual Bonus Scheme tied to the Group's 2016-2018 Business Plan were paid 125 thousand euros, before tax, corresponding to 2018, a figure representing 50% of the bonuses earned during the three-year scheme that had been provisioned in the 2018 financial statements.

Meanwhile, in relation to the team of officers (excluding the Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan, the 2020 financial statements recognize a provision of 187 thousand euros in respect of the provisional estimate of the amount corresponding to 2020 under the scheme, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That sum will be paid in 2022, in keeping with the plan rules.

Note lastly for the record that Ebro Foods, S.A. has taken out director and officer liability insurance cover; those policies cover all of its subsidiaries up to an annual claims cap of 45 million euros. The policies cost 113 thousand euros in 2020 (56 thousand euros in 2019), are effective until April 30, 2021 and are currently in the process of being renewed.

19. Other disclosures

A) FOREIGN-CURRENCY TRANSACTIONS

The Company usually transacts in euros, other than the dollar-denominated borrowing arrangements described in notes 13 and 17.

B) WORKFORCE STRUCTURE

2020	AT YEAR-END		AVERAGE
	MALE	FEMALE	TOTAL
Executives	8	4	12
Middle management	22	11	33
Clerical staff	6	7	13
	36	**22**	**58**

As required under article 260 of the Corporate Enterprises Act, the Company hereby discloses that the average number of people employed during the year with a disability of a severity of 33% or higher was one (man) - in the ‘Clerical staff’ category - in both reporting periods.

2019			
	AT YEAR-END		AVERAGE
	MALE	FEMALE	TOTAL
Executives	7	3	10
Middle management	21	11	32
Clerical staff	7	9	16
	35	**23**	**58**

C) AUDIT FEES

The fees paid for account auditing and other services to the Company’s auditor, Ernst & Young, S.L., and entities related to the latter by means of control, joint ownership or joint management, in 2020 and 2019 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2020 amounted to 239 (2019: 245) thousand euros; those corresponding to other assurance services amounted to 81 (2019: 82) thousand euros.
- The fees for tax advisory and and/other services totaled 46 (2019: 37) thousand euros.

D) ENVIRONMENTAL DISCLOSURES

The activities carried on by the various Ebro Foods Group companies require investments to manage and control their environmental risks.

Investments that increase the capacity of their facilities and machinery are capitalized and depreciated on a straight-line basis over their estimated useful life. Ebro Foods, S.A., in its capacity as the Group’s holding company, does not directly undertake this effort; rather its Group companies make and incur the required environmental investments and expenditure.

The work performed on this front in recent years has been very broad but has focused above all on ensuring adequate control of wastewater discharges, combustion gas and dust emissions and inert solid and organic waste and rubbish generation.

The Company’s directors believe there are no significant environmental protection or enhancement contingencies and therefore, have not deemed it necessary to record any related provisions.

E) DISCLOSURES REGARDING AVERAGE SUPPLIER PAYMENT TERMS

The Company paid its suppliers at 24 days on average in 2020 (2019: 28 days).

	2020	2019
Days		
Average supplier payment term	24	24
Paid transactions ratio	24	24
Outstanding transactions ratio	33	28
Amount (000€)		
Total payments made	**8,996**	**11,075**
Total payments outstanding	**349**	**373**

The 2020 figures in the table above do not include the sum of 2,850 (2019: 2,372) thousand euros invoiced by an IT system provider as its invoices took 82 (220) days to formally approve and document such that the payment was delayed by those 82 (220) days.

F) For the purposes of compliance with the obligation stipulated in article 42 bis of Regulation 1065/2007, of July 27, 2007, enacting the general regulations governing tax management and inspections and establishing common procedural rules in respect of tax matters, and in keeping with the terms of article 4.b of the said article, there follows a list of the accounts with foreign financial institutions held by non-resident subsidiaries:

COMPANY	A/C ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2020 (EUROS)	AVERAGE BALANCE 4Q20 (EUROS)	% INTEREST	CURR.
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Rome	Italy	April 13	247,704.84	1,453,762.18	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	August 06	16,772.65	16,772.65	100%	USD
Ebro Riviana Guatemala SL	Other	INDLGTGCXXX	0011100015	Banco Industrial Guatemala	Guatemala City	Guatemala	August 06	349.61	350.42	100%	GTQ
	Other	INDLGTGCXXX	0000683771	Banco Industrial Guatemala	Guatemala City	Guatemala	August 06	5,393.46	7,887.85	100%	USD
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	August 11	270,057.17	279,377.17	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	August 11	23,733	23,733	100%	USD
Mundiriz	Other	BMCEMAMCXXX	011735000012100060709.11	BMCE Bank	Larache	Morocco	2001	15,632,650.8	12,129,585.14	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	459,343.81	203,942.71	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	1,244.43	1,244.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	450,209.23	340,302.69	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	March 18	1,313,859.08	1,522,966.78	100%	MAD

COMPANY	A/C ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2020 (EUROS)	AVERAGE BALANCE 4Q20 (EUROS)	% INTEREST	CURR.
Agromeruan	Other	BMCEMAMCXXX	0117350000012100006819.79	BMCE Bank	Larache	Morocco	2007	129,674.12	1926903,16	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	0117350000012100060728.51	BMCE Bank	Larache	Morocco	2002	180,259.2	194,382.75	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	February 17	744,611.13	771,029.96	100%	MAD
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	October 12	1,437.3	6,492.69	100%	EGP
	IBAN	CITIEGCX	EG460043000200000000101445119	CITIBANK	Cairo	Egypt	October 12	0	0	100%	EUR
	IBAN	CITIEGCX	EG740043000200000000101445003	CITIBANK	Cairo	Egypt	October 12	0	0	100%	USD
	IBAN	BCBIEGCX	EG940034001200000000010006217	Attijariwafa bank Egypt	Cairo	Egypt	October 12	848.86	1,588.86	100%	EGP

20. Events after the reporting period

There have been no significant events or developments between the end of the reporting period and the date of authorizing the accompanying financial statements for issue.

Ebro Foods, S,A,

MANAGEMENT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2020

1. Company situation

Ebro Foods S.A. is the parent of the Ebro Foods Group, Spain's largest food group. Through its subsidiaries, it commands a presence in the rice and pasta markets in Europe and North America, as well as a growing presence in other countries.

As a holding company, its overriding objective is to lead, coordinate and foster the development of the Group it heads up, whose strategy is articulated around the provision of healthy food solutions to consumers that enable it to differentiate its brands by means of innovation and new product and format development.

The Ebro Foods Group articulates its management around business segments that combine business activities and their geographic location. Its key business lines are the production and distribution of pasta and rice and their culinary derivatives and accompaniments. Geographically, it is structured into four major regions: the Americas, Spain, Europe & RoW.

Decision-making is spearheaded by the Board of Directors, which is ultimately responsible for defining the Company's general strategy and management guidelines. The Board delegates certain tasks in its Executive Committee, including, notably, monitoring and oversight of delivery of the strategic and corporate development guidelines, while the Management Committee, on which the heads of the various business areas are represented, is tasked with monitoring and preparing the decisions taken at the Group business management level.

The Annual Corporate Governance Report contains detailed information on the Group's ownership and governance structure.

The Management Report accompanying the consolidated financial statements provides detailed coverage of key trends in and the performance of the various segments and businesses that comprise the Ebro Food Group in 2020.

2. Business and earnings performance of Ebro Foods, S.A.

Ebro Foods, S.A.'s key sources of revenue are the dividends paid by its subsidiaries, the services it provides to these subsidiaries and certain real estate transactions. Its expenditure relates mainly to staff costs and the financial cost of the borrowings taken on in its capacity as parent of the Ebro Foods Group. In addition, depending on developments with respect to the value of its investments in its subsidiaries, it recognizes and reverses impairment provisions on its portfolio of investees as required. Recurring expenditure was flat year-on-year.

Operating profit amounted to 29,903 thousand euros in 2020, compared to 908,860 thousand in 2019. The variation is attributable to a decline in the dividends received from subsidiaries (note 8) as well as higher performance-based employee benefits expense, partially offset by lower expenditure on external services in connection with corporate transactions (in 2020 those expenses were borne by the subsidiaries undertaking the transactions in question).

Net finance income amounted to 224 thousand euros, compared to a net finance cost of 22,647 thousand in 2019. The difference is basically attributable to the decline in finance costs due to lower average interest-bearing liabilities (which dipped at the end of 2019, which is when the Company collected dividends from its subsidiaries, and peaked at year-end 2020 on account of the extraordinary dividend payment). The change in the fair value of the derivatives outlined in note 9 also had a positive impact.

Profit after tax accordingly amounted to 34,461 thousand euros, compared to 887,268 thousand euros in 2019.

The most significant developments last year related to its activity as parent of the Ebro Foods Group were the following:

KEY INVESTMENTS AND EXITS CONCLUDED BY THE GROUP

Note 8 to the financial statements lists Ebro Foods, S.A.'s direct investments in group companies and associates. The main transactions coordinated by Ebro Foods, S.A. in 2020:

Sale of the dry pasta business in Canada

At the end of October 2020, the Ebro Group, through its indirectly-owned Canadian subsidiary, Catelli Foods Corporation, agreed the sale of the 'Catelli' dry pasta business in Canada to Barilla G.eR. Fratelli S.p.A. The business sold encompasses the Catelli, Lancia and Spledor trademarks and the factory in Montreal (Québec).

The business sold was valued for the purpose of the transaction at 165 million Canadian dollars (the value of 100% of the business, before potential debt and working capital adjustments). The transaction is not expected to generate a significant gain for the Ebro Group. Execution of the transaction was subject to performance of the opportune requirements for Canadian anti-trust purposes and other standard closing conditions.

On January 29, 2021, once those conditions had been met, the the transaction closed: the proceeds were collected and the business was delivered to the buyer.

The Ebro Group will continue to have a presence in the Canadian market through several brands: Garofalo (dry pasta), Olivieri (fresh pasta and sauces) and Minute Rice and Tilda (rice). Following that disposal, the Ebro Group plans to center its resources in the Canadian market on the premium segment, offering higher value-added and more profitable products.

Sale of part of the dry pasta business in the US

In early November 2020, the Ebro Group, through its US subsidiary, Riviana, agreed the sale of certain assets from its US dry pasta and noodles business to American Italian Pasta Company (a TreeHouse Foods, Inc. company). The business sold encompasses a number of the Ebro Group's American dry pasta and noodle brands and the factory in St. Louis.

The assets sold were valued for the purpose of the transaction at 242.5 million US dollars (the value of 100% of the business, before potential debt and working capital adjustments). Execution of the transaction was subject to performance of the various steps required before the US anti-trust authorities as well as other standard closing conditions. On December 11, 2020, once those closing conditions had been met, the transaction closed: the proceeds were collected, the business was delivered to the buyer and the transaction was accounted for. The transaction generated an after-tax gain of 28 million euros for the Ebro Group.

In the wake of the disposal, the Ebro Group continues to boast a very strong presence in the North American market through its dry and fresh pasta businesses (Garofalo and Bertagni), frozen products (Ebrofrost) and rice and other value-added products (Carolina, Mahatma, Minute, Success, Tilda and RiceSelect). The rest of the dry pasta business in the US, essentially the Ronzoni brand and the Winchester factory, is expected to be sold in 2021.

There were no other significant changes in the Group's scope of consolidation during the reporting period.

3. Non-financial information

The non-financial statement required under Spanish Law 11/2018 (of December 28, 2018) on non-financial and diversity reporting is included in the Management Report accompanying the consolidated financial statements.

4. Employee and environmental disclosures

HUMAN CAPITAL

Ebro Food's ultimate objective on the labor front is to foster mutually-beneficial labor relations, by making its employees feel vested in the organization, encouraging their career development, promoting equal opportunities and taking a zero-tolerance stance on discrimination and facilitating, in a nutshell, a tranquil workplace climate and legal compliance.

Each of the Group companies is governed by the labor legislation prevailing in the countries in which it does business. In addition, the bigger subsidiaries have formulated their own human resource policies that regulate relations between their management and employees. Above all of these policies, and notwithstanding the terms of the collective bargaining agreements of the various companies comprising the Ebro Foods Group, there is a corporate Code of Conduct designed not only to ensure the ethical and responsible conduct of the professionals of all Ebro Foods Group companies on the job but also to serve as a guide for defining employment policies and safeguards, workplace health and safety policy, training issues and the principles for guaranteeing the absence of discrimination and the promotion of diversity and equality in hiring decisions.

The key staff disclosures are provided in note 19.b of the accompanying financial statements.

ENVIRONMENTAL DISCLOSURES

Although the Company's business activities do not imply environmental consequences per se, one of Ebro Foods's basic management commitments is to provide its subsidiaries with the tools and measures needed to strike an optimal balance between their business activities and environmental protection. Refer to note 19.d to the financial statements for additional information.

5. Liquidity and financing

Ebro Foods, S.A. manages the Group's financing requirements in respect of strategic matters such as dividend policy and the Group's organic growth. To this end it relies on the cash generated by its subsidiaries which act as guarantors on the long-term loans taken on to facilitate this role.

The Management Report accompanying the consolidated financial statements provides an in-depth overview of the Group's liquidity and financial position.

6. Business risk management targets and policies

Ebro Foods, in its capacity as the parent of a group of companies, is indirectly exposed to risks affecting its subsidiaries via the valuation of its investment portfolio and the amount of dividends it receives from them. The business activities performed by the Ebro Foods Group companies are carried out it an environment shaped by exogenous factors that could influence their business and financial performances.

Those risks are mainly environmental, business, financial, borrowings, labor and technology related. The risks and the measures taken to identify, manage and mitigate them are described in detail in both the Management Report accompanying the consolidated financial statements and in the Group's Annual Corporate Governance Report.

Due to its particular relevance this year, it is important to single out the risks derived from the COVID-19 pandemic, the implications of which are outlined in note 2 of the accompanying financial statements.

On the basis of the main risks identified each year, management assesses the instruments in place for mitigating them and the main associated processes and controls.

FINANCIAL RISK MANAGEMENT AND USE OF FINANCIAL INSTRUMENTS

The main financial instruments used are bank loans, bank overdraft facilities, cash and short-term deposits. The overriding goal of using these instruments is to expand the sources of financing available to the Group.

In the past, the Company has written derivatives to hedge interest and exchange rate risk. It is Company policy not to use financial instruments for speculative purposes.

The main risks arising from the financial instruments used are credit risk, cash flow interest rate risk, liquidity risk and foreign currency risk.

The Board of Directors reviews and establishes the policies put in place for managing each of these risks, while the Finance Department identifies and manages them with a view to minimizing or ring-fencing their potential impact on the Group's performance.

Credit risk

Ebro Foods, S.A.'s exposure to credit risk is not significantly concentrated. Moreover, it deposits its cash and arranges its financial instruments with highly solvent and creditworthy financial institutions.

Cash flow interest rate risk

The Company is exposed to changes in market interest rates, mainly on account of its non-current payment obligations arranged at floating rates of interest.

The policy deployed to minimize this risk is to combine floating and fixed rates and to strive to achieve a well-balanced debt structure so as to reduce borrowing costs while containing volatility. To this end it tracks interest rate trends with the help of external experts. Whenever deemed necessary, Ebro Foods, S.A. arranges interest rate derivatives.

Foreign currency risk

Exposure to foreign currency risk is intrinsic to the Company's role as a holding company which invests in group companies whose functional currency is not the euro. Its ability to recover the carrying amounts of its investments depends on the ability to generate cash flows from them. At the reporting date, it was most exposed to the pound sterling and the US dollar.

Foreign currency risk also arises from the purchases and sales made by the various subsidiaries in currencies other than the functional currency. In those instances, the subsidiaries themselves arrange their own forward contracts or other exchange rate hedges, in keeping with Group policy.

Liquidity risk

Ebro Foods, S.A.'s objective is to maintain a balance between continuity of funding and flexibility through the use of renewable credit facilities, bank loans and short-term deposits.

7. Events after the reporting period

There have been no significant events or developments between the end of the reporting period and the date of authorizing this management report for issue.

8. Business outlook

Ebro Foods' earnings performance going forward will depend on the dividends received from its subsidiaries, the gains recognized on properties deemed non-core and the finance costs incurred on the debt taken on to finance its assets.

The Company's directors believe that the dividends declared by its subsidiaries will be sufficient to enable Ebro Foods to fund an adequate shareholder remuneration policy.

9. R&D

R&D initiatives are shaped by the subsidiaries' strategic initiatives (the reader is referred to the Management Report accompanying the consolidated financial statements).

10. Own share transactions

In 2020, the Parent had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 and that granted at the Annual General Meeting held on July 29, 2020 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2020, under the scope of the employee share plan, it bought back 44,884 shares, sold 12,500 and delivered 32,384 own shares to employees. The Company did not hold any own shares at December 31, 2020.

11. Other relevant disclosures

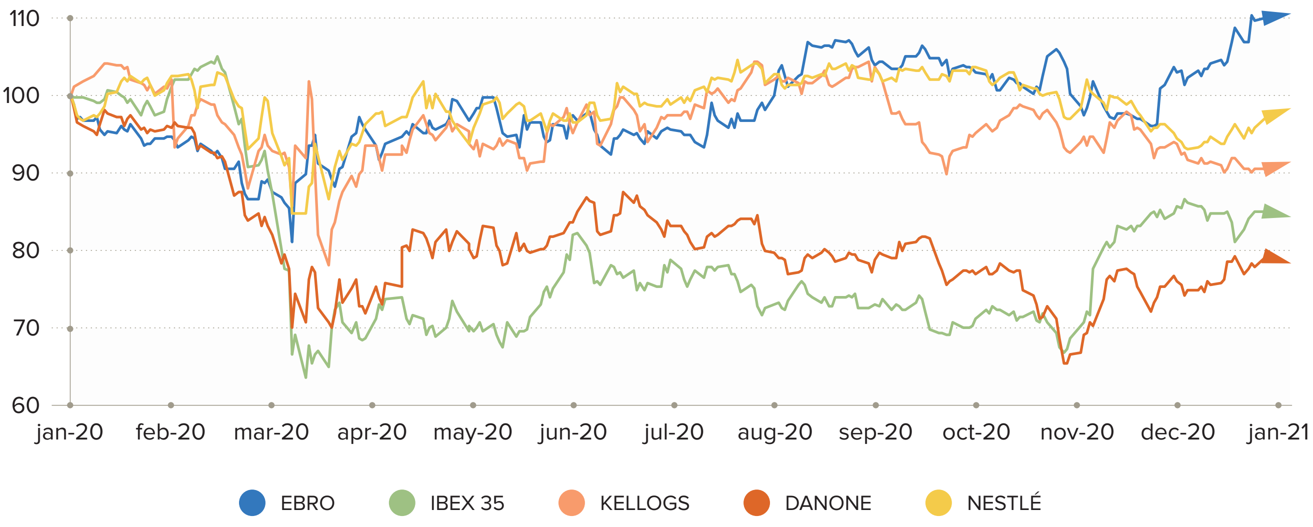
AVERAGE PAYMENT PERIOD

The Company paid its suppliers at 24 days on average in 2020.

	2020	2019
Days		
Average supplier payment term	24	24
Paid transactions ratio	24	24
Outstanding transactions ratio	33	28
Amount (000€)		
Total payments made	**8,996**	**11,075**
Total payments outstanding	**349**	**373**

SHARE PRICE PERFORMANCE

SHARE PRICE PERFORMANCE LTM



DIVIDEND DISTRIBUTION

Ordinary dividend

Distribution of the dividends approved at the Annual General Meeting held on July 29, 2020 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2019 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2020 for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share on April 1, June 30 and October 1, 2020.

Extraordinary dividend

Distribution of the dividend approved at the Extraordinary General Meeting held on December 16, 2020, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 1.94 euros per share (before withholdings), for a total outlay of 298,499 thousand euros. That dividend was paid out in one go on December 28, 2020.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

DETAILS OF ISSUER

Year Ended: 31/12/2020

Tax Registration Number: A47412333

Name:

EBRO FOODS, S.A.

Registered Office:

PASEO DE LA CASTELLANA 20 - 3rd AND 4th FLOORS - 28046 MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company:

Date latest modification	Capital (€)	Number of shares	Number of voting rights
11/06/2002	92,319,235.20	153,865,392	153,865,392

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. Give details on the direct and indirect holders of significant interests in your company at year-end, excluding directors:

Name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		Interest / total voting rights (%)
	Direct	Indirect	Direct	Indirect	
SOCIEDAD ANÓNIMA DAMM	0.00	11.69	0.00	0.00	11.69
CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	0.00	0.00	11.69
ARTEMIS INVESTMENT MANAGEMENT LLP	0.00	3.42	0.00	0.00	3.42
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	0.00	10.36	0.00	0.00	10.36

Details of indirect holdings:

Name of indirect holder	Name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	Interest / total voting rights (%)
SOCIEDAD ANÓNIMA DAMM	CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	11.69
ARTEMIS INVESTMENT MANAGEMENT LLP	ARTEMIS INVESTMENT MANAGEMENT LLP	3.42	0.00	3.42
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	ALIMENTOS Y ACEITES, S.A.	10.36	0.00	10.36

Indicate the principal movements in the shareholding structure during the year:

A.3. Complete the following tables on board members with voting rights in the company:

Name of director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
BELÉN BARREIRO PÉREZ- PARDO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEMETRIO CARCELLER ARCE	0.01	0.08	0.00	0.00	0.09	0.00	0.00
ANTONIO HERNÁNDEZ CALLEJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PEDRO ANTONIO ZORRERO CAMAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	1.50	0.00	0.00
MARÍA CARCELLER ARCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MERCEDES COSTA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSE IGNACIO COMENGE SÁNCHEZ- REAL	0.00	5.20	0.00	0.00	5.20	0.00	0.00
CORPORACIÓN FINANCIERA ALBA, S.A.	14.00	0.00	0.00	0.00	14.00	0.00	0.00
ALIMENTOS Y ACEITES, S.A.	10.36	0.00	0.00	0.00	10.36	0.00	0.00
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	0.00	0.00	0.00	7.83	0.00	0.00
GRUPO TRADIFÍN, S.L.	7.96	0.00	0.00	0.00	7.96	4.26	0.00
HERCALIANZ INVESTING GROUP, S.L.	8.43	0.00	0.00	0.00	8.43	1.82	0.00

Total % of voting rights held by board members	55.38

Details of indirect holdings:

Name of director	Name of direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights	% voting rights that may be transferred through financial instruments
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	0.08	0.00	0.08	0.00
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	5.20	0.00	5.20	0.00

A.4. Indicate family, commercial, contractual or corporate relationships among significant shareholders known to the company, if any, save any that are insignificant or deriving from ordinary commercial business, except those reported in A.6:

Name of related party	Type of relationship	Brief description
SOCIEDAD ANÓNIMA DAMM, CORPORACIÓN ECONÓMICA DELTA, S.A.	Corporate	Sociedad Anónima Damm holds a direct interest of 99.99% in Corporación Económica Delta, S.A.
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES, ALIMENTOS Y ACEITES, S.A.	Corporate	Sociedad Estatal de Participaciones Industriales holds a direct interest of 91.96% in Alimentos y Aceites, S.A.

A.5. Describe the commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:

Name of related party	Type of relationship	Brief description
SOCIEDAD ANÓNIMA DAMM	Commercial	During 2020, Herba Ricemills, S.L.U. (a subsidiary of the Ebro Foods Group) entered into different commercial transactions with subsidiaries of the significant shareholder Sociedad Anónima Damm, for the sale of rice and rice by-products on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.
GRUPO TRADIFÍN, S.L.	Commercial	During 2020, several subsidiaries of the Ebro Foods Group entered into commercial transactions (mainly purchases and sales of rice) on arm's length terms with the significant shareholder and director Grupo Tradifín, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.

Name of related party	Type of relationship	Brief description
GRUPO TRADIFÍN, S.L.	Contractual	During 2020, several subsidiaries of the Ebro Foods Group entered into contractual transactions (mainly services rendered and received) on arm's length terms with the significant shareholder and director Grupo Tradifín, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2020, several subsidiaries of the Ebro Foods Group entered into commercial transactions (mainly purchases and sales of rice) on arm's length terms with the significant shareholder and director Grupo Hercalianz Investing Group, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2020, several subsidiaries of the Ebro Foods Group entered into contractual transactions (mainly services rendered and received) on arm's length terms with the significant shareholder and director Grupo Hercalianz Investing Group, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.

A.6. Describe the relationships, save any that are insignificant for both parties, between the significant shareholders or those represented on the board and the directors, or their representatives in the case of corporate directors.

Explain how the significant shareholders are represented, where appropriate. Indicate specifically any directors appointed on behalf of significant shareholders, those whose appointments have been promoted by significant shareholders or who are related to significant shareholders and/or companies in their respective groups, specifying the nature of those relationships. In particular, indicate the existence, identity and office of board members or representatives of directors of the listed company, if any, who are also directors or representatives of directors in companies holding significant interests in the listed company or in companies of its group:

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	Demetrio Carceller Arce was appointed director of Ebro Foods, S.A. at the proposal of the significant shareholder Corporación Económica Delta, S.A., in which Sociedad Anónima Damm has a direct interest of 99.998%. Mr Carceller Arce has an indirect interest in Corporación Económica Delta, S.A. through Sociedad Anónima Damm, in which he has a 0.89% interest (0.004% direct and 0.886% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm and Chairman of the Board of Corporación Económica Delta, S.A.
JAVIER GÓMEZ-TRENOR VERGÉS	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Javier Gómez-Trenor Vergés has an indirect interest of 12.586% in Empresas Comerciales e Industriales Valencianas, S.L. through the direct interest of 50.415% he has in Inversiones Caspatró, S.L., which in turn has a direct interest of 24.964% in Empresas Comerciales e Industriales Valencianas, S.L. Inversiones Caspatró, S.L. is a director of Empresas Comerciales e Industriales Valencianas, S.L. Javier Gómez-Trenor Vergés represents Cultivos Valencia, S.L., which is Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L.
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	GRUPO TRADIFÍN, S.L.	GRUPO TRADIFÍN, S.L.	Blanca Hernández Rodríguez has a direct interest of 33.25% in Grupo Tradifín, S.L. She is Chairman and Managing Director of that company.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
ANTONIO HERNÁNDEZ CALLEJAS	HERCALIANZ INVESTING GROUP, S.L.	HERCALIANZ INVESTING GROUP, S.L.	Antonio Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L. He does not hold any office in that company.
FÉLIX HERNÁNDEZ CALLEJAS	HERCALIANZ INVESTING GROUP, S.L.	HERCALIANZ INVESTING GROUP, S.L.	Félix Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L. He is Joint and Several Director of that company.
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	María Carceller Arce was appointed director of Ebro Foods, S.A. at the proposal of the significant shareholder Corporación Económica Delta, S.A., in which Sociedad Anónima Damm has a direct interest of 99.998%. Ms Carceller Arce has a 0.05% interest in Corporación Económica Delta, S.A. and represents the director Seegrund BV on the Board of Directors of Corporación Económica Delta, S.A. and Sociedad Anónima Damm.
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso was appointed director at the proposal of Corporación Financiera Alba, S.A., with which he has an employment relationship. He is General Manager of that company.
ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	Sociedad Estatal de Participaciones Industriales has a direct interest of 91.9625% in Alimentos y Aceites, S.A.
TOMÁS HEVIA ARMENGOL	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Tomás Hevia Armengol has an employment relationship with Corporación Financiera Alba, S.A.. He is a member of the Investment Department.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	MENDIBEA 2002, S.L.	José Ignacio Comenge Sánchez-Real has an indirect interest of 73% in Mendibea 2002, S.L. which is the direct holder of the significant indirect interest held by Mr Comenge Sánchez-Real in Ebro Foods, S.A. He is the Sole Director of Mendibea 2002, S.L.
MARÍA JESÚS GARRIDO SOLÍS	ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	María Jesús Garrido Solís was appointed proprietary director at the proposal of Sociedad Estatal de Participaciones Industriales on the Boards of several of its investees. She is also Deputy Director of Investee Companies of Sociedad Estatal de Participaciones Industriales. She does not hold any office in Alimentos y Aceites, S.A.

Hercalianz Investing Group, S.L., Grupo Tradifín, S.L., Corporación Financiera Alba, S.A., Alimentos y Aceites, S.A., Empresas Comerciales e Industriales Valencianas, S.L. and José Ignacio Comenge-Sánchez Real are directors and significant shareholders of Ebro Foods, S.A. See section A.3 of this report.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it pursuant to sections 530 and 531 of the Corporate Enterprises Act. If any, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate and describe any concerted actions among company shareholders of which the company is aware:

[ ] Yes
[√] No

Expressly indicate any change or break-up of those agreements or concerted actions, if any, that has taken place during the year:

N/A

A.8. Indicate any individuals or entities that exercise or may exercise control over the company in pursuance of section 5 of the Securities Market Act and identify it/them if appropriate:

[ ] Yes

[√] No

A.9. Complete the following tables on the company's treasury stock:

At year-end:

Number of direct shares	Number of indirect shares (*)	Treasury stock/capital (%)
		0.00

(*) Through:

Name of direct holder of the interest	Number of direct shares
No details	

A.10. Indicate the term and conditions of the authorisation granted by the general meeting to the board to issue, buy or sell own shares:

The Annual General Meeting of Shareholders held on first call on 29 July 2020, under item twelve on the agenda, resolved to authorise the Board of Directors to buy back own shares and reduce the Company's capital and to authorise subsidiaries to acquire shares in the parent company, by purchase or on any other payment basis, subject to the limits and other requisites stipulated in law.

a. Conditions of the authorisation

To authorise the Board of Directors, with the power to delegate, to buy back shares in Ebro Foods, S.A., directly or through its subsidiaries, by purchase, swap or under any other title and on one or several occasions, on the terms and conditions established in sections 146 et seq and sections 509 et seq of the Corporate Enterprises Act, and the following conditions:

- The par value of the shares purchased directly or indirectly, together with those already held by the Company or its subsidiaries, shall not exceed 10% of the subscribed capital.

- The buy-back, when added to the shares previously acquired by the Company, or any person acting in their own name but on behalf of the Company, and held as treasury stock, shall not have the effect of reducing equity to below the amount of the capital plus the legal or restricted statutory reserves. For this purpose, equity shall be the amount considered as such according to the principles for drawing up the annual accounts, less the amount of gains attributed directly thereto, plus the amount of uncalled subscribed capital and the par value and share premium of the subscribed capital recognised in liabilities.

- The shares thus acquired shall be fully paid up.

- The cap and floor values for buy-back shall be the market value of the shares on an official secondary market at the date of buy-back and a value equivalent to the par value of the own equity instruments acquired, respectively.

b. Contents of the authorisation

- To authorise the Board, by direct resolution or delegation to the Executive Committee, or by delegation to such person or persons as the Board of Directors may authorise for this purpose, to buy back own shares to hold them in its treasury stock, dispose of them or, as the case may be, put a motion to the General Meeting for their redemption, within the legal limits and complying with the conditions established in this resolution. This authorisation is also extended to the possibility of buying back own shares for delivery, on one or several occasions, to the Company or group employees, directly or following exercise of their stock option rights, pursuant to section 146.1(a), third paragraph, of the Corporate Enterprises Act.

The authorisation is also extended to acquisitions of shares in Ebro Foods, S.A. by its subsidiaries.

- To authorise the Board of Directors to reduce the capital in order to redeem the own equity instruments purchased by the Company or other companies in its group against the capital (for their par value) and unrestricted reserves (for the cost of the acquisition in excess of that par value), by such amounts as it may deem fit from time to time and up to the maximum own shares held at any time.

- To delegate to the board to implement the foregoing resolution to reduce the capital, which it may do on one or several occasions or declare it null and void, within a period not exceeding 5 years from the date of this General Meeting, taking such actions for this purpose as may be necessary or required by law.

The Board of Directors is especially authorised so that it may, within the times and limits indicated in this resolution, proceed to: (i) make or declare void the reduction of capital, naming if appropriate the specific date(s) of the transactions, taking account of any internal or external factors that may influence this decision; (ii) specify in each case the amount by which the capital is reduced; (iii) determine the destination of the amount of the reduction of capital; (iv) in each case adjust Articles 6 ("Capital") and 7 ("Shares") of the Articles of Association to reflect each new amount of capital and new number of shares; (v) apply in each case for delisting of the redeemed shares; and (vi) in general adopt such resolutions as may be considered necessary for redemption and the consequent reduction of capital, designating who is to put it on record.

c. Term of the authorisation

The authorisation contemplated in this resolution is granted for a maximum of five years from the date of the General Meeting (29 June 2020) and covers all transactions in own equity instrument made hereunder, without requiring reiteration for each acquisition made. It also covers any provisions or earmarking of reserves made in accordance with the Corporate Enterprise Act.

The resolutions adopted at the Annual General Meeting on 29 July 2020 on treasury stock, reduction of capital and delegation to the Board rendered void, to the extent that they had not been used, those adopted on the same issues at the General Meeting of 3 June 2015 and at the date of this report they are still in force, not having been revoked.

A.11. Estimated free float:

	%
Estimated free float	29.51

A.12. Indicate any constraints (statutory, legal or other) on the transferability of shares and/or any restrictions on voting rights. In particular, indicate the existence of any constraint or limitation that may hamper takeover of the company through the acquisition of its shares on the market, and any authorisations or prior notifications of acquisitions or transfers of the company's financial instruments required by sector laws and regulations.

[ ] Yes
[√] No

A.13. Indicate whether the general meeting has resolved to apply the breakthrough rule against a takeover bid, under Act 6/2007.

[ ] Yes
[√] No

If yes, explain the measures approved and the terms on which the restrictions will become ineffective:

A.14. State whether the company has issued any shares that are not traded on an EU regulated market:

[ ] Yes
[√] No

If appropriate, indicate the different classes of shares and the rights and obligations conferred for each class:

B. GENERAL MEETING

B.1. Indicate whether there are any differences between the quorums established for general meetings and the minimums stipulated in the Corporate Enterprises Act and, if any, explain:

[ ] Yes
[√] No

B.2. Indicate whether there are any differences in respect of the system stipulated in the Corporate Enterprises Act for adopting corporate resolutions and, if any, explain:

[ ] Yes
[√] No

B.3. Indicate the rules for alteration of the company's articles of association. In particular, indicate the majorities stipulated for altering the articles of association and the rules, if any, protecting shareholders' rights in any alteration of the articles.

Ebro Foods, S.A. has not established any requirements for altering the Articles of Association other than those stipulated in the Corporate Enterprises Act.

B.4. Give details of attendance of general meetings held during the year of this report and the two previous years:

	Details of attendance				
Date of general meeting	% in person	% by proxy	% distance voting		Total
			Electronic vote	Others	
05/06/2018	39.94	27.94	0.00	11.16	79.04
Of which free float	0.19	15.91	0.00	0.80	16.90
01/06/2019	29.12	51.48	0.01	0.10	80.71
Of which free float	0.17	15.37	0.01	0.10	15.65
29/06/2020	10.37	70.55	0.01	0.10	81.03
Of which free float	0.00	14.16	0.01	0.10	14.27
16/12/2020	0.00	69.58	0.01	10.36	79.95
Of which free float	0.00	2.73	0.01	10.36	13.10

With regard to the figures set out in this section B.4, it should be borne in mind that the general meetings held in 2020 were exclusively online owing to the Covid-19 pandemic.

B.5. State whether there have been any items on the agenda for the general meetings held during the year that was not approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. Are any restrictions established in the articles of association requiring a minimum number of shares to attend general meetings or for distance voting?

[ ] Yes

[√] No

B.7. State whether certain decisions other than those established by law, involving an acquisition, disposal, transfer of essential assets to another company or other similar corporate operations must be laid before the general meeting of shareholders for approval:

[ ] Yes
[√] No

B.8. Indicate the address and access to the company's website and where to find information on corporate governance and other information on general meetings that must be made available to shareholders through the company's website:

The corporate website of Ebro Foods (http://www.ebrofoods.es/en/) is set up as a vehicle of information, continuously and permanently updated for shareholders, investors and markets in general.

In this respect, the home page includes a specific section called "Information for shareholders and investors", which contains all the information required under the applicable legal provisions.

Pursuant to current legislation, this section includes the chapter on Corporate Governance at the following address:
http://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/regulations-of-the-general-meeting/

That section includes all the information that the Company makes available to shareholders for general meetings, specifically at the following URLs:

- http://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-meeting-of-shareholders-exercise-of-the-right-to-information/
- https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/extraordinary-general-shareholders-meeting-december-2020/, which is the direct link to the Extraordinary General Meeting of Shareholders held on 16 December 2020; and
- https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-meeting-of-shareholders-exercise-of-the-right-to-information/general-shareholders-meeting/, which is the link to the Annual General Meeting of Shareholders held on 29 July 2020.
-

Furthermore, since the general meetings held in 2020 were exclusively online, the company enabled the corresponding link on the corporate website to the live broadcast of those general meetings. The links to the live broadcast of each of the general meetings (annual and extraordinary) were maintained on the website throughout their duration.

The 'Corporate Governance' section is structured in the following sub-sections:

- Regulations of the General Meeting
- General Meeting of Shareholders: exercise of the right to information
- Extraordinary General Shareholders' Meeting - December 2020 (this sub-section always refers to the latest general meeting held, whether annual or extraordinary)
- Board of Directors
- Regulations of the Board
- Annual Corporate Governance Report
- Remuneration of Directors
- Board Committees
- Internal Code of Market Conduct
- Shareholders' Forum

The contents of this section are structured and hierarchical, with a concise, explanatory title, to permit rapid, direct access to each section in accordance with legal recommendations, at less than three clicks from the home page.

All these sections have been designed and prepared according to the principle of easy access, aiming to enable fast location and download of the required information.

The corporate website offers all the information in this section in Spanish and English.

C. MANAGEMENT STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 State the maximum and minimum numbers of directors stipulated in the articles of association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by general meeting	14

C.1.2 Give details of the board members:

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
BELÉN BARREIRO PÉREZ-PARDO		Independent	DIRECTOR	25/01/2017	01/06/2017	RESOLUTION PASSED AT AGM
DEMETRIO CARCELLER ARCE		Proprietary	VICE-CHAIRMAN	01/06/2010	16/12/2020	RESOLUTION PASSED AT AGM
ANTONIO HERNÁNDEZ CALLEJAS		Executive	CHAIRMAN	24/01/2002	05/06/2018	RESOLUTION PASSED AT AGM
PEDRO ANTONIO ZORRERO CAMAS		Independent	DIRECTOR	13/12/2018	04/06/2019	RESOLUTION PASSED BY BOARD
FERNANDO CASTELLÓ CLEMENTE		Independent	DIRECTOR	29/05/2012	05/06/2018	RESOLUTION PASSED AT AGM
MARÍA CARCELLER ARCE		Proprietary	DIRECTOR	21/03/2018	16/12/2020	RESOLUTION PASSED AT AGM
MERCEDES COSTA GARCÍA		Independent	LEAD INDEPENDENT DIRECTOR	27/07/2016	01/06/2017	RESOLUTION PASSED AT AGM

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
JOSE IGNACIO COMENGE SÁNCHEZ-REAL		Proprietary	DIRECTOR	29/05/2012	16/12/2020	RESOLUTION PASSED AT AGM
CORPORACIÓN FINANCIERA ALBA, S.A.	TOMÁS HEVIA ARMENGOL	Proprietary	DIRECTOR	31/01/2018	16/12/2020	RESOLUTION PASSED AT AGM
ALIMENTOS Y ACEITES, S.A.	MARÍA JESÚS GARRIDO SOLÍS	Proprietary	DIRECTOR	23/07/2004	16/12/2020	RESOLUTION PASSED AT AGM
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	JAVIER GÓMEZ-TRENOR VERGÉS	Proprietary	DIRECTOR	18/12/2013	16/12/2020	RESOLUTION PASSED AT AGM
GRUPO TRADIFÍN, S.L.	MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Proprietary	DIRECTOR	21/12/2016	16/12/2020	RESOLUTION PASSED AT AGM
HERCALIANZ INVESTING GROUP, S.L.	FÉLIX HERNÁNDEZ CALLEJAS	Executive	DIRECTOR	21/12/2016	16/12/2020	RESOLUTION PASSED AT AGM
JAVIER FERNÁNDEZ ALONSO		Proprietary	DIRECTOR	29/07/2020	16/12/2020	RESOLUTION PASSED AT AGM

Total number of directors	14

Indicate any retirements from the board during the reporting period, through resignation or whatsoever other circumstance:

Name of director	Category of director at time of retirement	Date of last appointment	Date of retirement	Specialist committees of which the director was a member	State whether retirement occurred before end of term of office
No details					

C.1.3 Complete the following tables with the details and types of the board members:

EXECUTIVE DIRECTORS		
Name of director	Position in company's organisation	Profile
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	Antonio Hernández Callejas was born in Tudela (Navarre). He has a degree in Economics from the University of Seville and a diploma in Law. He began his career in 1979 in Arrocerías Herba, a rice producer founded by the Hernández family. In 2002 he was appointed Director, Vice-Chairman and member of the Executive Committee of Ebro Foods, S.A. and since then he has been a key figure in Ebro's transformation and international expansion. In 2004 he was appointed CEO of the Company and in 2005 he became Executive Chairman of the Ebro Group. Under his leadership, the Ebro Group has become number one in the rice sector and second world producer of pasta, operating in more than 70 countries in Europe, America, Africa and Asia, with a portfolio of over 70 brands. Over the course of his professional career, he has received numerous prizes and awards, such as the "Dinero" Business Awards for the best business management, Officer of the National Order of Merit of the Republic of France, Prize awarded by the Social Council of the University of Seville and the Seville Business Confederation (CES) for his Outstanding Business Career, the Gold Medal of the city of Seville, the Joly Group Farming Innovation Award and the Manuel Clavero Award. He speaks English, French and Italian.
HERCALIANZ INVESTING GROUP, S.L.	Executive and director in several Group companies	Félix Hernández Callejas (representative of the director Hercalianz Investing Group, S.L.) was born in Tudela (Navarre). He has a Law degree and extensive experience in the rice and food industry in general. He has held several executive positions and directorships in different rice companies and is currently an executive of a subsidiary in the Ebro Group and director of several group companies. See the Explanatory Note Two in section H of this report listing the Ebro Group companies in which Félix Hernández Callejas is a director.

Total number of executive directors	2
% of board	14.29

With regard to the classification of Hercalianz Investing Group, S.L. as Executive Director, this director:

(i) does not perform executive or management duties in Ebro Foods, S.A. or in any Group subsidiary, so receives no remuneration as such;

(ii) has been classified as executive director on the grounds that its representative on the Board of Directors of Ebro Foods, S.A. is an executive and director of several Group subsidiaries;

(iii) holds office as a director because it is a significant shareholder of the Company, with an interest of 8.434%.

Hercalianz Investing Group, S.L. will continue to be a director of Ebro Foods, S.A. as long as it is a significant shareholder, regardless of who is its representative and the executive position that said representative may have within the Group.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	Demetrio Carceller Arce was born in Madrid. He has a degree in Business Administration from the Private Financial Studies University 'Colegio Universitario de Estudios Financieros' (CUNEF) of Universidad Complutense de Madrid. He subsequently did an MBA at Duke University (Fuqua School of Business), an American business school in which he is on the Board of Visitors. He is Executive Chairman of Sociedad Anónima Damm and Chairman of Corporación Económica Delta, SA. and DISA Corporación Petrolífera, S.A. He is also Vice-Chairman and member of the Executive Committee of Sacyr, S.A. and Director of Freixenet ('cava' producers). In 2019, he was elected Chairman of Cerveceros de España (Spanish Brewers Association). He also chairs the Board of Trustees of the Damm Foundation.
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	María Carceller Arce was born in Madrid. She has a degree in Business Studies from the European Business School, specialising in marketing and international business, and has a postgraduate degree from IESE (Management Development Programme PDD-C). She has over 20 years' experience in national and international companies in the food and drink sector. She has been on the Food and Drink Advisory Board of the IESE Business School since 2001 and Managing Director of Grupo Rodilla since 2012. Before joining the Grupo Rodilla, she held different management positions in Pepsico and McDonald's, receiving the President Award, among others. She had previously been Manager of the Commercial and Marketing areas in different prestigious companies in the sector, such as Yoplait and Bodegas y Bebidas, S.A. She is bilingual Spanish-German and also speaks English.
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	José Ignacio Comenge Sánchez-Real was born in San Sebastián. He is an Economist and has a degree in International Banking. He has a lengthy track record in business management and administration in companies operating in different areas of the Spanish economy, including the financial, insurance, beverages and renewable energy sectors. He has been an executive and director in different financial and insurance entities, such as Banco Hispano Americano, Mutua Madrileña and Axa Winterthur, among others. He is Chairman of Ball Beverage Packaging Iberica S.L. and Arbitraje&Inversiones S.L. and Director of ENCE Energía y Celulosa, S.A., CVNE, S.A. (Compañía Vinícola Nacional de España), Olive Partners, S.A., Barbosa&Almeida, S.A. Grupo Apex (Aperitivos y Extrusionados, S.A.U.) and Coca-Cola European Partners.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Tomás Hevia Armengol (representative of the director Corporación Financiera Alba, S.A.) was born in Mieres (Asturias). He has a degree in Business Management & Administration and Law from Comillas Pontifical University (Universidad Pontificia Comillas) in Madrid (ICADE). He also has an MBA from the IESE Business School of Navarre University. He is a member of the Investment Department of Corporación Financiera Alba. He previously worked in the Mergers & Acquisitions and Equity Capital Markets Departments of Royal Bank of Scotland and ABN AMRO in Madrid and in London. He is currently a director and member of the Executive Committee of Acerinox and a member of the Investment Committee of Parques Reunidos. He has been on the boards of Clínica Baviera, ACS Servicios y Concesiones, Dragados and Antevenio. He speaks English.
ALIMENTOS Y ACEITES, S.A.	ALIMENTOS Y ACEITES, S.A.	María Jesús Garrido Solís (representative of the director Alimentos y Aceites, S.A.) was born in Madrid. She has a BA in Business Studies and Law E-3 ICADE, MBA-Business Administration, Master in Taxation from the Postgraduate Institute of Universidad Pontificia Comillas and 'Programa Promociona' organised by ESADE. She has a lengthy track record in business administration, management and control within the government institutions and as a lecturer of public management, financial management and management control in bilingual groups and tutor directing degree projects, among other positions, at Universidad Carlos III in Madrid. She is a proprietary director representing Sociedad Estatal de Participaciones Industriales (SEPI) on several boards of directors. At present, she is proprietary director and Deputy Director of the Investees Department at SEPI. She speaks English and French.
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Javier Gómez-Trenor Vergés (representative of the director Empresas Comerciales e Industriales Valencianas, S.L.) was born in Barcelona. He has a degree in Economics and Business Studies from the University of Valencia. He has a lengthy track record in the business sector, as executive and director of numerous companies in the beverages, agricultural, livestock and concentrated juice sectors. He is currently the representative of the corporate Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L. and the corporate Vice-Chairman of the Board of Olive Partners S.A., he is Chairman of the Board of Inversiones Caspatró, S.L. and is on the boards of several financial investment, property and agricultural companies.
GRUPO TRADIFÍN, S.L.	GRUPO TRADIFÍN, S.L.	Blanca Hernández Rodríguez (representative of the director Grupo Tradifín, S.L.) was born in Seville. She has a degree in Economics and Business Studies from the University of Seville, a degree in Humanities from the European University of Madrid and a Master of Finance from CUNEF. She has extensive experience in the financial sector. She is Founder and Managing Director of Magallanes Value Investors, S.A., S.G.I.I.C. and Director of PharmaMar, S.A. She is on the Board of Trustees of Proyecto Hombre and the Capacis Foundation and chairs the Ebro Foods Foundation.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso was born in Bilbao. He has a degree in Business Management and Administration from Deusto University (La Comercial), specialising in Finance and graduating Cum Laude. With extensive experience in business management and administration, he is Investment Manager in Corporación Financiera Alba, S.A. He is also on the Boards of Directors of Euskaltel, S.A., Rioja Acquisition, S.à.r.L., Artá Capital S.G.E.I.C., S.A. and Deyá Capital IV S.C.R., S.A. and on the Investment Committee of Artá Capital, among other responsibilities. He has been on the boards of several companies including, among others, Acerinox, S.A., Actividades de Construcción y Servicios, S.A. and Parques Reunidos Servicios Centrales, S.A. He speaks English.

Total number of proprietary directors	8
% of board	57.14

NON-EXECUTIVE INDEPENDENT DIRECTORS	
Name of director	Profile
BELÉN BARREIRO PÉREZ- PARDO	Belén Barreiro Pérez-Pardo was born in Madrid. She has a PhD in Political Science, Sociology and Social Anthropology from the Autonomous University of Madrid and a Master in Social Science from the Juan March Institute of Studies and Research. With over 20 years' experience, she is dedicated to the scientific analysis of society and counselling on public opinion research. She has published several books and academic articles and is a visiting lecturer for different university courses. She is on the Advisory Board of the Spanish Association of Foundations and on the Economic Affairs Advisory Board of the Ministry of Economic Affairs and Digital Transformation, and is CEO and founding member of 40dB., a social and market research agency.
PEDRO ANTONIO ZORRERO CAMAS	Pedro Antonio Zorrero Camas was born in Seville. He graduated as Agricultural Engineer from the University of Almería, and as Technical Agricultural Engineer from the University of Seville. Civil servant in the regional government of Andalusia, as a specialist Agricultural Engineer. He has a lengthy track record within the public sector in the fields of audit, control and management of European funds. In the private sector, he has extensive experience in agricultural engineering, having designed several technical projects in the agricultural sector and worked as engineering consultant and adviser at different farms to promote intensive farming and extensive stockbreeding.
FERNANDO CASTELLÓ CLEMENTE	Fernando Castelló Clemente was born in Mollerusa (Lleida). He is an Industrial Engineer and has an MBA from IESE. He has held several important executive and management positions in companies operating in the dairy sector and in distribution in the food sector. He is on the Boards of several companies in the wine sector and others engaged in alternative energies and construction.

MERCEDES COSTA GARCÍA	Mercedes Costa García was born in Lleida. She has a Law degree from the Central University of Barcelona and LL.M. from IE Law School. She has extensive professional experience as a commercial lawyer in the law firm of José Mario Armero, and as a lecturer and researcher of the entire negotiation process. She is currently Manager of the Negotiation and Mediation Centre and negotiation lecturer in the Master Programmes, Advanced Courses and Executive Education Programmes at IE Business School in Madrid, both on-site and online, Manager of the Negotiate Forum and member of the Good Governance Centre at IE Business School.

Total number of independent directors	4
% of board	28.57

State whether any director qualified as independent receives from the company or any other company in its group any sum or gain other than directors' emoluments, or has or has had a business relationship with the company or any other company in its group during the past year, in their own name or as significant shareholder, director or senior executive of a company which has or has had such a relationship.

If appropriate, include a reasoned statement by the board explaining why it considers that the director in question can perform their duties as an independent director.

Name of director	Description of the relationship	Reasoned statement
BELÉN BARREIRO PÉREZ-PARDO	N/A	N/A
PEDRO ANTONIO ZORRERO CAMAS	N/A	N/A
FERNANDO CASTELLÓ CLEMENTE	N/A	N/A
MERCEDES COSTA GARCÍA	N/A	N/A

OTHER NON-EXECUTIVE DIRECTORS			
Name any other non-executive directors and explain why they cannot be considered proprietary or independent directors and their relationships, with the company or its executives or with the shareholders:			
Name of director	Reasons	Company, executive or shareholder with which it is related	Profile
No details			

Total number of other non-executive directors	N/A
% of board	N/A

Indicate any variations during the year in the type of each director:

Name of director	Date of change	Previous category	Current category
No details			

C.1.4 Complete the following table with details of the number of female directors over the past 4 years and the type of female directors:

	Number of female directors				Female directors / total directors of each type (%)			
	2020	2019	2018	2017	2019	2018	2017	2016
Executive					0.00	0.00	0.00	0.00
Proprietary	3	3	3	3	37.50	42.86	42.86	50.00
Independent	2	2	2	2	50.00	50.00	50.00	50.00
Other non-executive					0.00	0.00	0.00	0.00
Total	5	5	5	5	35.71	38.46	38.46	41.67

C.1.5 Indicate whether the company has diversity policies for the board of directors of the company regarding issues such as age, gender, disability, training and professional experience. In accordance with the definition set out in the Auditing Act, small and medium-sized enterprises must inform at least on the policy they have established with regard to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If yes, describe those diversity policies, their goals the measures established, how they have been implemented and the results obtained during the year. Describe also the specific measures taken by the board of directors and the nomination and remuneration committee to achieve a balanced, diverse composition of directors.

If the company does not apply a diversity policy, explain why not.

Description of the policies, goals, measures and implementation and the results obtained

Ebro Foods, S.A. has implemented a Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, the scope of which is extended to the appointment, ratification and re-election of directors by the General Meeting of Shareholders and the appointments made directly by the Board of Directors. For candidate directors who are legal persons, the principles and criteria of the Policy must be observed in respect of the individuals who are to represent them on the Board.

According to that Policy, all proposals for candidates must be based on a prior analysis of the needs of the Board, the results of which will be set out in the corresponding report by the Nomination and Remuneration Committee, to be published when calling the General Meeting at which the ratification, appointment or re-election of each director is to be submitted for approval.

The goals established in the Policy are:

- Avoid any implicit bias in the processes for selecting directors that may imply discrimination against any of the candidates on any grounds whatsoever.

- Under equal conditions, opt for the candidate whose gender is least represented on the Board at that time.

- Favour diversity of expertise, professional experience and gender within the composition of the Board.

- Achieve a composition where the gender least represented on the Board accounts for at least 40% of the total Board members by and beyond the end of 2022.

To achieve these goals set in the Policy, the Company has established the following measures to be applied in each appointment of directors:

- prior analysis of the composition of the Board of Directors in aspects regarding the categories of directors, presence of the least-represented gender, profile and professional experience of the directors and capital represented on the Board of Directors;
- analysis of the legal, statutory and regulatory requirements applicable to both the classification of director of the candidate and the procedure for their appointment;
- analysis of the experience, qualification and vocational training of the candidate and their availability for adequate performance of their duties;
- verification that the appointment of the candidate complies with the requirements of diversity, non-discrimination and equal treatment established in the Code of Conduct and the Policy for Selection of Directors and Diversity.

Through its implementation of the Policy on the Selection of Directors and Diversity in the Composition of the Board and correct monitoring of the measures described above, Ebro Foods, S.A. has a pluralistic, diverse Board of Directors in terms of gender, expertise, experience and professional profiles of its members.

With women representing 35.71% on the Board of Directors, the company is aware that it has to work on increasing women's presence on the board, as the gender least represented on that body, with a view to achieving a 40% presence by 2022.

C.1.6 Explain any measures agreed by the nomination committee to ensure that the selection procedures are not implicitly biased against the selection of female directors and that a conscious effort is made to include women with the target profile among the candidates so that a balance may be struck between male and female directors. State also whether these measures include encouraging a significant number of female senior executives in the company:

Explanation of the measures

With regard to the procedures for selecting female directors, although the Nomination and Remuneration Committee has not adopted specific measures in this regard, in accordance with the gender diversity measures and the principles of non-discrimination and equal treatment applied by the Company when selecting candidate Directors, the Company will: (i) seek at all times a diversity of expertise, experience and gender in the composition of the Board; and (ii) under equal conditions, it will opt for the candidate whose gender is least represented on the Board at that time.

The main principle followed by the Company in this regard is that the selection procedure must avoid any implicit bias that might imply discrimination against any of the candidates on any grounds.

In addition, the aforesaid Policy on the Selection of Directors and Diversity in the Composition of the Board expressly includes the target that by and beyond 2022 the gender least represented on the Board of Directors of the Company must account for at least 40% of the total Board members.

The Company is working on encouraging the presence of women on the Board of Directors. At present, five of the fourteen members are women, so female directors represent 35.71%, following the incorporation during 2020 of a new male proprietary director.

See section C.1.5 of this Report.

Furthermore, the Code of Conduct of the Ebro Foods Group promotes and defends the principle of equal treatment and equal opportunities for all professionals regardless of their gender or sexual orientation. This principle is behind the Human Resources policies applied in both hiring and training, career opportunities, pay levels and all other aspects of the relationship between the company and its professionals of any category, including senior management.

The company's actions in respect of the selection, hiring, training and internal promotion of all its professionals (executives or otherwise, men or women) are based on clear criteria of capacity, competence and professional merit.

Therefore, there is no positive or negative discrimination of any nature in the procedures followed by the company for selecting and contracting its executive personnel, so it is not necessary to introduce any new measures to encourage the hiring of women for executive positions.

It is put on record in this regard that as established in the Senior Executive Remuneration and Incentives Policy of the Ebro Foods Group, "Senior Executive" or "Executive" means any employee of the Company or any other company in the Group holding the position of manager or head of a specific department or activity (or similar position in foreign companies), regardless of whether they have a special senior management contract and even though they may not report directly to the directors or chief executive. The Vice-Secretary of the Board of Directors of the Company is also considered an Executive.

If, despite the measures taken, if any, there are few or no female directors or executives, explain the reasons that justify this situation:

Explanation of the measures

N/A

C.1.7 Explain the conclusions of the nomination committee on compliance with the policy intended to favour an appropriate composition of the board.

During 2020, every time a possible appointment or re-appointment of a director has been contemplated, the Nomination and Remuneration Committee has analysed the composition of the Board of Directors from the point of view of director categories and the presence of women.

In this regard, the Nomination and Remuneration Committee has:

(i) Assessed the extent of compliance with Recommendation 16 of the Code of Good Governance.

Although the directors classified as proprietary (8) account for 66.67% of the total non-executive directors (12) and represent 57.13% of the capital, in the opinion of the Nomination and Remuneration Committee special circumstances exist that attenuate the principle of proportion recommended by the Code of Good Governance, since there are seven (7) significant shareholders, unrelated with one another, present or represented on the Board that represent 65.47% of the capital. The Nomination and Remuneration Committee has considered it necessary to take account of the fact that the director Hercalianz Investing Group, S.L. is classified as an executive director, even though it is a significant shareholder, on the grounds that its representative on the Ebro Board is a directive of several subsidiaries in the Ebro Group.

Based on the foregoing, the Nomination and Remuneration Committee has considered that the principle behind Recommendation 16 is respected.

(ii) Assessed the extent of compliance with Recommendation 17 of the Code of Good Governance, which provides that: "in companies that are not large cap (as is the case of Ebro), the number of independent directors should represent at least one-third of the total directors."

Since the number of independent directors (4) is still somewhat less than one-third (4.66) of the total Board members (14) recommended for non-large cap companies, the Nomination and Remuneration Committee considers it necessary to continue working to increase the number of independent directors until it is at least equal to the recommended one-third.

(iii) Assessed, finally, the extent of compliance with Recommendation 15 of the Code of Good Governance, which provides that: "the number of female directors should represent at least 40% of the Board members by and beyond the end of 2022, and should previously not be less than 30%."

Since the percentage of women on the Board of Directors (5 women) is 35.71%, the Nomination and Remuneration Committee has maintained its intention, with respect to future incorporations of new directors, to promote as far as possible, and in accordance with the Policy on the Selection of Directors and Diversity in the Composition of the Board, increasing the presence of women on the Board, with the aim of reaching the recommended 40% before the end of 2022.

See sections C.1.5, C.1.6 and G of this Report.

C.1.8 Explain, if appropriate, why proprietary directors have been appointed at the request of shareholders holding less than 3% of the capital:

Name of shareholder	Justification
No details	

State whether any formal requests for presence on the board have been rejected from shareholders holding interests equal to or greater than others at whose request proprietary directors have been appointed. If appropriate, explain why such requests were not met:

[ ] Yes
[√] No

C.1.9 Indicate the powers delegated by the board to particular directors or committees, if any:

Name of director or committee	Brief description
ANTONIO HERNÁNDEZ CALLEJAS	Antonio Hernández Callejas has no powers delegated by the Board of Directors. Mr Hernández Callejas is a class A general attorney of the Company by virtue of the power of attorney granted in deed no. 4802, executed on 4 December 2014 before the notary Andrés Domínguez Nafría and entered in the Madrid Trade Register, volume 29950, folio 202, section 8, page M-272855. In addition, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2001, the following actions by Antonio Hernández Callejas shall require prior authorisation from the Board of Directors or notification to the Executive Committee: a) for investments/divestments or strategic expenditure, if exercise of the powers entails the acquisition of economic obligations or commitments in excess of two million euros, a resolution must previously be adopted by the Board of Directors; and for less than two million euros but more than three hundred thousand euros, the Executive Committee must be notified; b) for corporate operations, a prior resolution of the Board of Directors is required if they are for more than two million euros, and the Executive Committee must be notified if they are for less than two million euros but more than three hundred thousand euros.
Executive Committee	The Board of Directors has delegated all its powers to the Executive Committee, save any, which may not legally be delegated. This notwithstanding, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2001, the powers of the Executive Committee in these areas are internally limited to the sum of two million euros per investment/divestment, expenditure or corporate operation. See section C.2.1 of this Report for the duties attributed to the Executive Committee in the Articles of Association and applicable regulations.

C.1.10 Name Board members, if any, who are also directors, representatives of directors or executives of other companies in the same group as the listed company:

Name of director	Name of group company	Position	With executive duties?
ANTONIO HERNÁNDEZ CALLEJAS	VOGAN, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	GEOVITA FUNCTIONAL INGREDIENTS, S.R.L.	CHAIRMAN	YES
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP PROPERTY, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HERBA INGREDIENTS BELGIUM B, B.V.B.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP & SONS, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	A.W. MELLISH, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	ANGLO AUSTRALIAN RICE, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HEAP COMET, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	PASTIFICIO LUCIO GAROFALO, S.P.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BERTAGNI 1882, S.P.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	RIVIANA FOODS, INC.	CHAIRMAN	YES
ANTONIO HERNÁNDEZ CALLEJAS	N&C BOOST, N.V.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BOOST NUTRITION, CV	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO RICE HANDLING, BVBA	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO FOODS, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	T.A.G. NAHRUNGSMITTEL, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BERTOLINI IMPORT UND EXPORT, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HERBA GERMANY, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	PANZANI, S.A.S.	DIRECTOR	YES

Name of director	Name of group company	Position	With executive duties?
ANTONIO HERNÁNDEZ CALLEJAS	S&B HERBA FOODS, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	ARROZEIRAS MUNDIARRROZ, S.A.	CHAIRMAN	YES

Antonio Hernández Callejas is a director of Riso Scotti, S.p.A., an associate outside the Ebro Foods Group, in which Ebro Foods, S.A. holds a 40% interest. This investment is consolidated by the equity method. Riso Scotti, S.p.A. is an Italian company engaged in an activity similar to the objects of Ebro Foods, S.A.

He is also a member of the Board of Trustees of the Ebro Foods Foundation.

C.1.11 Name the company directors or representatives of corporate directors, if any, who are board members or representatives of corporate directors of non-group companies listed on regulated markets, insofar as the company has been notified:

Name of director	Name of listed company	Position
DEMETRIO CARCELLER ARCE	SACYR, S.A.	VICE-CHAIRMAN
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	ENERGÍA Y CELULOSA, S.A. (ENCE)	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	EUSKALTEL, S.A.	REPRESENTATIVE OF DIRECTOR
CORPORACIÓN FINANCIERA ALBA, S.A.	EUSKALTEL, S.A.	DIRECTOR
TOMÁS HEVIA ARMENGOL	ACERINOX, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	PHARMA MAR, S.A.	DIRECTOR

In respect of the information set out in this section, Javier Fernández Alonso represents the director Alba Europe, SARL on the Board of Directors and the Remuneration Committee of Euskaltel, S.A.

C.1.12 Indicate and, where appropriate, explain whether the company has established rules on the maximum number of directorships its directors may hold, if so, indicating where those rules can be found:

[√] Yes
[ ] No

Explanation of the rules and identification of the document in which they are regulated

Article 32.2 of the Regulations of the Board establishes, among the "General Duties of Directors", that the Directors shall dedicate such time and attention to the Company as may be necessary to guarantee the effective and adequate fulfilment of each and all of the duties corresponding to their position. Consequently, the maximum number of other directorships they may hold will be such as to ensure that they are able at all times to meet each and all of their obligations to the Company.

C.1.13 Indicate the amounts of the following items in the overall remuneration of the board:

Remuneration accrued during the year in favour of the board (thousand euros)	6,898
Amount of the vested rights of current directors in pension schemes (thousand euros)	
Amount of the vested rights of former directors in pension schemes (thousand euros)	

The amount indicated in this section C.1.13 of this report as the remuneration accrued during 2020 in favour of the Board of Directors includes the attendance fees received by the Chairman of the Board of Ebro Foods, S.A., Antonio Hernández Callejas, as director of a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in a sum of 5,000 euros paid by that company.

In addition, the Chairman of the Board received 5,200 euros from the associate Riso Scotti, S.p.A. in attendance fees as director of that company.

C.1.14 Name the members of top management who are not executive directors and indicate the aggregate remuneration accrued in their favour during the year:

Name	Position(s)
ANA MARÍA ANTEQUERA PARDO	COMMUNICATIONS AND CSR MANAGER
LUIS PEÑA PAZOS	SECRETARY OF THE COMPANY AND BOARD
PABLO ALBENDEA SOLÍS	CHIEF OPERATING OFFICER (COO)
MARÍA JOSÉ GARRETA RODRÍGUEZ	PATENTS AND TRADEMARKS MANAGER
ALFONSO FUERTES BARRO	FINANCE MANAGER
GABRIEL SOLÍS PABLOS	TAX MANAGER
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER
MANUEL DE LUNA GONZÁLEZ	INVESTOR RELATIONS AND FINANCIAL INSTITUTIONS MANAGER
ALBERTO GARCÍA AMEZCUA	SYSTEMS TECHNOLOGY MANAGER

Number of women in top management positions	4
Percentage of total members of top management	0.36

Total remuneration top management (thousand euro)	2,453

The company executives named in this section C.1.14 include the Chief Operating Officer (COO), who is the highest-ranking executive of the Ebro Foods Group after the Executive Chairman, and the heads of the principal departments of Ebro Foods, S.A. even if they do not have a senior management employment relationship with the company.

C.1.15 State whether any modifications have been made during the year to the Regulations of the Board:

[√] Yes
[ ] No

Description of modifications

On 16 December 2020, after the Extraordinary General Meeting of Shareholders held that same day, the Board of Directors unanimously resolved to amend the Regulations of the Board to adjust them as appropriate to the current Code of Good Governance, following its revision and publication by the National Securities Market Commission (CNMV) in June 2020. That amendment of the Regulations was previously assessed by the Audit and Compliance Committee, which submitted a favourable report, in pursuance of Articles 3.2 and 3.3 of the Regulations.

The amendments made to the Regulations of the Board are summarised below:

- Article 22.10, regarding the possibility that Board Committee meetings may be attended by the Chairman of the Board.

- Article 24.4(j), on who the Internal Audit Manager reports to.

- Article 42.5, regarding immediate reporting to the CNMV of corporate information.

- Article 23.2, on the composition of the Executive Committee.

- Article 24.1 and 24.2, regarding the specific expertise and experience required of members of the Audit and Compliance Committee.

- Article 24.4, regarding the specific powers of the Audit and Compliance Committee, in addition to any others corresponding to it by law, regulations or the Articles of Association.

- Article 31.2(c), 31.3 and 31.4, regarding the events in which directors may step down before the end of their term of office and the formalities to be met in such cases.

The recast text of the Regulations of the Board was entered in the Madrid Trade Register on 16 February 2021. It has been published on the website of the National Securities Market Commission www.cnmv.es and on the company's corporate website www.ebrofoods.es, and the shareholders will be duly informed at the Annual General Meeting held in 2021.

C.1.16 Describe the procedures for selection, appointment, re-election and removal of directors. Indicate the competent bodies, the formalities and the criteria to be followed in each of these procedures.

The procedures for selection, appointment, re-election and removal of the directors are regulated in the Articles of Association and the Regulations of the Board.

There is also a Policy for Selection of Directors and Diversity in the Composition of the Board of Directors, which specifically and verifiably establishes the basic criteria and principles to be followed in the selection of candidates.

The Policy is applicable in the appointment, ratification and re-election of directors by the General Meeting and any appointments made by the Board. For candidates who are legal persons, the principles and criteria of the Policy must also be observed in respect of the individuals representing them on the Board.

A. Procedure for selection, appointment and re-election of Directors

Procedures for selecting directors shall be designed to favour diversity of expertise, professional experience and gender within the Board, avoiding any implicit bias that may imply discrimination against any of the candidates on any grounds. Under equal conditions, the Company will opt for the candidate whose gender is least represented on the Board at that time.

The General Meeting is responsible for deciding on the number of directors the company is to have, within the minimum (7) and maximum (15) established in the Articles of Association, and for appointing or re-electing directors as proposed by the Board, subject to a favourable report by the Nomination and Remuneration Committee.

The Board may also appoint directors by cooptation, subject to a report by the Nomination and Remuneration Committee and by the Board of Directors on the terms stipulated in law.

In any case, the initiative of the Board regarding the incorporation of members by no means detracts from the sovereign power of the General Meeting to appoint and remove directors, or from any potential exercise by shareholders of their right to proportional representation.

The proposals for the appointment or re-election of directors made by the Board of Directors, or by the Nomination and Remuneration Committee in appointments or re-elections of Independent Directors, must be based on a prior analysis of the needs of the Board, the results of which are set out in the corresponding report by the Nomination and Remuneration Committee, published when calling the General Meeting at which the ratification, appointment or re-election of each director is submitted for approval.

B. Procedure for removal of Directors

The removal of directors is regulated in Article 31 of the Regulations of the Board. See section C.1.19 of this Report in this respect.

Without prejudice to the initiative of the Board regarding the inclusion of its members, the General Meeting has sovereign power to resolve on the removal of directors.

The Nomination and Remuneration Committee is competent to study, issue reports and prepare proposals for the removal of directors.

Following a report by the Nomination and Remuneration Committee, the Board of Directors shall table a motion at the General Meeting of Shareholders for removal of the director in question if the director in question fails to resign in the circumstances contemplated in Article 31.2 of the Regulations of the Board.

If a director retires from office before the end of their term, through resignation or by virtue of a resolution adopted by the General Meeting, they shall explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the grounds for their removal by the General Meeting, in a letter sent out to all the Board members. Although the Annual Corporate Governance Report shall contain the appropriate information on the foregoing, to the extent that it is important for investors, the company shall publish news of the director's retirement as soon as possible, including a sufficient account of the reasons or circumstances indicated by the director.

If a director opts to resign following adoption by the Board of decisions on issues on which that director has expressed qualifications or reservations in the sense contemplated in Article 32.5 of the Regulations of the Board ("…/…whenever they consider that some of the decisions proposed to the Board may go against the corporate interests and/or those of the shareholders not represented on the Board."), they shall explain the reasons as per the preceding paragraph.

The measures described in the preceding two paragraphs shall also be applicable to the Secretary of the Board, regardless of whether the secretary is a director.

C.1.17 Explain to what extent the annual assessment of the board has given rise to major changes in its internal organisation and the procedures applicable to its activities:

Description of changes

The annual assessment of the Board, Committees and Chairman made in 2020 in respect of 2019 did not reveal the need for any major changes in the Company's internal organisation or the procedures applicable to its activities.

Describe the process of assessment and the areas assessed by the board, assisted where necessary by an external consultant, on the performance and composition of the board and its committees and any other area or aspect that has been assessed.

Description of assessment process and areas assessed

A. Assessment process:

A self-assessment process is carried out every year on the Board, its Committees and the Executive Chairman of the Company.

That process is based on: (i) a report prepared by the Nomination and Remuneration Committee for presentation to the Board, (ii) the activity reports of the Audit and Compliance Committee and the Nomination and Remuneration Committee, and (iii) the resolutions adopted by the Board of Directors in view of the foregoing.

B. Methods used:

The methods used in two years ago by the external adviser that assisted the Company in this process (assessment made in 2018 in respect of 2017) were repeated, as far as possible, in the assessment process conducted in 2020 in respect of 2019.

- The directors (and representatives of corporate directors) completed a questionnaire previously approved by the Nomination and Remuneration Committee, which was essentially the same as the one used by the external adviser for the assessment made in the previous year. The questionnaires were especially adapted to the condition of each director.

- Once all the questionnaires had been completed, the data collected were sent to the Secretary of the Nomination and Remuneration Committee who, after analysing them, drew up a summary of the replies (anonymous) for the Committee, which then issued the corresponding Assessment Report that was finally submitted to the Board.

In the assessment process made in 2020, it was not considered appropriate to supplement the results of the questionnaires with a personal interview with the Lead Independent Director, since that director, Mercedes Costa García, had participated intensely in the assessment process as a member of the Nomination and Remuneration Committee.

- Both the questionnaires completed by all the directors and the Assessment Report have been filed by the Secretary of the Board.

C. Areas assessed:

- Board of Directors: assessment by all the directors of: (i) the quantitative and qualitative composition of the Board, (ii) the balance and diversity of expertise on the Board, (iii) the independence and dedication of the directors, (iv) the adaptation of the Board procedures to the provisions of law, articles and regulations applicable to the Board, and v) the calling and holding of meetings and transaction of business within the governing body.

- Committees of the Board: assessment by all the directors of the existing committees, their composition and work (and reporting to the Board) from the point of view of the Board as recipient of that work.

- Executive Committee: assessment by the members of the Executive Committee of specific issues regarding its internal procedures, composition and powers.

- Audit and Compliance Committee: assessment by the members of the Audit and Compliance Committee of specific issues regarding its internal procedures, composition and powers and its relationships with other committees in the company (the Risks Committee and Compliance Unit) and the external auditor.

- Nomination and Remuneration Committee: assessment by the members of the Nomination and Remuneration Committee of specific issues regarding its internal procedures, composition and powers.

- Strategy and Investment Committee: assessment by the members of the Strategy and Investment Committee of specific issues regarding its internal procedures, composition and powers.

- Executive Chairman: assessment by all the directors (except the Executive Chairman) of different aspects of the Chairman both in his duties as such (aspects relating to management of the Board) and as chief executive of the group (aspects regarding the rendering of accounts and reporting on management affairs).

- Lead Independent Director: assessment by all the directors (except the Lead Independent Director) of the performance by the Lead Independent Director of her duties.

- Decision-making: assessment by all the directors of the information they receive and how especially important matters are processed (depth, time, debate) within the Board.

C.1.18 In any years in which an external consultant was called in to assist with assessment, describe any business relations between the consultant or any company in its group with the company or any other company in its group.

N/A

C.1.19 State the events in which directors are obliged to step down.

The retirement and resignation of directors are regulated in Article 31 of the Regulations of the Board:

- Directors must step down at the end of the term for which they were appointed and in all other events stipulated in law, the Articles of Association and the Regulations of the Board.

- Directors must also tender their resignations and step down in the following cases:

a) When they are affected by one of the causes of incompatibility or disqualification established in law, the Articles of Association or the Regulations of the Board.

b) When they step down from the executive post to which their appointment as Director was linked, when the shareholder they represent on the Board disposes of all its shares in the Company or reduces its interest to an extent requiring a reduction in the number of Proprietary Directors and, in general, whenever the reasons for their appointment disappear.

c) When the Board, following a report by the Nomination and Remuneration Committee, considers that: (i) the Director is in a situation, related or not with their actions within the company, that could jeopardise the company's prestige and reputation, (ii) the Director has seriously defaulted their obligations, or (iii) there are reasons of corporate interest so requiring.

C.1.20 Are special majorities differing from those stipulated in law required for any type of decision?

[ ] Yes
[√] No

If yes, describe the differences.

C.1.21 Are there any specific requirements, other than those established for directors, to be appointed chairman of the board?

[ ] Yes
[√] No

C.1.22 Do the Articles of Association or Regulations of the Board establish an age limit for directors?

[ ] Yes
[√] No

C.1.23 Do the Articles of Association or Regulations of the Board establish a limited term of office for independent directors other than as stipulated in law?

[ ] Yes
[√] No

C.1.24 Do the Articles of Association or Regulations of the Board establish specific rules for the delegation of votes to other directors at board meetings, how they are to be delegated and, in particular, the maximum number of proxies that a director may hold, and whether any limitation has been established regarding the categories to which proxies may be granted, other than those established in law? If yes, include a brief description.

Both the Articles of Association (Article 24) and the Regulations of the Board (Article 20) contemplate the possibility of Directors attending Board meetings through a duly authorised proxy.

The proxy must be made in advance, in writing, specially for each Board meeting, in favour of another Director.

The represented Director may issue specific voting instructions for any or all of the items on the agenda.

Non-executive directors may only grant proxies to other non-executive directors.

No limit is established on the number of proxies any one Director may hold, nor is there any constraint on the categories to which proxies may be granted.

C.1.25 State the number of meetings held by the Board of Directors during the year, indicating, if appropriate, how many times the Board has met without the Chairman. Proxies made with specific instructions will be considered attendances.

Number of board meetings	12
Number of board meetings held without the chairman	0

Indicate the number of meetings held by the lead independent director with the other directors without the attendance or representation of any executive director:

Number of meetings	0

Indicate the number of meetings held by the different Committees of the Board:

Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Strategy and Investment Committee	1
Number of meetings of the Nomination and Remuneration Committee	5
Number of meetings of the Executive Committee	4

Owing to the restrictions imposed in view of the COVID-19 pandemic, the lead independent director has not held any face-to-face meetings with the other non-executive directors, although she has been in touch with them individually on several occasions to discuss matters within her remit.

C.1.26 State the number of meetings held by the Board during the period and details of attendance by its members:

Number of meetings attended in person by at least 80% of the directors	12
Attendance / total votes during the year (%)	95.63
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	12
Votes cast with attendance in person or by proxies with specific instructions / total votes during the year (%)	100.00

C.1.27 Are the separate and consolidated annual accounts submitted to the Board for approval previously certified?

[ ] Yes
[√] No

If yes, name the person(s) who certify the separate or consolidated annual accounts of the company before they are approved by the Board:

C.1.28 Explain the mechanisms, if any, established by the Board to ensure that the annual accounts that the Board laid before the General Meeting are drawn up in accordance with the applicable accounting standards.

Article 24.4 of the Regulations of the Board gives the Audit and Compliance Committee the following powers, among others:

- Supervise and promote the policies, procedures and systems used for drawing up and controlling the company's financial information, checking the services performed in this regard by the Internal Audit Department, the Financial Department and the Management Committee and making sure they are correctly distributed throughout the Group.

- Ensure that (i) the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company and make sure that any interim financial statements are drawn up according to the same accounting principles as the annual accounts, considering the possibility of asking the external auditors to make a limited audit if necessary; and (ii) the Board of Directors endeavours to submit the annual accounts to the General Meeting with an unqualified auditors' report.

- See that the internal control systems are adequate and effective in respect of the accounting practices and principles used for drawing up the company's annual accounts, supervising the policies and procedures established to ensure due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from both the Internal Audit Manager and the External Auditors to perform these duties.

In addition, the Group has a Risks Control and Management Policy and internal control of financial reporting (ICFR), which lay down, among others, the basic principles and the general framework for internal control of the financial reporting by the company and the Ebro Group.

The Group has procedures in place for checking and authorising financial reporting and a description of the financial reporting internal control system (ICFR), for which the Economic-Finance Department is responsible. See section F.3.1 in this respect.

Finally, the responsibility for the aforesaid procedures for checking and authorising financial reporting and the description of the financial reporting internal control system (ICFR) lies with the Economic Department, the Risks Committee, the economic and finance departments of the different business units, the Audit and Compliance Committee and the Board.

C.1.29 Is the Secretary of the Board a Director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
LUIS PEÑA PAZOS	

C.1.30 Describe the specific mechanisms established by the company to preserve the independence of the external auditors, if any; the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies; and how the legal provisions are implemented.

A. With regard to the external auditors:

Both the Articles of Association and the Regulations of the Board vest in the Audit and Compliance Committee the power to contact the auditors and receive information on any issues that may jeopardise their independence, for examination by the Audit Committee, as well as any other issues relating to the auditing of accounts. The Committee shall also receive information from and exchange communications with the auditors in accordance with prevailing auditing standards and legislation, notwithstanding the ultimate responsibility of the Board of Directors, which, pursuant to Article 8.1.3.(a) of the Regulations of the Board, is responsible for ensuring the independence and professional suitability of the external auditor.

Article 43 of the Regulations of the Board addresses relations with the auditors, obliging the Board to establish an objective, professional, continuous relationship with the External Auditors of the Company appointed by the General Meeting, guaranteeing their independence and putting at their disposal all the information they may require to perform their duties. It further establishes that the aforesaid relationship with the External Auditors of the Company and the relationship with the Internal Audit Manager shall be conducted through the Audit and Compliance Committee.

Article 24.4 of the Regulations of the Board establishes the following powers, among others, of the Audit and Compliance Committee in this respect:

- Ensure that (i) the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company and make sure that any interim financial statements are drawn up according to the same accounting principles as the annual accounts, considering the possibility of asking the external auditors to make a limited audit if necessary; and (ii) the Board of Directors endeavours to submit the annual accounts to the General Meeting with an unqualified auditors' report.

- See that the internal control systems are adequate and effective in respect of the accounting practices and principles used for drawing up the company's annual accounts, supervising the policies and procedures established to ensure due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from both the Internal Audit Manager and the External Auditors to perform these duties.

- Establish regular contact with the external auditors to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts, receiving information from and exchanging communications with the external auditors in accordance with prevailing auditing standards and legislation.

- Submit to the Board, to be tabled at the General Meeting, proposals for the selection, appointment, re-appointment and replacement of the company's External Auditors and their terms of contract, the scope of their commission and the renewal or revocation of their engagement.

- Ensure the independence of the external auditors and the existence of a discussion procedure enabling the external auditors, the Internal Audit Department and any other expert to inform the company of any significant weaknesses in its internal control detected while checking the annual accounts or any other processes in which they have worked. The Committee shall issue an annual report, prior to issuance of the auditor's report, expressing an opinion on the independence of the external auditors and any supplementary services they may have provided.

In accordance with the foregoing and through the Audit and Compliance Committee, the Company keeps a strict, constant watch for any circumstances that might affect the independence of the external auditors. Accordingly: (i) once a year, once the external auditors have provided the necessary information, the Audit and Compliance Committee issues an annual report on their independence, which is submitted to the Board of Directors and made available to shareholders as from the call to the General Meeting; and (ii) constantly throughout the year, the Commission receives timely notification of any potential engagement of the external auditors to provide services in addition to auditing the annual accounts. In this regard, in February 2017 the Audit and Compliance Committee established a protocol for the notification, review and, if appropriate, authorisation of the potential contracting of the external auditors by any company in the Group for non-audit services. That protocol covers the "pre-approval" required for the events contemplated in Article 5(3) of Regulation EU 537/2014 and any other potential service.

Finally, Article 43 of the Regulations of the Board ("Relations with Auditors") provides that the Board shall establish an objective, professional, ongoing relationship with the external auditors of the company appointed by the General Meeting, guaranteeing their independence and putting at their disposal all the information they may require in order to perform their duties. This relationship with the external auditors is channelled through the Audit and Compliance Committee.

B. With regard to relations with analysts, investment banks and rating agencies:

In addition to the legal provisions and rules on corporate governance, the Regulations of the Board, Code of Conduct, Internal Code of Market Conduct, and the relevant corporate policies established within the Group are applicable in this area.

Article 42 of the Regulations of the Board regulates the Company's relations with shareholders and investors (particularly institutional investors).

The Code of Conduct establishes that relations with investors and financial analysts should be channelled through the unit responsible for the Company's relations with investors (Investor Relations Department), through which communications and information for investors in general are channelled.

The Internal Code of Market Conduct regulates the Company's dealings with investors regarding the disclosure of significant information (not classified as inside information) and treasury stock.

The Company also has a Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors, which contemplates the following general principles applicable in this matter: (i) communication and relations with shareholders, institutional investors and proxy advisors is conducted in accordance with the principles of transparency, truth and permanent, adequate, timely reporting; (ii) the principle of non-discrimination and equal treatment is recognised for all shareholders who are in the same conditions and not affected by conflicts of interest or competence; (iii) the rights and legitimate interests of all shareholders are protected; (iv) continuous, permanent communication with shareholders and investors is encouraged; (v) reporting and communication channels are established with shareholders and investors to ensure compliance with these principles.

Finally, the company has a Policy on Communication of Financial, Non-Financial and Corporate Information (supplementing the above-mentioned policy), which establishes the following principles and criteria governing the Company and its Group in respect of the communication of financial, non-financial and corporate information: (i) the communication of financial, non-financial and corporate information through any available channels shall in all cases respect the legal provisions in place from time to time on market abuse and the principles of transparency, truth and permanent, adequate, timely reporting; (ii) respect the principles of non-discrimination and equal treatment in all cases for all shareholders who are in the same conditions and not affected by conflicts of interest or competence; and (iii) continuous, permanent communication shall be encouraged with shareholders, investors and other stakeholders through all the channels considered appropriate for this purpose.

The Company's Audit and Compliance Committee is responsible for overseeing compliance with the rules and principles set out in the Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors and the Policy on Communication of Financial, Non-Financial and Corporate Information.

C.1.31 Indicate whether the external auditors have changed during the year. If so, name the incoming and outgoing auditors:

[ ] Yes
[√] No

Explain any disagreements with the outgoing auditor:

[ ] Yes
[√] No

C.1.32 State whether the firm of auditors does any work for the company and/or its group other than standard audit work and if so, declare the amount of the fees received for such work and the percentage that amount represents in respect of the total fees invoiced to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group companies	Total
Charge for non-audit work (thousand euros)	127	147	274
Charge for non-audit work / Amount invoiced for audit work (%)	34.70	6.95	11.05

C.1.33 Indicate whether the auditors' report on the annual accounts of the previous year was qualified. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of the qualifications.

[ ] Yes
[√] No

C.1.34 State the number of years in succession that the current firm of auditors has been auditing the annual accounts of the company and/or its group. Indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

	Separate	Consolidated
Number of years in succession	7	7

	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	23.33	23.33

C.1.35 Indicate, with details if appropriate, whether there is an established procedure for directors to obtain sufficiently in advance any information they may need to prepare the meetings of the governing bodies:

[√] Yes
[ ] No

Details of procedure
According to the obligations and duties assigned by law, the Articles of Association and the Regulations of the Board, the Secretary of the Board is responsible for channelling the relations between the Company and the Directors in all matters concerning the procedures of the Board of Directors and the Board Committees in which he participates, following instructions received from the respective Chairman, and for implement and foster exercise by the Directors of their right to information (Article 15.2(c) and (d) of the Regulations of the Board). At each year-end, the Secretary of the Board sends all the Directors an annual calendar of meetings previously agreed among all the Directors, setting the dates and times of the meetings of the Board of Directors, Committees, General Meetings and meetings with analysts for the following year. That calendar is also sent to the different professionals of the Company involved in preparing the documentation and information for the Directors for each meeting, to enable them to plan their work and make sure that the corresponding information and documentation are prepared sufficiently before each meeting. When the documentation for each meeting is complete, it is sent to the Secretary of the Board, who sends it to the Directors, if possible together with the notice of call to the meeting, or in highly justified cases, as soon as possible after sending the notice of call.

C.1.36 Indicate, with details if appropriate, whether the company has established any rules obliging Directors to report and, if necessary, retire if any situation arises, related or not with their actions within the company, that could jeopardise the company's prestige and reputation:

[√] Yes
[ ] No

Explain the rules
Article 31 of the Regulations of the Board provide that Directors must step down and tender their resignations, among other cases, if the Board, following a report by the Nomination and Remuneration Committee, considers that: (i) the Director is in a situation, related or not with their actions within the company, that could jeopardise the company's prestige and reputation, (ii) the Director has seriously defaulted their obligations, or (iii) there are reasons of corporate interest so requiring. The Regulations further stipulate that if a Director fails to tender their resignation when so obliged, the Board of Directors shall, subject to a report by the Nomination and Remuneration Committee, tender a motion to the General Meeting of Shareholders for their removal.

C.1.37 Indicate, unless special circumstances have occurred and been put on record, whether the Board has been informed or has otherwise become aware of any situation affecting a director, related or not with their actions within the company, that could jeopardise the company's prestige and reputation:

[ ] Yes
[√] No

C.1.38 Describe any significant agreements entered into by the company that enter into force or are modified or terminated in the event of a takeover of the company following a takeover bid, and the effects thereof.

Most of the financing agreements signed by Ebro Foods, S.A. include takeover clauses on the usual terms for this type of contract. By virtue of those provisions, the lender reserves the right to terminate the financing agreement in the event of a takeover of the Company. Although there is no universal definition of "takeover" for this purpose, the lender's right is triggered if there is a substantial change in the Company's significant shareholders.

C.1.39 Indicate individually for directors and globally in other cases, and describe in detail any agreements made between the company and its directors, executives or employees contemplating golden handshake clauses or any other indemnities in the event of resignation or unfair dismissal or termination of employment following a takeover bid or any other type of transaction.

Number of beneficiaries	2
Type of beneficiary	Description of agreement
N/A	N/A

State whether, apart from the cases contemplated in law, these contracts have to be notified to and/or approved by the governing bodies of the company/group companies. If yes, specify the procedures, events contemplated and nature of the bodies responsible for approval and notification:

	Board of Directors	General Meeting
Body authorising the clauses	√	

	Yes	No
Is the general meeting informed of the clauses?	√	

C.2. Committees of the Board

C.2.1 Give details of the different committees, their members and the proportion of executive, proprietary, independent and other non-executive directors in each committee:

Audit and Compliance Committee		
Name	Position	Category
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MERCEDES COSTA GARCÍA	CHAIRMAN	Independent
GRUPO TRADIFÍN, S.L.	MEMBER	Proprietary
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	40.00
% independent directors	60.00
% other non-executive directors	0.00

Explain the duties attributed to this committee, including any duties additional to those stipulated in law, and describe the procedures and rules of organisation and procedure. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

The Audit and Compliance Committee is governed by the applicable legal provisions, the specific rules on its composition, organisation, procedure and powers set out in Article 28.2 of the Articles of Association and Article 24 of the Regulations of the Board, and by the provisions on organisation and procedure common to all the Committees, set out in Article 22 of the Regulations of the Board.

This Committee has a minimum of three directors and a maximum of five.

All the members must be Non-Executive Directors, at least most of whom must be Independent Directors and they will, as a whole, be appointed on the basis of their expertise and experience in accounting, auditing and the management of financial and non-financial risks, or any of these areas.

The Committee Chairman shall be appointed by the Board, subject to a report by the Nomination and Remuneration Committee, from among the committee members who are Independent Directors, taking into account their expertise and experience in accounting, auditing and the management of financial and non-financial risks, or any of these areas. The Committee Chairman shall be replaced every four years and will become eligible for re-election one year after his retirement as such.

The Audit and Compliance Committee shall meet as and when called by its Chairman, or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

In addition to the powers and duties established by law, the articles of association and regulations, the Audit and Compliance Committee has the duties of supervision, assessment, oversight, control and reporting to the Board of Directors established in Article 24.4 of the Regulations of the Board in each of the following areas:

- Risk management and internal control
- Policies, procedures and systems for the preparation and checking of the company's financial and non-financial reporting
- Information sent regularly to the Stock Exchange Councils, issue prospectuses and any public financial information offered by the Company and, in general, all information prepared for distribution among shareholders.
- Internal systems used for control and preparation of the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue
- External auditors, in aspects concerning their selection, appointment, re-appointment and replacement, their terms of contract and the scope of their commission. Independence and the provision of supplementary services.
- Internal auditors, in respect of the appointment of the department manager and annual work plan.
- Intragroup transactions and related party transactions, and the Group company or subsidiaries that are going to be submitted for authorisation by the Board
- Whistleblowing channel
- Internal codes of conduct and corporate governance rules, including the policies falling within its remit.

During 2020, the Audit and Compliance Committee performed activities of supervision, control, monitoring and reporting to the Board of Directors in respect of the matters falling within its competence, including financial reporting, non-financial reporting, annual accounts, relations with the external and internal auditors, risk management (including tax risks) and control systems, related party transactions, conflicts of interest, whistleblowing channel, review of and reporting on the corporate policies within its area of competence, and compliance, especially the Crime Prevention Form and adaptation to the RGDP on personal data protection.

During 2020, the Committee also approved its 2019 activity report, made available for shareholders for the Annual General Meeting held on 29 July 2020..

The Company will issue a detailed report of all the activities performed by the Audit and Compliance Committee during 2020, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2021.

Name the member(s) of the audit committee appointed on account of their expertise and experience in accounting, auditing or both and indicate the date of appointment of the chairman of this committee.

Names of directors with experience	PEDRO ANTONIO ZORRERO CAMAS / FERNANDO CASTELLÓ CLEMENTE / MERCEDES COSTA GARCÍA / GRUPO TRADIFÍN, S.L. / JAVIER FERNANDEZ ALONSO
Date of appointment to this office of the chairman of the committee	22/11/2018

Strategy and Investment Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	CHAIRMAN	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	MEMBER	Executive
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MEMBER	Proprietary
HERCALIANZ INVESTING GROUP, S.L.	MEMBER	Executive
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	40.00
% proprietary directors	60.00
% independent directors	0.00
% other non-executive directors	0.00

Explain the duties delegated or attributed to this committee other than those described in section C.1.9 and describe the procedures and rules of its organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

Article 28.4 of the Articles of Association stipulates that the Regulations of the Board shall also contemplate the existence of a Strategy and Investment Committee, on which any Directors may sit.

The composition, organisation and procedure of the Strategy and Investment Committee are governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board and the specific provisions established in Article 24 of the Articles of Association, its powers being regulated in Article 24.3.

This Committee has a minimum of three and a maximum of five Directors, including a Chairman, appointed by the Board of Directors subject to a report by the Nomination and Remuneration Committee.

Meetings are held when called by its Chairman or at the request of two of its members, and in any case whenever the Board of Directors requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

The Committee is competent to study, issue reports, review and submit proposals for the Board on the following matters:

- setting of targets for growth, yield and market share;

- strategic development plans, new investments and restructuring processes;

- coordination with subsidiaries in the matters contemplated in paragraphs (a) and (b) above, for the common interests and benefit of the Company and its subsidiaries.

During 2020, the Strategy and Investment Committee analysed the principal strategic affairs of the Ebro Foods Group, paying special attention to the divestments in Canada and the dry pasta business in USA, and reflected on a possible review of the Strategic Plan of the Ebro Foods Group 2019-2021.

Nomination and Remuneration Committee		
Name	Position	Category
BELÉN BARREIRO PÉREZ-PARDO	MEMBER	Independent
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
FERNANDO CASTELLÓ CLEMENTE	CHAIRMAN	Independent
MERCEDES COSTA GARCÍA	MEMBER	Independent
GRUPO TRADIFÍN, S.L.	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	40.00
% independent directors	60.00
% other non-executive directors	0.00

Explain the duties attributed to this committee, including any duties additional to those stipulated in law, and describe the procedures and rules of organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

The Nomination and Remuneration Committee is governed by the applicable legal provisions, the specific rules on composition, organisation and procedure established in Article 28.3 of the Articles of Association and Article 25 of the Regulations of the Board and the provisions on organisation and procedure common to all the committees set out in Article 22 of the Regulations of the Board.

The powers of the Nomination and Remuneration Committee are regulated in Article 25.4 of the Regulations of the Board, without prejudice to any others that may be assigned to it by law, the Articles of Association or the Regulations of the Board.

This Committee has a minimum of three and a maximum of five non-executive directors, at least two of which must be Independent Directors. The members are appointed by the Board of Directors.

The Board shall appoint one of the Independent Directors who are members of the Nomination and Remuneration Committee to chair it, subject to a report by that Committee.

Meetings are held when called by its Chairman, or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board of Directors requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

Pursuant to Article 25.4 of the Regulations of the Board, the Nomination and Remuneration Committee is competent to study, issue reports and submit proposals to the Board on the following matters:

- selection of candidates to join the Board of Directors;

- appointment of the Chairman, and Vice-Chairman if any, of the Board, Managing Director(s), Lead Independent Director and the Secretary, and Vice-Secretary if any, of the Board;

- succession of the Chairman and chief executive;

- appointment of directors to the Committees of the Board of Directors;

- appointment and possible dismissal of senior executives and their termination benefit clauses;

- directors' emoluments, according to the system of remuneration established in the Articles of Association and the executive directors' relationship with the Company;

- remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover;

- selection policy for directors, targets for the representation of the least represented gender on the Board and issuance of guidelines on how to achieve them;

- remuneration policy for directors and senior management of the Company and Group subsidiaries;

- management training, promotion and selection policy in the Company and Group subsidiaries;

- Annual Report on Directors' Remuneration.

With regard to the activities of the Nomination and Remuneration Committee during 2020, following the appropriate studies and assessments, the Committee has drawn up the proposals and issued the corresponding favourable reports to the Board of Directors in respect of the following: (i) appointment and re-election of directors and their assignment to the different Committees of the Board of Directors, and assessment of the appointment of the representative of a corporate director; (ii) analysis of the composition of the Board with regard to the afore-mentioned appointments and re-elections; (iii) review of the Remuneration Policy and other policies falling within its remit; (iv) remuneration systems and remuneration of directors, including the Executive Chairman, and of the key executives of the Company and its Group; (v) Corporate Governance Report and Directors' Remuneration Report for 2020; and (vi) self-assessment procedure for the Board of Directors, Chairman and Committees for 2019.

The Committee also approved during 2020 its 2019 activity report, made available for shareholders for the Annual General Meeting of 29 July 2020.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2020, which will be made available to all shareholders for the forthcoming Annual General Meeting 2021.

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIRMAN	Executive
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	25.00
% proprietary directors	50.00
% independent directors	25.00
% other non-executive directors	0.00

Explain the duties delegated or attributed to this committee other than those described in section C.1.9 and describe the procedures and rules of its organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

Articles 19 and 27 of the Articles of Association contemplate the delegation of powers of the Board of Directors to the Executive Committee.

The composition, organisation and procedure of the Executive Committee is governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board, and the specific regulations established in Article 28.1 of the Articles of Association and Article 23 of the Regulations of the Board.

The powers of this Committee are set out in Article 23.2 of the Regulations of the Board, without prejudice to what the Board may establish in its resolution to delegate powers.

The Executive Committee shall have no fewer than three nor more than seven members, including the Chairman and Vice-Chairman of the Board, who will form part of this Committee. At least two of the Executive Committee members shall be non-executive directors and one of them shall be independent.

The Committee shall be presided by the Chairman of the Board. In general, one Executive Committee meeting will be held a month. Its meetings may be attended by such members of the management, employees and advisers of the Company as the Committee may deem fit.

Without prejudice to the autonomy of decision of the Executive Committee in respect of the delegated powers, its resolutions normally being fully valid and effective without ratification by the Board, if the Chairman or three members of the Committee consider this necessary in the circumstances, the resolutions adopted by the Executive Committee shall be submitted to the Board for ratification. This will also be applicable when the Board has delegated the Committee to study certain matters while reserving for itself the ultimate decision, in which case the Executive Committee shall merely submit the corresponding proposal to the Board.

During 2020, the Executive Committee assessed several investments, divestments and sales of assets, as well as the strategic decisions to be adopted in respect of the different business lines.

C.2.2 Complete the following table with information on the number of female directors on the board committees over the past four years:

	Number of female directors							
	2020		2019		2018		2017	
	No.	%	No.	%	No.	%	No.	%
Audit and Compliance Committee	2	40.00	2	40.00	3	60.00	2	40.00
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Nomination and Remuneration Committee	3	60.00	3	60.00	2	50.00	1	25.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 Indicate the existence, if appropriate, of regulations of the board committees, where they are available for consultation and any modifications made during the year. State whether an annual report has been issued voluntarily on the activities of each committee.

In general, Article 28 of the Articles of Association establishes the basic regulation of the Committees of the Board, contemplating the existence and composition of: (i) the Executive Committee, (ii) the Audit and Compliance Committee and (iii) the Nomination and Remuneration Committee. It also refers to the Regulations of the Board regarding the possible existence of a Strategy and Investment Committee.

The Regulations of the Board regulate the Board committees in the following specific provisions:

- General provisions applicable to all the Committees: Article 22
- Executive Committee: Article 23
- Audit and Compliance Committee: Article 24
- Nomination and Remuneration Committee: Article 25
- Strategy and Investment Committee: Article 26

The Regulations of the Board also contemplate in different articles the powers of the different Committees of the Board in different areas (e.g. modification of the Regulations).

As a result of the amendment of the Regulations of the Board to adapt them to the current Code of Good Governance, following review by the National Securities Market Commission in June 2020, which was approved by the Board of Directors on 16 December 2020, changes have been made to the regulation of the Executive Committee and the Audit and Compliance Committee in such aspects as have been deemed fit. See section C.1.15 in this respect.

Both the Articles of Association and the Regulations of the Board are available for consultation on the corporate website (www.ebrofoods.es). The Regulations of the Board are also published and available for consultation on the website of the National Securities Market Commission (www.cnmv.es). Both texts are delivered to the Directors when they are appointed, together with the Regulations of the General Meeting, the Internal Code of Market Conduct, the Internal Code of Conduct and the Policies of the Ebro Foods Group, among other documents.

Both the Audit and Compliance Committee and the Nomination and Remuneration Committee issue annual activity reports, which are submitted to the Board of Directors for its information and consideration within the assessment of the Board and its Committees. Those activity reports are made available for shareholders on the corporate website www.ebrofoods.es coinciding with the call to the Annual General Meeting.

D. RELATED PARTY AND INTER-COMPANY TRANSACTIONS

D.1. Explain the procedure, if any, and competent bodies for approval of related party and inter-company transactions.

Apart from cases which, by law, require approval by the General Meeting, related party transactions are approved by the Board subject to a report by the Audit and Compliance Committee.

Article 24 of the Regulations of the Board establishes the power of the Audit and Compliance Committee to report to the Board prior to the adoption of any decisions on related party transactions submitted for its authorisation and to supervise and report to the Board on intragroup and related party transactions of the Company or subsidiaries of the Group.

With regard to related party transactions, Article 37.3 of the Regulations of the Board expressly establishes that other than in the cases in which this power is reserved by law to the General Meeting, any transactions made by the Company or Group companies with Directors, significant shareholders, other related parties or shareholders represented on the Board must be authorised by the Board. That authorisation is not necessary when the transactions meet all of the following three conditions:

(i) they are made under contracts with standard terms and conditions applied "en masse" to numerous clients;

(ii) they are made at prices or rates established generally by the supplier of the goods or provider of the services in question;

(iii) the amount thereof does not exceed 1% of the Company's annual revenue.

General, prior authorisation by the Board, subject to a report by the Audit and Compliance Committee, for a line of transactions and their conditions will be sufficient for bilateral or recurring transactions made in the normal course of the company's business. Finally, in cases where urgent action is necessary, related party transactions may be authorised by the Executive Committee, subject to subsequent ratification by the Board.

Finally, the company makes intragroup transactions on arm's length terms, documenting them according to the requirements of the laws (essentially tax laws) in place in each jurisdiction. This is one of the practices required by the Risk Management and Control Policy established in the Ebro Group.

D.2. List any transactions for a significant amount or object between the company and/or companies in its group and significant shareholders of the company:

Name of significant shareholder	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
SOCIEDAD ANÓNIMA DAMM	HERBA RICEMILLS, S.L.U.	Corporate	Sale of goods (finished or otherwise)	4,855
CORPORACIÓN ECONÓMICA DELTA, S.A.	EBRO FOODS, S.A.	Corporate	Dividends and other distributions	45,131
ARTEMIS INVESTMENT MANAGEMENT, LLP	EBRO FOODS, S.A.	Corporate	Dividends and other distributions	13,412

See section A.5 of this Report regarding the related party transaction between Sociedad Anónima Damm and Herba Ricemills, S.L.U. mentioned in this section D.2.

D.3. List any transactions for a significant amount or object between the company and/or companies in its group and the directors or executives of the company:

Name of director or executive	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
GRUPO TRADIFÍN, S.L.	CABHER 96, S.L.	CORPORATE	Purchase of goods (finished or otherwise)	135
GRUPO TRADIFÍN, S.L.	---	---	Dividends and other distributions	30,745
HERCALIANZ INVESTING GROUP, S.L.	---	---	Dividends and other distributions	32,180
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Purchase of goods (finished or otherwise)	14,058
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Services rendered	31
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Services received	216
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Sale of goods (finished or otherwise)	1,717
ANTONIO HERNÁNDEZ CALLEJAS	LUIS HERNÁNDEZ GONZÁLEZ	RELATIVE	Operating leases	42
ANTONIO HERNÁNDEZ CALLEJAS	ANTONIO HERNÁNDEZ GONZÁLEZ	RELATIVE	Dividends and other distributions	79
ANTONIO HERNÁNDEZ CALLEJAS	LUIS HERNÁNDEZ GONZÁLEZ	RELATIVE	Dividends and other distributions	124
ALIMENTOS Y ACEITES, S.A.	---	---	Dividends and other distributions	40,010
FERNANDO CASTELLÓ CLEMENTE	---	---	Dividends and other distributions	5,793
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	---	---	Dividends and other distributions	8
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	CORPORATE	Dividends and other distributions	20,023
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	---	---	Dividends and other distributions	30,227
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	CORPORATE	Dividends and other distributions	298

Name of director or executive	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
MARÍA CARCELLER ARCE	---	---	Dividends and other distributions	18
CORPORACIÓN FINANCIERA ALBA, S.A.	---	---	Dividends and other distributions	54,082
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Operating leases	390
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Licence agreements	340
ANTONIO HERNÁNDEZ CALLEJAS	---	---	Sale of goods (finished or otherwise)	1
DEMETRIO CARCELLER ARCE	---	---	Dividends and other distributions	19

With regard to the transactions made with Instituto Hispánico del Arroz, S.A. and mentioned in this section C.3, the Directors Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L. each own 50% of Instituto Hispánico del Arroz, S.A., with which the Ebro Foods Group habitually conducts commercial transactions on arm's length terms. The transactions made by the Ebro Foods Group with that company and its subsidiaries in 2020 have been reported in this section as made with the related party Hercalianz Investing Grupo, S.L. (Director), although they should also be considered related with the Director Grupo Tradifín, S.L. by virtue of its 50% interest in Instituto Hispánico del Arroz, S.A.

It should also be noted that during 2020 Ebro Foods, S.A. distributed a sum of 111 thousand euros as dividends to the executives listed in section C.1.14 of this Report.

D.4. Report any significant transactions with other companies in the group that are not eliminated in the consolidated financial statements and which, by virtue of their object or terms, do not correspond to the normal business of the Company.

In any case, inform on any inter-company transaction with companies established in countries or territories considered tax havens:

Name of group company	Brief description of the transaction	Amount (thousand euros)
No details		N/A

Ebro Foods, S.A. has a 40% interest in Riso Scotti S.p.A., an associate consolidated by the equity method.

Riso Scotti S.p.A. is an Italian company with business activities similar to the objects of Ebro Foods, S.A.

The transactions made from 1 January to 31 December 2020 between companies in the Ebro Group and Riso Scotti (an associate that is not part of the Ebro Group) are indicated below:

- Ebro Foods, S.A.: Services rendered (income) 3 thousand euros;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise) 347 thousand euros;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise) 250 thousand euros;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise) 918 thousand euros;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise) 1,328 thousand euros;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise) 81 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise) 283 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise) 661 thousand euros; and
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise) 1,342 thousand euros.

D.5. Report any significant transactions made between the company or group companies and other related parties that have not been reported in the preceding sections.

Name of related party	Brief description of the transaction	Amount (thousand euros)
FÉLIX HERNÁNDEZ CALLEJAS	Services rendered (income) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	2
FÉLIX HERNÁNDEZ CALLEJAS	Services received (expense) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	300
FÉLIX HERNÁNDEZ CALLEJAS	Services rendered (income) between a subsidiary of the Ebro Foods Group and Félix Hernández Callejas	1

Hernández Barrera Servicios, S.A. is closely related to Félix Hernández Callejas, who represents the corporate director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.

D.6. Describe the mechanisms established to detect, define and resolve possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders.

Apart from the powers of the General Meeting and the Board of Directors on conflicts of interest of the Directors, under Article 24 of the Regulations of the Board, the Audit and Compliance Committee has the power to settle any conflicts of interest that may arise between the company or the group and its Directors, executives, significant shareholders and listed subsidiaries, if any.

With regard to the Directors, Article 36 of the Regulations of the Board provides that Directors may not perform activities for their own or third party account that effectively or potentially compete with the Company or which otherwise puts them in a permanent conflict of interest with the company; and Article 37.1 establishes the obligation of Directors to take such measures as may be necessary to avoid situations in which their interests, for their own or third party account, may conflict with the corporate interests and their duties to the Company.

For this purpose, Article 38 of the Regulations of the Board stipulates that Directors shall inform the Board of any direct or indirect conflict of interest that they or any of their related parties may have with the Company. Furthermore, pursuant to Article 32.4 of the Regulations of the Board, Directors shall abstain from participating in the corresponding debates and voting on resolutions or decisions in which they or any person related to them has a direct or indirect conflict of interest, except in the cases in which they are authorised by law to participate in the discussion and voting.

The current Internal Code of Market Conduct establishes for Relevant Persons (Directors, senior executives and their closely related parties) certain prohibitions and limitations on trading in the Company's shares and disclosure of information, and also a penalty system for any breaches thereof.

It also stipulates that Relevant Persons other than directors may submit queries to the Compliance Unit regarding the application of the prohibited actions contemplated in Rule 6. Directors may submit any queries they may have directly to the Company Secretary.

Every year, when preparing the Financial Reporting, annual accounts and Annual Corporate Governance Report, the Directors (and representatives of corporate directors) are asked for information on: (i) any transactions that they or their related parties may have made with the Company and/or subsidiaries of the Group (the same information is also requested of the significant shareholders of the company); (ii) possible conflicts of interest as per section 229 of the Corporate Enterprises Act directly or indirectly involving the director, its representative or related parties; and (iii) any other possible conflicts of interest.

D.7. Indicate whether the Company is controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code and has business relations, directly or through its subsidiaries, with that entity or any of its subsidiaries (other than those of the listed company) or performs activities related with those of any of the latter.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax risks:

As an integral part of the corporate policies passed by the Board, the Risk Management and Control Policy lays down the basic principles and the general framework for control and management of the business risks, including tax risks, and internal control of financial reporting to which Ebro Foods, S.A. and other companies in its Group are exposed.

Within this general framework, the integral, homogenous Risk Management and Control System is based on the preparation of a business risk map, through which, by pinpointing, assessing and grading of the risk management capacity, the risks are ranked from greater to lesser impact for the Group and by probability of occurrence. The risk map also identifies methods for mitigating or neutralising the risks detected.

The risk universe is structured in four main groups: compliance, operational, strategic and financial, and they are all subdivided into a large number of categories.

The risk classification process dynamically assesses both the inherent risk and the residual risk after application of the internal controls and action protocols established to mitigate them. These controls include preventive controls, adequate separation of duties, clear levels of authorisation and definition of policies and procedures. These controls can in turn be grouped into manual and automatic, made by data processing applications. This model is both qualitative and quantitative and can be measured in the Group's results, for which purpose the risk level is considered acceptable or tolerable on a corporate level.

The Risk Management and Control System is dynamic, so the risks to be considered will vary according to the circumstances in which the Group's business is performed. During the reporting period (2020), a complete review was made, with the incorporation of new risks such as: (i) climate change, (ii) cybersecurity and (iii) the risks deriving from new social networks and how the Company relates with them. The risks associated with the COVID-19 pandemic and its numerous internal aspects (supply chain, safety at work, security associated with teleworking...) and external aspects (changes in consumer habits, explosion of demand...) were especially important during the reporting period.

E.2. Name the corporate bodies responsible for preparing and implementing the Risk Management and Control System, including tax risks:

The Risk (including tax risks) Management and Control System and control of financial reporting is based essentially on the following structure:

- The Board of Directors, as ultimately responsible, defines the policy for control and management of risks, including tax risks, and control of financial reporting. Article 17.3 of the Regulations of the Board provides that the Board shall receive information on the most important aspects of business management and any foreseeable risk situations for the Company and its subsidiaries, together with the actions proposed by the senior management in respect thereof.

- The Audit and Compliance Committee, through the Risks Committee, performs the duties of oversight and monitoring of the financial reporting and risk control systems, reporting regularly to the Board on any significant aspects arising in these areas. It is responsible for supervising and promoting internal control of the Group and the risk management systems and submitting recommendations to the Board on the risk control and management policy and possible mitigation measures in those areas.

- The Risks Committee, based on the policy established by the Board of Directors and under the supervision of and reporting to the Audit and Compliance Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and control of the Group's financial reporting. The Risks Committee also analyses and assesses the risks associated with new investments.

- The Management Committees of the core business units of the Group, on which the Chairman of the Board and the Chief Operating Officer (COO) sit, assess the risks and decide on mitigation measures.

- Risk officers of the core business units of the Group. The major subsidiaries of the Group have officers responsible for monitoring the financial reporting risk (including tax risks) control and management systems and reporting to the Risks Committee.

- Internal Audit Department. Within the internal audits of the different subsidiaries, the Company's Internal Audit Department checks that the testing and control of the financial reporting and risk management systems have been performed adequately in accordance with the indications by the Risks Committee and Audit and Compliance Committee.

E.3. Define the main risks, including tax risks and, to the extent that they may be significant, those deriving from corruption (the latter within the scope of Royal Decree Law 18/2017), that could have a bearing on achievement of the company's business goals:

The main risks that might have a bearing on achievement of the business goals set by the Ebro Foods Group are listed below and explained in greater detail in Explanatory Note Three in section H of this Report.

A. OPERATIONAL RISKS:

- Food safety risk

- Commodity supply risk

- Market risk (prices) risk

- Customer concentration risk

- Technological risk

- Cybersecurity

B. RISKS RELATED WITH THE ENVIRONMENT AND STRATEGY:

- Environmental risk

- Climate risk

- Competition risk

- Reputational risk

- Social network exposure

- Changes in lifestyle

- Country or market risk

- Natural disasters, fires

- Strategic planning and assessment of strategic opportunities for investment or divestment

C. COMPLIANCE RISKS:

- Sectoral regulatory risk

- General regulatory risk

- Tax risks

D. FINANCIAL RISKS:

- Foreign exchange risk

- Interest rate risk

- Liquidity risk

- Credit risk

E.4. State whether the company has a risk tolerance level, including one for tax risks:

Risks are measured by both inherent and residual risk.

A scorecard is made each year of the principal ten risks to which the Group may be exposed (the TOP TEN), which are rated and measured as far as possible. If the economic consequences of a risk could cause a loss (or a loss of profit) of more than 5% of the consolidated EBITDA budgeted, or over 20% of the individual EBITDA of a business, it is considered a threat requiring corporate action.

In general, the heads of the different business units and the Management Committee of each unit define the risks affecting their respective businesses, assess the possible economic impact of those risks and, in view of the specific prevailing circumstances, establish whatever mitigation measures they deem fit.

Without prejudice to the supervision by the Risks Committee and Audit and Compliance Committee, the Management Committee of each unit implements and monitors the mitigation measures taken and assesses the results thereof.

This notwithstanding, when a threat is identified that requires action on a corporate level (as mentioned in the first paragraph above), the persons responsible for risk management and control in the corresponding unit inform the Risks Committee of the situation, proposing such mitigation measures as they may consider adequate. The Risks Committee assesses the situation and the sufficiency and suitability of the proposed mitigation measures, supplementing them with additional measures should it deem fit, reporting to the Audit and Compliance Committee.

The Board of Directors is promptly informed on the risks that have materialised and the mitigation measures adopted, both through the report submitted regularly on the matter by the Audit and Compliance Committee and through the information given at all Board meetings on the development of business.

E.5. What risks, including tax risks, have occurred during the year?

The following risks occurred within the Ebro Group during 2020:

COVID-19

2020 was entirely marked by the worldwide pandemic unleashed in the first quarter of the year. This has required the Ebro Group to manage certain aspects that have been a major challenge:

a) The Group reacted swiftly to the initial shock, establishing protective measures at its workplaces, concentrating production on the products in greatest demand, establishing quotas for orders based on the records from previous years wherever orders exceeded production capacity and cutting out any promotions that did not contribute value in the new situation.

b) For months, the high levels of consumption maintained a high plant occupation, which enabled us to improve our productivity and yield. Overall, the demand for dry products has been explosive, while the performance of fresh products has been more stable. In any case, the management of production and logistics have represented a considerable challenge throughout the year.

c) There has been a significant change in consumption, in both the products demanded and how they are consumed. Broadly speaking, the Group has been less affected than others by these changes as our activity focuses on staple products with small unit prices. The pandemic has led to an increase in meals at home, to the detriment of the HORECA/Food Service channel, in which the Group has a smaller exposure.

d) Uncertainty has become a variable requiring management and affecting, among many other aspects, planning and returns on certain marketing actions or investments. Moreover, the situation of uncertainty, which continues at present despite the arrival of vaccines, could generate false expectations on the capital market.

Numerous measures have been taken to mitigate the risks deriving from the pandemic. The most visible measures are those related with safety in the workplace, with a direct cost of 155 million euros by year-end. Other measures have been put into place alongside those relating to safety: commercial changes to adapt supply to the needs of the market, an enormous logistic and production effort, changes in the platforms of systems related with teleworking, measures to boost an adequate work-life balance in a changing scenario depending on the evolution of the pandemic, etc. It has taken considerable effort to adapt and try to manage operations in a vastly changing playing field, with alternating easing and new waves of the pandemic.

SUPPLY RISKS

A problem arose in the last quarter of the year regarding the availability of sea freight, especially in containers from southeast Asia, owing to the increased demand to meet growing exports from China combined with a reduced supply of containers. As a result, freight prices soared (+400%) in that geographical area, which is so important for the shipping of rice. This reveals a risk of disruptions in our supply chain and increased cost of supplies. Logistic alternatives have been put into place in an effort to mitigate this risk, consisting mainly of chartering entire combined cargo bulk carriers for different European destinations, in order to supply to different destinations. It is hoped that these measures will mitigate the risk until the market stabilises.

Special attention is also focused on detecting possible pesticides and fungicides, stepping up the detection tests and controls. Consumers have also demonstrated increased concern regarding possible allergens, requiring us to intensify our efforts and checks of finished products.

With regard to farm prices, the cost of rice has risen in general, with some important sources suffering the consequences of extended drought or smaller sowing areas. Even so, the commodity price variations have kept within expected ranges and on the whole it has been possible to pass them on over a reasonable period of time and/or offset them with alternative sources. We must, nevertheless, draw attention to the chronic shortage of certain rice varieties grown in Spain as a result of drought and narrowing of supply. We are working on sourcing from other countries (such as Argentina, where the Group is already present) and reaching agreements with more Spanish producers to offset this shortage.

In the pasta division, the lastest French durum wheat harvest was small, pushing the price up. On the American continent (the other major region for this crop), prices were also higher than in the previous year. However, the good crop in Canada and timely measures taken (purchasing strategy, passing on in sales, cutting promotions and increasing productivity) forestalled significant problems in the sourcing of this raw material for the Group.

COUNTRY RISK

The uncertainty regarding the consequences of Brexit and whether or not a withdrawal agreement would finally be reached between the UK and the EU prevailed throughout 2020. This caused a degree of volatility in exchange rates and made it necessary to arrange currency hedges and adjust product storage and supply times as far as possible to cope with potential contingencies. Although a deal was finally reached, certain risks are anticipated in the future deriving from mistrust between the parties.

E.6. Explain the response and supervision plans for the main risks, including tax risks, to which the company is exposed and the procedures followed to ensure that the board of directors provides solutions for any new challenges that may arise:

The Management Committees of each business unit are responsible for monitoring its risk supervision system. Management committees usually meet monthly to analyse any risks that may have materialised and design and monitor the contingency plans and actions taken to mitigate them. Control and monitoring of the economic variables in each subsidiary against the corresponding budget also ensures the immediate detection of unforeseen risk situations. The subsidiaries with greatest weight within the Group, such as the North American subsidiaries, have "Crisis Management Plans" (CMP), which specify the main risks to which the company is exposed, the protocols for responding to them and the company officers responsible for implementation.

This notwithstanding, when a threat is identified that requires action on a corporate level (see section E.4), the persons responsible for risk management and control in the corresponding unit must inform the Risks Committee of the situation, proposing such mitigation measures as may be considered adequate. The Risks Committee assesses the situation and the sufficiency and suitability of the proposed mitigation measures, supplementing them with additional measures should it deem fit. The Risks Committee reports regularly to the Audit and Compliance Committee on the actions taken and plans proposed and the latter in turn reports on all this to the Board of Directors (without prejudice to the Board's knowledge of the most important situations through its detailed monitoring of business at each Board meeting).

The measures to control, reduce and, as the case may be, mitigate the risks are established according to the following basic criteria:

- They shall seek to neutralise the risk detected, maintaining coherence between the importance of the risk and the cost and means required to neutralise it.

- If neutralisation is not feasible, measures shall be designed to reduce the potential economic consequences, if possible to within tolerance levels.

- The management and control shall, as far as possible, forestall rather than remedy.

- The control mechanisms shall adequately separate management and oversight.

- The different people responsible for risk management shall coordinate their actions to be efficient, seeking the utmost integration between control systems.

- Maximum transparency shall be ensured in the identification and assessment of risks, specification and implementation of mitigation measures and assessment of the results of those measures.

- Compliance must be guaranteed with the requirements of internal reporting to the bodies responsible for supervision and control.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS FOR FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the internal control over financial reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1 What bodies and/or units are responsible for: (i) the existence and maintenance of an adequate and effective ICFR, (ii) its implementation and (iii) its oversight?

As established in its Regulations, the Board of Directors is ultimately responsible for the existence, maintenance and oversight of an adequate, effective internal control system for the company's financial reporting (ICFR).

The Audit and Compliance Committee is responsible for: (i) supervising and promoting the procedures and systems used to prepare and control the company's financial reporting; (ii) checking any public financial information; and (iii) ensuring implementation of and compliance with the internal regulations and codes applicable to the risk management and control systems in relation to the financial reporting process.

The Management Committee is responsible for the design, implementation and functioning of the ICFR through the Group Finance Department and the Finance Departments of the different business units. The different general managements are responsible for effective implementation of these systems within their respective areas of activity. There are also officers responsible for the different processes documented within the ICFR, who must ensure that those processes are kept up to date, informing the Risks Committee, through the finance department and general management of the corresponding business unit, of any modifications or adaptations required.

The Risks Committee, reporting to the Audit and Compliance Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and controlling the Group's financial reporting.

F.1.2 State whether the following elements exist, especially in respect of the financial reporting process:

· Departments and/or mechanisms responsible for: (i) designing and reviewing the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures for adequately informing the company:

As established in its Regulations, the Board of Directors is responsible for defining the general strategy and guidelines for management of the Company and its Group and encouraging and supervising the actions taken by the senior officers, establishing an organisational structure that will guarantee the utmost efficiency of the senior management and the management team in general.

According to the Regulations of the Board, the Nomination and Remuneration Committee is responsible for checking the criteria followed regarding the composition and structure of the Board and for selecting candidates for the Board. It also nominates the Chairman, CEO or managing director(s) and Secretary of the Board and proposes the assignment of Directors to the different Board Committees.

In turn, under the policies approved by the Board, the Nomination and Remuneration Committee supervises the senior executive remuneration and incentives policy.

Within each group company, the organisational structure of the units participating in the preparation of financial reporting depends on several factors, such as the volume of operations or type of business, but in all cases it corresponds to the need to cover the main duties of recording, preparing, checking and reporting the operations performed and the economic and financial position of the company. The Executive Chairman, Chief Operating Officer (COO) and executives of the different business units of the Ebro Foods Group participate actively in the management committees of the Group's subsidiaries, thereby ensuring direct communication through the lines of responsibility and authority.

The senior management and the human resources departments of the Group and each of the Group subsidiaries are responsible for designing the organisational structure according to local needs. The most important subsidiaries have organisation charts that include a description of the duties and responsibilities of the main areas participating in the internal control of financial reporting.

The different job descriptions of positions and responsibilities are maintained by the Human Resources Department of each subsidiary and the management of all the subsidiaries, especially the financial management, are informed of any new member of a subsidiary.

- Code of conduct, body responsible for its approval, degree of publicity and instruction, principles and values included (stating whether there is any specific mention of the recording of transactions and preparation of financial reporting), body responsible for analysing default and proposing corrective measures and penalties:

The Code of Conduct of the Ebro Group, an update of the earlier Codes of Ethics and Conduct drawn up by the Ebro Foods Group in 2003, 2008 and 2012, was approved by the board on 25 November 2015 and all levels of the organisation were notified.

The Code of Conduct provides guidance on how to act in the Group's internal and external relationships, strengthening the values that distinguish us and establishing a basic reference to be followed by the Group.

The Code aims to:

- Be a formal, institutional reference for personal and professional conduct
- Guarantee the responsible, ethical behaviour of all the Group's professionals in their work
- Reduce the element of subjectivity in personal interpretations of moral and ethical principles
- Create a standardisation tool to guarantee progressive implementation throughout the Group of the ten principles of the UN Global Compact
- Grow responsibly and committed to all our stakeholders.

As established in the Code of Conduct, the Group assumes a principle of conduct based on transparent reporting, consisting of an undertaking to report reliable financial, accounting or other information to the markets. Accordingly, the company's internal and external financial reporting will give a true and fair view of its real economic, financial and equity situation according to generally accepted accounting principles.

Employees formally sign the Code of Conduct when they join the workforce of most Group companies and all new Group employees during the year were informed and given a copy of the Code.

The Code of Conduct is published in the Intranet, where it can be consulted by any employee, and on the Group's website.

The Audit and Compliance Committee is responsible for monitoring and controlling application of the Code. The Compliance Unit, which has sufficient initiative, autonomy and resources, is responsible, among other duties, for assisting the Audit and Compliance Committee in the supervision of compliance, publication and interpretation of the Code of Conduct.

Ebro Foods, through its Secretary, has an e-mail address to which any Group employee may send queries and suggestions regarding the interpretation of the Code of Conduct.

The Audit and Compliance Committee reports regularly to the Group's Board of Directors on any queries raised in respect of the interpretation and application of the Code of Conduct, how they have been solved and, where appropriate, the interpretation criteria followed.

The Code of Conduct provides that any violation or breach of the Code that is classified as a labour offence shall be penalised according to the labour laws, without prejudice to any other liability that the infringer may incur and the remedial measures that may be established by the different Group companies in pursuance of prevailing laws. On a Group level, the Audit and Compliance Committee, assisted by the Compliance Unit, shall receive reports of any violation of the Code of Conduct and act accordingly.

- Whistleblowing channel, through which the audit committee can be informed of any financial or accounting irregularities, any breaches of the code of conduct and any irregular activities within the organisation, indicating whether this channel is confidential and whether it allows anonymous communications respecting the rights of the reporting person and the person concerned:

As established in the Regulations of the Board, the Audit and Compliance Committee is formally responsible for implementing a confidential whistleblowing channel accessible to all Group employees and defining a protocol for prioritising, processing, investigating and settling reports according to their importance and nature, especially any concerning possible financial or accounting misrepresentations.

For this purpose, in its Code of Conduct the Ebro Group has established a whistleblowing channel, through which any irregular conduct in financial, accounting or other areas and any breach of the code of conduct can be reported confidentially.

Through that whistleblowing channel, therefore, any employees may report whatever conduct they may consider necessary and contact the Chairman of the Audit and Compliance Committee directly to inform on potential breaches. Access to that e-mail account, technologically protected to prevent any unauthorised access, is limited exclusively to the Chairman of the Audit and Compliance Committee who, as an Independent Director, has no relationship with the management structure of the Group.

The Audit and Compliance Committee guarantees the confidentiality of the reports handled, according to a confidentiality commitment signed by all those involved in handling the reports and other precautions included in the "Report Handling Protocol". That protocol, approved by the Audit and Compliance Committee in 2012, establishes the procedure to be followed on receiving reports, regarding their processing, prioritising, solving and notification.

The whistleblowing channel guarantees confidentiality, is accessible to all Group employees and does not expressly establish or rule out the possibility of making anonymous reports.

· Training programmes and regular refresher courses for employees involved in the preparation and checking of financial information and evaluation by the ICFR, covering at least accounting and auditing standards, internal control and risk management:

The Ebro Group has a policy of making sure it has personnel with sufficient training and experience to perform the duties and responsibilities assigned to them. The Ebro employees involved in the preparation and checking of the financial information and ICFR appraisal participate in training and refresher courses regarding the laws and standards in place from time to time and good practices to guarantee the reliability of the financial information generated.

The Ebro Group also encourages and provides means and resources for its employees to keep their accounting knowledge up to date through the attendance of seminars, on-line information and other means, and regular meetings are held with the external auditors to assess in advance the standards in place or those about to enter into force.

During the year the Ebro Group has focused its training for personnel involved in the preparation and checking of financial information and ICFR appraisal on the following aspects:

- Accounting updates
- Management and control of costs for business decision-making
- Training in the tax laws in different countries
- Financial Reporting Internal Control System Manual

In addition, the external auditors of the Company and its Group regularly attend the meetings of the Audit and Compliance Committee to give training on the principal novelties in accounting and auditing, especially those that have or may have a greater effect on the Group's accounts.

F.2. Measurement of risks in financial reporting

Report at least on:

F.2.1 The main features of the risk identification process, including risks of error or fraud, in respect of:

· Whether the process exists and is documented:

Within the risk management and control policy approved by the Board, the financial reporting internal control system is supervised by the Audit and Compliance Committee, assisted by the Risks Committee and the Group Finance Department.

The potential risk events that could affect the organisation are identified and assessed through the financial reporting internal control system, pinpointing and assessing the risks corresponding to each line of business. Through this risk control and management system, the Ebro Group has drawn up a consolidated risk map by compiling and combining the risk maps of its major subsidiaries.

This process is coordinated by the Risks Committee, which manages and establishes the permitted tolerance to the risk and coordinates actions to align the measures addressing risks with the Group's global risk policy so that the exposure to risk assumed by the Ebro Group overall is known at all times.

Based on the results obtained, systems are devised for addressing risks and internal control, to keep the likelihood and impact of those risks on financial reporting within the tolerance levels, thereby providing reasonable certainty regarding achievement of the strategic business goals.

· Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; measurement; presentation, breakdown and comparison; and rights and obligations), whether it is updated and how often:

The Ebro Group has established a continuous improvement process to minimise the risks related with financial reporting by improving the design and effectiveness of existing controls.

For this purpose, it has a process identifying the risks affecting the reliability of financial reporting, based on and beginning with a definition of the scope, according to quantitative criteria of materiality in respect of the consolidated amounts and other qualitative criteria (error, fraud, uncommon transactions, etc.). Companies in the major business units or divisions that meet any of the afore-mentioned criteria and the material accounting items of each one are defined according to those criteria. Once the material items have been defined on a company level, the processes and sub-processes they affect are established, according to a relationship matrix.

For each of the sub-processes included within the scope, the inherent risks and the checks made by the responsible persons to mitigate those risks are identified, setting this information down in a Risks-Controls Matrix. Those risks take account of all the financial reporting objectives (existence and occurrence; integrity; measurement; presentation, breakdown and comparison; and rights and obligations).

The financial reporting risks are identified in the Ebro Group's Risks-Controls Matrix and updated to take account of any changes in the scope of consolidation of the Group or development of its business and their reflection in the financial statements, making a comparative analysis every year of the variations in material processes and sub-processes to establish any risks that have not been previously identified.

· The existence of a process for defining the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, base companies or special purpose vehicles:

The Ebro Group has a process based on internal regulations that guarantees the correct identification of the scope of consolidation through an adequate separation of duties in the requesting, authorising, reporting and recording of any operation entailing the incorporation, merger, division, acquisition or sale of companies and any other corporate operation, directly involving the Legal Department and the Board of Directors.

This process considers the possible existence of complex corporate structures, base companies or special purpose vehicles, among other means by establishing an adequate structure to separate the duties of requesting, authorising and reporting for any corporate operation within the Group. No transactions or complex corporate structures that might entail off-balance sheet transactions that should be recorded within the reporting period were identified this year.

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they affect the financial statements:

The Risk Management and Control System of the Ebro Group is designed to identify potential risk events that might affect the organisation. At present there are four types of risks: Operating, Compliance, Strategic and Financial, and the conclusions are taken into account insofar as the risks may affect financial reporting. For this purpose, the Risks Committee acts as a unit of coordination and interrelation of the effect of the risks detected on the different areas (management, business, financial reporting, legal, reputational etc. risks).

· Which governing body of the company supervises the process:

While the Board has the power, which it may not delegate, to determine the policy for control and management of risks, including tax risks, and supervision of the internal control and reporting systems, the Audit and Compliance Committee is responsible for supervising and promoting the procedures and systems used to prepare and control the Company and Group financial reporting, and controlling the implementation of and compliance with the risk management and control systems, both in general and in respect of the financial reporting process.

F.3. Control activities

Inform whether the company has at least the following, describing their main features:

F.3.1 Procedures for checking and authorising financial information to be published on the stock markets and description of the ICFR, indicating who is responsible for these tasks, and documentation describing the flows of activities and controls (including those checking for the risk of fraud) in the different types of transactions that may have a material effect on the financial statements, including the procedure for closing of accounts and the specific review of judgements, estimates, valuations and significant projections

The priorities established within the Ebro Group include the quality and reliability of the financial information, both internal information for decision-making and external information published for the markets. The information to be provided by the different units is requested by the Group financial department, paying special attention to the processes of closing the accounts, consolidation, measurement of intangibles and areas subject to judgement and estimates.

The Ebro Group has procedures for checking and authorising the financial information and description of the ICFR, responsibility for which corresponds to the Financial Department, the Risks Committee, the Audit and Compliance Committee and the Board of Directors.

The Audit and Compliance Committee checks and analyses the financial statements and any other important financial information, as well as the principal judgements, estimates and projections included and discusses them with the corporate financial department and the internal and external auditors to confirm that the information is complete and the principles applied are consistent with those of the previous full-year accounts.

The procedure for checking and authorising the financial information corresponds to the Group financial department, based on the information checked and validated by the different units. The Audit and Compliance Committee supervises this information to be published on the market and it is approved by the Board of Directors.

The Group has implemented a process to enhance the quality and quantity of documentation and make the generation of financial information and its subsequent supervision more effective and efficient.

The significant processes involved in the generation of the Group financial reporting are documented based on the COSO internal control model. The main processes documented are:

- Closing of Financial Statements and Reporting
- Consolidation
- Sales and Receivables
- Purchases and Payables

- Fixed Assets
- Inventories
- Payroll

The documentation outline is extended progressively, according to the materiality and the general criteria established in the Group's financial reporting internal control system.

The persons responsible for each of the documented processes in each subsidiary have been identified. They are responsible for keeping those processes up to date on an annual basis, reporting any modifications or adaptations to the Risks Committee through the Group's financial department.

Process documentation includes details of the flows and transactions and the financial reporting objectives and controls established to ensure they are met. It also contemplates the risks of error and/or fraud that might affect the financial reporting objectives. The documentation of flows of activities and controls that may have a material effect on the financial statements, including the accounts closing procedure, includes the preparation of narratives on the processes, flow charts and risk and control matrices. The controls identified are both preventive and detective, manual or automatic, describing also their frequency and associated information systems.

F.3.2 Internal control procedures and policies for the IT systems (including access security, track changes, operation, operating continuity and separation of duties) used for the significant processes of the company in the preparation and publication of financial information

The Group has rules for managing financial information security. Those rules are applicable to the systems used to generate financial information and the IT Department is responsible for defining and proposing the security policies.

Within its policies and infrastructure management the Ebro Group has procedures to secure each of the following:

i) Both physical and logical access are controlled to ensure that only authorised internal and external personnel can access the Ebro centres and systems. Ebro has several Data Centres, the main one in Spain where the company's critical systems are housed. The major subsidiaries also have local data centres. They all have their own infrastructure to guarantee adequate control of access to the installations. In small subsidiaries, the general rule is to have external service providers to provide that security. When external service providers are used, the Ebro Group makes internal audits of the information systems and their architecture, including the security aspect.

Logical access control is secured with efficient management of access to our systems, whether internal or external, and through a user management coordinated with the human resources department and the company's group of managers. Ebro has user access control systems and workflow tools to guarantee inter-departmental integration and efficient updating of user status, regularly identifying those who no longer access the systems. Ebro Foods has implemented a system to control the separation of duties and access to critical functions of the SAP GRC SoD system in certain subsidiaries (currently in Riviana Foods Inc and Riviana Foods Canada Corporation, and it is in progress in Herba Ricemills) and there is a plan to extend this implementation to the other major subsidiaries. Its implementation programme contemplates extension to all the major subsidiaries of the Ebro Foods Group. To compile its non-financial information, Ebro has developed a tool that manages the information required to guarantee its integrity, and workflows for approval to guarantee its reliability. All the subsidiaries included in the SAP-based corporate ERP have implemented a procedure to separate duties within IT and the use of privileged users (Firefighter) subject to request, approval and control.

External access is guaranteed through specific users and controlled management. The necessary elements have also been provided on a network level to ensure that only authorised users and processes have access from outside.

ii) The larger subsidiaries mainly use the ERP SAP system. In all those cases, Ebro has procedures underpinned by systems that systematically filter, assess, manage the life cycle and inform on production changes after acceptance by specific users and impact analysis in the systems currently used in production.

iii) The separation of duties is underpinned by the use of roles by groups of users, which allow access only to the information and transactions previously approved by the organisation. The modification or creation of new roles is backed by the same procedure that guarantees management of the user life cycle and is applicable to the major companies of the Ebro Group. Special attention is paid to separation in IT support processes to make sure that the tasks of development, sending to production and administration of the system are duly separated. In addition, as mentioned above, Ebro Foods has implemented the SAP GRC SoD system throughout the Group for the IT Department and is in the process of rolling it out in all subsidiaries, ensuring adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

iv) Ebro has internal tools which, combined with the user support departments and systems (Help Desks), guarantee the management and traceability of any incidents in the IT systems. Programme changes are managed within that system, which is based on best practices and management following the ITIL methods.

The critical information systems are always housed in our data centres and there are individuals assigned to each one who are responsible for proactive monitoring of the automatic processes and proactive assessment of the yield and functioning of the systems.

Ebro has global contracts with security control tool providers, which guarantee the installation of such tools in all the computer and data processing equipment used in the company.

v) Ebro Foods has a cybersecurity policy based on several fundamental pillars for the security of our systems. This includes endpoint security, of both users and servicers, identity security -especially important in view of the increasingly more common cloud migration strategies-, perimeter security for access to our network and data security. Ebro Foods uses the leading tools available on the market and procedures based on best practices to minimise the risk in each of these areas.

vi) Ebro has tools to guarantee the continuity of business support by its IT systems in the event of a fatal error or system crash. There are backup systems and policies in its data centres that guarantee access to information and systems in case of a crash. The use of tape or disk backups and replicating the information in several computers with subsequent triangular distribution are habitual procedures for making incremental or complete backup copies. The current systems allow recovery of the information up to the specific time of the fatal error or system crash.

F.3.3 Internal control procedures and policies to oversee the management of outsourced activities and any aspects of valuation, calculation or measurement commissioned to independent experts, which may have a material impact on the financial statements

In general, the Ebro Group manages all activities that may have a material impact on the reliability of the financial statements, using internal resources to avoid outsourcing. There are very few outsourced activities and the procedures and controls of those activities are regulated in the contracts signed with the service providers in question.

The valuation, calculation or measurement activities commissioned by the Ebro Group to independent experts are mainly concerned with the appraisal of properties, actuarial studies of employee benefits and impairment testing of intangibles.

Only service providers of internationally recognised standing are used for these valuation reports, making sure that they are not affected by any circumstance or event that could compromise their independence.

The reports obtained from these firms are submitted to internal review to check that the most significant assumptions and hypotheses used are correct and that they comply with the International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS). Furthermore, the valuation processes and the hypotheses and assumptions used by independent experts are reported to and considered by the external auditors of the Company and its Group.

F.4. Information and communication

Inform whether the company has at least the following, describing their main features:

F.4.1 A specific department responsible for defining the accounting policies and keeping them up to date (accounting policy department or division) and solving queries or conflicts deriving from their interpretation, maintaining fluent communication with those responsible for operations in the organisation, as well as an updated accounting policy manual distributed among the units through which the company operates

The Ebro Group has adequate procedures and mechanisms to inform the employees involved in the preparation of financial information on the applicable criteria and the IT systems used in that preparation. This is done through the Management Control Unit and the Corporate Financial Department, whose powers include the following, among others:

- Define, administer, update and report on the Group's accounting policies, in compliance with the applicable accounting standards and rules of consolidation for the preparation and presentation of financial information to be disclosed.

- Prepare, update and report on the Accounting Policy Manual to be applied by all financial units in the Group. This manual is updated regularly.

- Settle any queries or conflicts regarding the interpretation and application of the accounting policies, maintaining fluent communication with those responsible for these operations in the organisation.

- Define and create templates, formats and criteria to be used for preparing and reporting the financial information. All financial information distributed on the markets is prepared by consolidating the reports of the different business units, prepared using mechanisms for data input, preparation and presentation that are homogenous for the entire Group. These mechanisms are designed to enable compliance with the standards applicable to the principal financial statements, including accounting criteria, valuation rules and presentation formats, and embrace not only the balance sheet, profit and loss account, statement of changes in equity and statement of cash flows, but also the obtaining of other information that is necessary to prepare the notes to the financial statements.

F.4.2 Mechanisms for collecting and preparing financial information with homogenous formats, applied and used by all business units in the company or group, valid for the main financial statements and notes, and the information given on the ICFR

The Group's financial information is prepared using a process of aggregating separate financial statements at source for subsequent consolidation according to the applicable accounting and consolidation standards, to obtain the consolidated financial information to be presented monthly to the Board and published periodically on the markets.

The process of aggregation and consolidation of the Group's financial statements is based on homogenous, common format templates that include different tables and reports to be completed. They also have automatic internal controls to check the integrity and reasonability of the data input.

These templates are validated each month by a financial manager in each subsidiary before sending them for checking and consolidation. To complete the automatic checks, those data and the estimation, valuation and calculation principles used to obtain them, as well as the accounts closing procedure, are checked by the financial manager at each level of aggregation and consolidation until the Ebro Group consolidated financial information is obtained, prepared and checked by the corporate financial department.

The Ebro Group has established a reporting system for the Financial Reporting Internal Control System, which is available in the Group for all the subsidiaries included within the scope of the ICFR. Through that reporting, the parent coordinates maintenance of the system in the rest of the subsidiaries annually through the assignment of persons responsible for their maintenance and updating in the event of any significant change to be taken into consideration in the documentation. Finally, if any weaknesses are detected in the financial reporting internal control system, the subsidiaries are notified of the necessary action plans and they are monitored by the parent.

F.5. Supervision of the functioning of the system

Inform on at least the following, describing their main features:

F.5.1 The ICFR supervisory activities performed by the audit committee and whether the company has an internal audit department responsible, among its duties, for assisting the committee in its supervision of the internal control system, including the financial reporting internal control system (ICFR). Inform also on the scope of the ICFR appraisal made during the year and the procedure through which the department or body responsible for the appraisal informs on the outcome, whether the company has an action plan defining any possible corrective measures and whether their impact on the financial information has been considered

The Board of Directors is ultimately responsible for the existence, maintenance and supervision of an adequate, effective internal control system for the financial reporting. Among the duties defined in the Regulations of the Board, the Audit and Compliance Committee assists and supports the Board in its supervision of the accounting and financial information, the internal and external audit services and corporate governance.

The Audit and Compliance Committee, assisted by the Risks Committee, must see that the internal audit procedures, the internal control systems in general, including the risk management control system and, in particular, the financial reporting internal control system, are adequate.

The Audit and Compliance Committee also ensures that the external auditor and Internal Audit Manager are selected on the basis of objective, professional qualifications, guaranteeing their independence in the performance of their duties; reports to the board on any related party transactions submitted for its consideration; controls any possible conflicts of interest; and, in general, makes sure that all the company's information and reporting, particularly financial, complies with the principle of truth and maximum transparency for shareholders and markets.

The Risks Committee, as the central control system, monitors adequate fulfilment by the risk officers of the respective units of the following duties: (i) monitoring, updating and review of the business risks map and the different financial reporting processes; (ii) compliance with the reporting protocols for business risks and financial information; (iii) assessment of the measures for mitigating and controlling any risks detected, and (iv) assessment of the effectiveness of the systems and controls by implementing the test processes indicated by the Risks Committee, assisted by the heads of the different units and, where necessary, external advisers. The Risks Committee, based on the policy established by the Board and supervised by and reporting to the Audit Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and checking the Group's financial information.

Within the business risks control and the financial reporting internal control system, the Internal Audit Department makes sure that the testing and control of risk management and financial reporting systems have been done properly, within the internal audits carried out on different subsidiaries during the year, under the Internal Audit Plan.

The Internal Audit Department has submitted its annual working plan to the Audit and Compliance Committee and reported directly to said committee on any incidents detected in the performance of that work, proposing the corresponding action plan defining any necessary corrective measures; and at the end of each year, it has submitted an activity report.

The results of audits made by the Internal Audit Department and any incidents detected by the Risks Committee have been reported to the Audit and Compliance Committee. Moreover, the action plan devised for remedying those incidents has been sent to both the person responsible for remedying them and the Audit and Compliance Committee.

F.5.2 Inform on whether the company has a discussion procedure whereby the auditor (according to the provisions of the auditing standards), the internal audit department and other experts can inform the senior management and audit committee or company directors of any significant weaknesses detected in internal control during the auditing or checking of the annual accounts or any other processes commissioned to them. Indicate also whether the company has an action plan to remedy or mitigate the weaknesses observed

The Audit and Compliance Committee has a stable, professional relationship with the external auditors of the principal companies in its group, strictly respecting their independence. That relationship favours communication and discussion of any internal control weaknesses pinpointed during the auditing of annual accounts or any other audit work commissioned to them.

In this regard, the Audit and Compliance Committee receives information from the external auditor at least every six months on the audit plan and outcome of its implementation, and checks that the senior management heeds the auditor's recommendations.

In addition, as established in the Regulations of the Board, it is responsible for overseeing the Internal Audit Services, examining the financial reporting process and internal control systems.

During 2020, the External Auditor attended 5 meetings of the Audit and Compliance Committee and the Manager of the Internal Audit Department attended 4.

F.6. Other significant information

N/A

F.7. External auditor's report

Inform on:

F.7.1 Whether the ICFR information sent to the markets was checked by the external auditor, in which case the company should include the corresponding report in an annex. If not, explain why not.

The report issued by the external auditor is appended hereto.

G. EXTENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of compliance by the company with the recommendations of the Good Governance Code for Listed Companies.

If any recommendation is not followed or is only partly followed, include a detailed explanation of the reasons so that shareholders, investors and the market in general have sufficient information to assess the company's actions. General explanations are not acceptable.

1. The articles of association of listed companies should not limit the maximum number of votes that may be cast by an individual shareholder or impose other restrictions hampering takeover of the company via the market acquisition of its shares.

   Complies [X]   Explanation [ ]

2. When the listed company is controlled, in the sense of Article 42 of the Commercial Code, by another company, listed or otherwise, and conducts business, directly or through its subsidiaries, with that controlling company or any of its subsidiaries (other than those of the listed company) or engages in activities related with those of any of the latter, it should report publicly and precisely on:

   a) The types of activity they are respectively engaged in and any business dealings between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other hand.

   b) The mechanisms in place to solve any conflicts of interest that may arise.

   Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

3. During the annual general meeting, to supplement the written distribution of the annual corporate governance report, the chairman of the board should inform the shareholders orally, in sufficient detail, of the most important aspects of the company's corporate governance, especially:

   a) Any changes made since the previous annual general meeting.

   b) The specific reasons why the company does not follow any of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X]   Partial compliance [ ]   Explanation [ ]

4. The company should define and promote a policy concerning communication and contacts with shareholders and institutional investors, within the framework of their involvement in the company, and proxy advisors that fully respects the laws against market abuse and gives similar treatment to shareholders who are in the same position. And the company should publish that policy on its website, including information on how it has been implemented, naming the contacts or those responsible for such implementation.

   Notwithstanding the legal obligations regarding the disclosure of inside information and other kinds of regulated information, the company should also have a general policy regarding the communication of non-financial economic and financial corporate information through channels considered adequate (media, social networks or other channels), contributing towards maximum disclosure and quality information to the market, investors and other stakeholders.

   Complies [X]   Partial compliance [ ]   Explanation [ ]

5. The board should not table a motion at the general meeting for delegating powers to issue shares or convertible securities excluding the preferential subscription right in a sum of more than 20% of the capital at the time of the delegation.

And when the board approves an issue of shares or convertible securities excluding the preferential subscription right, the company should immediately publish on its website the reports on that exclusion required by commercial law.

Complies [X] Partial compliance [ ] Explanation [ ]

6. Listed companies that prepare the following reports, whether mandatory or voluntary, should publish them on their websites sufficiently in advance of the annual general meeting even though that publication is not compulsory:

a) Report on the independence of the auditor

b) Reports on the functioning of the audit committee and the nomination and remuneration committee

c) Report by the audit committee on related party transactions

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except (c).

The Audit and Compliance Committee checks that all the related party transactions with significant shareholders, directors, representatives of corporate directors and other related parties have been made on arm's length terms, at market prices, transparently, fairly and reasonably, and always in the interests of the Ebro Foods Group, and issues a report to the Board in favour of their approval.

However, after studying this Recommendation the Company does not consider it convenient to publish the contents of that report because it contains sensitive commercial information that is confidential for the Group in respect of its rivals.

7. The company should broadcast general meetings live, through its website.

And the company should have mechanisms to enable online proxies and voting and even, in large cap companies and insofar as is proportionate, online attendance and active participation in the general meeting.

Complies [X] Partial compliance [ ] Explanation [ ]

8. The audit committee should make sure that the annual accounts presented by the board of directors to the general meeting are drawn up in accordance with the applicable accounting standards. And if the auditors have submitted a qualified report, the chairman of the audit committee should explain clearly at the general meeting the opinion of the audit committee on the content and scope of the qualifications included, making a summary of that opinion available to shareholders, together with the other motions and reports by the board, when the notice of call to the general meeting is published.

Complies [X] Partial compliance [ ] Explanation [ ]

9. The company should publish permanently on its website the requirements and procedures it will accept as proof of ownership of shares, right to attend the general meeting and exercise or delegation of shareholders' voting right.

And those requirements and procedures should favour the attendance and exercise by shareholders of their rights, not being in any way discriminatory.

Complies [X] Partial compliance [ ] Explanation [ ]

10. If a legitimate shareholder has exercised their right, prior to the general meeting, to supplement the agenda or submit new proposed resolutions, the company should:

a) Immediately distribute those supplementary items and new proposed resolutions.

b) Publish the model attendance card or proxy form or postal/electronic voting form with the necessary modifications to enable voting on the new items on the agenda and alternative proposed resolutions on the same terms as those proposed by the board of directors.

c) Put all these items or alternative proposals to the vote and apply the same voting rules as those applicable to the proposals by the board, including in particular the presumptions or deductions regarding votes.

d) After the general meeting, report the details of the voting on those supplementary items or alternative proposals.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

11. If the company plans to pay attendance fees for general meetings, it should establish in advance a general policy on those fees and that policy should be stable.

Complies [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

12. The board should perform its duties with unity of purpose and independence of judgement, give the same treatment to all shareholders in the same position and be guided by the company's interests, namely the achievement of a profitable business sustainable in the long term, promote its continuity and maximise the economic value of the company.

And in its search for the company's interests, apart from respecting the laws and regulations and acting in good faith, ethically and with respect for generally accepted use and good practice, it should endeavour to reconcile the corporate interests with the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as the case may be, and the impact of the company's activities on the community and environment.

Complies [X]   Partial compliance [ ]   Explanation [ ]

13. The board should have the necessary size to operate effectively, with participation. The recommended size is between five and fifteen members.

Complies [X]   Explanation [ ]

14. The board should approve a policy designed to favour an appropriate composition of the board that:

a) Is specific and verifiable;

b) Ensures that nominations for appointment or re-election are based on a prior analysis of the expertise required by the board; and

c) Favours the diversity of expertise, experience, age and gender. For this purpose, any measures designed to ensure that the company has a significant number of female executives are considered to favour gender diversity.

The results of the prior analysis of expertise required by the board should be set out in the report by the nomination committee published when calling the general meeting at which the ratification, appointment or re-election of each director is proposed.

The nomination committee shall check compliance with this policy annually and inform on its conclusions in the annual corporate governance report.

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except the last paragraph of (c).

The company has not considered it necessary to pass a specific policy to stimulate the presence of female executives to comply with the principles behind this Recommendation.

The Code of Conduct of the Ebro Foods Group guarantees the principle of equal treatment and equal opportunities for all professionals, regardless of their gender or sexual orientation, and this principle is applied by the company in its processes of selection, hiring, promotion and career opportunities of all its professionals, regardless of whether they are men or women.

As indicated in section C.1.6 above, there is no positive or negative discrimination of any nature in the procedures followed by the company for selecting and contracting its executive personnel, so it is not necessary to introduce any new measures to encourage the hiring of women for executive positions.

See section C.1.6 also for the definition of "Executive" used by the company.

15. The proprietary and independent directors should represent an ample majority of the board and the number of executive directors should be the minimum necessary, taking account of the complexity of the corporate group and the percentage stake held by the executive directors in the company's capital.

And the number of female directors should represent at least 40% of the board member by the end of 2022 and before that, no less than 30%.

Complies [X] Partial compliance [ ] Explanation [ ]

16. The ratio of proprietary directors to total non-executive directors should not be greater than the ratio of capital represented by those directors to the rest of the capital.

This may be eased:

a) In companies with a high capitalisation, in which shareholdings legally considered significant are scarce.

b) In companies with a plurality of unrelated shareholders represented on the board.

Complies [ ] Explanation [X]

Although proprietary directors represent a higher percentage (66.67%) of the total non-executive directors than the proportion of the company's capital represented by those directors in the total capital (57.13%), it should be borne in mind that (i) the significant shareholders represented on the Board are unrelated, (ii) 67.07% of the capital is represented on the Board, and (iii) 70.49% of the company's capital is held by stable or strategic shareholders.

The company has assessed the monitoring of this Recommendation and considers that the current composition of the Board combines the principles of necessary size, balance and ample majority of non-executive directors recommended by the Code of Good Governance.

17. The number of independent directors should represent at least one-half of the total directors.

This notwithstanding, if the company does not have a large capitalisation or if it has a high level of capitalisation but has one shareholder, or several acting in concert, that controls more than 30% of the capital, the number of independent directors should represent at least one-third of the total directors.

Complies [ ] Explanation [X]

The number of independent directors (4) is considerably lower than one-third (4.6) of the total Board members (14) recommended for companies which, like Ebro Foods, S.A., are not high-cap.

It should be borne in mind in this regard that 67.07% of the capital is represented on the Board.

18. Companies should publish on their websites and keep up to date the following information on their directors:

a) Professional and biographic profile

b) Other directorships held, in listed or unlisted companies, and other remunerated activities performed, of whatsoever nature

c) Indication of the category of director, indicating for proprietary directors the shareholder they represent or with which they are related

d) Date of first appointment as director of the company and subsequent re-elections

e) Shares and stock options held in the company

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except (b).

Although there is no specific section on the corporate website containing the information contemplated in paragraph (b), information on the Directors of Ebro Foods, S.A., including directorships held in listed companies and positions and activities performed, remunerated or otherwise, in companies engaged in similar or identical activities as Ebro Foods, is set out in the annual accounts and corporate governance report each year published in the corresponding sections of the website.

After studying this Recommendation, the Company considers that it informs on the directorships held in listed companies and positions and activities performed, remunerated or otherwise, in companies engaged in similar or identical activities as Ebro Foods, S.A. in sufficient detail to comply with the transparency in reporting sought by the Code of Good Governance.

19. Once checked by the nomination committee, the annual corporate governance report should include an explanation of the reasons why proprietary directors have been appointed at the request of shareholders with an interest of less than 3% in the capital, as well as the reasons, if appropriate, for not meeting formal requests for presence on the board from shareholders with an interest equal or greater than others at whose request proprietary directors have been appointed.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

20. Proprietary directors should resign when the shareholder they represent disposes of its entire shareholding in the company. They should also resign in the corresponding number when the shareholder disposes of part of its shares to an extent requiring a reduction in the number of proprietary directors.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

21. The board should not propose the removal of any independent director before the end of the period for which they were appointed, unless there are just grounds for doing so, as appreciated by the board subject to a report by the nomination committee. In particular, just grounds are deemed to exist when the director takes up new positions or contracts new obligations preventing them from dedicating the necessary time to performance of their duties on the board, or if they breach their duties or any circumstances arise by virtue of which they would no longer be considered independent, according to the applicable legal provisions.

The removal of independent directors may also be proposed following takeover bids, mergers or other similar corporate operations entailing a change in the ownership structure of the company, when changes in the structure of the board are required by the principle of proportionality contemplated in Recommendation 16.

Complies [X] Explanation [ ]

22. Companies should establish rules obliging directors to report and, if necessary, resign if any situation arises, related or not with their actions within the company, that could jeopardise the company's prestige and reputation. In particular, directors should be obliged to inform the board of any criminal proceedings brought against them and the development of the proceedings.

If the board has been informed or has otherwise become aware of any of the situations contemplated in the preceding paragraph, it should study the case as soon as possible and, in view of the specific circumstances and the corresponding report by the nomination and remuneration committee, decide whether any action should be taken, such as opening an internal investigation, requesting the director to resign or proposing their removal. An account of this situation should be included in the Annual Corporate Governance Report, unless special circumstances justify not doing so, in which case they should be put on record. This is notwithstanding the information that the company is obliged to disclose, if appropriate, when adopting the corresponding measures or actions.

Complies [X]   Partial compliance [ ]   Explanation [ ]

23. All the directors should clearly express their opposition whenever they consider that any proposed decision submitted to the board may go against corporate interests. The independent and other directors not affected by the potential conflict of interest should also do so when the decisions may be detrimental to shareholders not represented on the board.

And when the board adopts significant or reiterated decisions about which a director has expressed serious reservations, the latter should reach the appropriate conclusions and, if they opt to resign, explain the reasons in the letter contemplated in the following recommendation.

This recommendation also affects the secretary of the board, even if they are not a director.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

24. If a director retires from office before the end of their term, through resignation or by virtue of a resolution adopted by the General Meeting, they shall explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the grounds for their removal by the General Meeting, in a letter sent out to all the Board members.

Even if the Annual Corporate Governance Report contains the appropriate information on the foregoing, to the extent that it is important for investors, the company should publish news of the director's retirement as soon as possible, including a sufficient account of the reasons or circumstances indicated by the director.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

25. The nomination committee should make sure that non-executive directors have sufficiently availability to perform their duties correctly.

And the regulations of the board should stipulate the maximum number of directorships that may be held by its directors.

Complies [ ]   Partial compliance [X]   Explanation [ ]

Although the Regulations of the Board do not stipulate a maximum number of directorships that may be held by the Directors of Ebro Foods, S.A., it does impose on the Directors the obligation to dedicate to the Company such attention and time as may be necessary to guarantee the effective and adequate fulfilment of each and all of the duties corresponding to their position. Consequently, the maximum number of other directorships they may hold will be such as to ensure that they are able at all times to meet each and all of their obligations to the company (Article 32 of the Regulations of the Board, "General duties of Directors").

Moreover, the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors stipulates within "Conditions to be met by candidates" that candidates must have sufficient availability to be able to duly perform their duties. This point is confirmed by the Committee with the candidates before submitting any proposal to the Board of Directors.

After studying this Recommendation, the Company considers that the principles pursued by the Code of Good Governance in this respect are met with the obligation regarding dedication imposed in Article 32 of the Regulations of the Board and the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors. It considers this a complex issue and believes that it is not necessary to establish a maximum number of directorships that may be held by the Directors in order to achieve this.

26. The board should meet as often as may be necessary to secure efficient performance of its duties, and at least eight times a year, following the calendar and business established at the beginning of the year, although any director may individually propose additional items to be included on the agenda.

Complies [X] Partial compliance [ ] Explanation [ ]

27. Non-attendance of board meetings should be limited to inevitable cases and stated in the Annual Corporate Governance Report. If a director is forced to miss a board meeting, a proxy should be granted with the appropriate instructions.

Complies [X] Partial compliance [ ] Explanation [ ]

28. When the directors or the secretary express concern over a proposal, or, in the case of directors, the company's performance, and those concerns are not settled by the board, they should be put on record in the minutes, at the request of those expressing them.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

29. The company should establish adequate channels for directors to obtain any counselling they may need to perform their duties, including, should circumstances so require, external counselling at the company's expense.

Complies [X] Partial compliance [ ] Explanation [ ]

30. Regardless of the expertise required of directors to perform their duties, companies should also offer their directors refresher courses in the appropriate circumstances.

Complies [X] Explanation [ ] Not applicable [ ]

31. The agenda for meetings should clearly indicate the items on which the board is called upon to adopt a decision or resolution, so that the directors can study or obtain in advance the information they may need.

In exceptional cases, for reasons of urgency, the chairman may submit decisions or resolutions not included on the agenda for approval by the board. The prior, express consent of most of the directors present will be necessary for this, leaving due record in the minutes.

Complies [X] Partial compliance [ ] Explanation [ ]

32. Directors shall be regularly informed on any changes in the ownership of the company and the opinion held by the significant shareholders, investors and ratings agencies of the company and its group.

Complies [X] Partial compliance [ ] Explanation [ ]

33. Being responsible for the efficient procedure of the board of directors, apart from performing the duties assigned by law and in the articles of association, the chairman should prepare and submit to the board a schedule of dates and business to be transacted; organise and coordinate the periodical assessment of the board and chief executive, if any, of the company; be responsible for managing the board and for its efficient operation; make sure sufficient time is allotted to the discussion of strategic issues; and resolve and review refresher programmes for each director whenever circumstances so require.

Complies [X] Partial compliance [ ] Explanation [ ]

34. When there is a lead independent director, the articles of association or regulations of the board should assign the following powers, apart from those corresponding to them by law: preside over board meetings in the absence of the chairman and vice-chairmen, if any; echo the concerns of non-executive directors; hold contacts with investors and shareholders to find out their points of view and form an opinion on their concerns, particularly regarding the corporate governance of the company; and coordinate the plan for succession of the chairman.

Complies [ ] Partial compliance [ ] Explanation [X] Not applicable [ ]

Although the Articles of Association and Regulations of the Board do not expressly assign to the Lead Independent Director the powers contemplated in this Recommendation, said Director is entirely free to exercise them.

The Articles of Association and Regulations of the Board do not establish any limit on the exercise of those powers by the Lead Independent Director or any other Director.

After studying this Recommendation, the Company considers that the fact that any Director, not only the Lead Independent Director, may exercise the powers contemplated in this Recommendation, together with the ample majority on Non-Executive Directors on the Board of Directors, this is sufficient to counteract any concentration of powers in the Executive Chairman, which is the aim pursued by the Code of Good Governance.

35. The secretary of the board should especially ensure that the actions and decisions of the board follow the recommendations on good governance contained in the Code of Good Governance that are applicable to the company.

Complies [X] Explanation [ ]

36. The full board should assess once a year and, where necessary, adopt an action plan to correct any deficiencies detected in respect of:

a) The quality and effectiveness of the board's actions.

b) The procedure and composition of its committees.

c) Diversity in the composition and powers of the board.

d) The performance by the chairman of the board and chief executive officer of their respective duties.

e) The performance and contribution of each director, paying special attention to the heads of the different board committees.

The different committees should be assessed based on the reports they submit to the Board and the Board will be assessed on the basis of the report it submits to the nomination committee.

Every three years, the board will be assisted in this assessment by an external consultant, whose independence shall be checked by the nomination committee.

The business relations that the consultant or any company in its group has with the company or any company in its group should be described in the Annual Corporate Governance Report.

The process and areas assessed should also be described in the Annual Corporate Governance Report.

Complies [X]   Partial compliance [ ]   Explanation [ ]

37. When there is an executive committee, there should be at least two non-executive directors among the members, at least one of them being an independent director, and the secretary should be the secretary of the board.

Complies [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

38. The board should be informed at all times of the business transacted and decisions made by the executive committee and all board members should receive a copy of the minutes of executive committee meetings.

Complies [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

39. All the members of the audit committee, especially its chairman, should be appointed on account of their expertise and experience in accounting, auditing or the management of both financial and non-financial risks.

Complies [X]   Partial compliance [ ]   Explanation [ ]

40. Under the supervision of the audit committee, there should be an internal audit unit to see that the internal control and reporting systems work properly. This unit should report to the non-executive chairman of the board or the chairman of the audit committee.

Complies [X]   Partial compliance [ ]   Explanation [ ]

41. The head of the internal audit unit should submit its annual work programme to the audit committee for approval by that committee or the board, report directly on its implementation, mentioning any incidents or limitations on its scope encountered during its fulfilment, the results achieved and the extent to which its recommendations have been heeded, and submit to the committee an activity report at the end of each year.

Complies [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

42. The audit committee should have the following duties, in addition to those contemplated in law:

1. In connection with the internal control and reporting systems:

a) Supervise and assess the preparation and integrity of the financial and non-financial reporting, control systems and management of financial and non-financial risks to which the company and, if appropriate, the group may be exposed -including operational, technological, legal, social, environmental, political and reputational risks or those related with corruption-, checking compliance with the legal requirements, adequate definition of the scope of consolidation and correct application of accounting principles.

b) Oversee the independence of the internal audit unit; propose the selection, appointment and removal of the internal audit manager; propose the budget for this unit; approve or propose approval to the board of its approach and the annual internal audit work plans, making sure its activity focuses mainly on the material risks of the company (including reputational risks); receive regular information on its activities; and check that the top management heeds the conclusions and recommendations set out in its reports.

c) Establish and supervise a mechanism through which employees, and other persons related with the company, such as directors, shareholders, suppliers, contractors or subcontractors, can report any potentially important irregularities (financial, accounting or of whatsoever nature) related with the company that they may observe within the company or its group. That mechanism should guarantee confidentiality and, in all cases, contemplate the possibility of making such communications anonymously, respecting the rights of both the reporting person and the person concerned.

d) Ensure in general that the internal control policies and systems are applied effectively in practice.

2. In connection with the external auditors:

a) Investigate the circumstances giving rise to resignation of any external auditor.

b) Ensure that the remuneration of the external auditors for their work does not jeopardise their quality or independence.

c) See that the company reports the change of auditor through the CNMV, attaching a declaration on the possible existence of disagreements with the outgoing auditor and the contents of those disagreements, if any.

d) Make sure that the external auditors hold an annual meeting with the full board to inform on the work done and the evolution of the company's risks and accounting situation.

e) Ensure that the company and external auditors respect the provisions in place on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, any other provisions regarding the independence of auditors.

Complies [ ] Partial compliance [X] Explanation [ ]

The Company complies with all of this Recommendation except for some of the aspects mentioned in paragraphs 1(c) and 2(d).

With regard to paragraph 1(c), although the Code of Conduct of the Ebro Group and the protocol regulating the procedure for the whistleblowing channel approved by the Audit and Compliance Committee do not contemplate the events in which the reports may be made anonymously, they do not rule out that possibility.

With regard to paragraph 2(d), the Audit and Compliance Committee is responsible for maintaining relations with the external auditors, receiving information and exchanging all the necessary communications with them. The external auditors attend Committee meetings whenever this is necessary in view of the business included on the agenda.

The Audit and Compliance Committee provides timely information to the Board on the contents of all the meetings held, including those attended by the external auditors. The Board is thus informed in a timely manner of all business transacted by the Committee, particularly the work done by the external auditors and the Company's relations with them.

This notwithstanding, the external auditors attend Board meetings if this is considered appropriate by the Audit and Compliance Committee, the Board of Directors or any Board member.

The Company considers that the Audit and Compliance Committee makes sure that the Board receives all the necessary information regarding the work of and relations with the external auditors.

43. The audit committee may call any employee or executive of the company into its meetings, even ordering their appearance without the presence of any other senior officer.

Complies [X] Partial compliance [ ] Explanation [ ]

44. The audit committee should be informed on any corporate and structural operations that the company plans to make, so that it can analyse them and submit a preliminary report to the board on the economic terms and impact on accounts, and particularly on the exchange ratio proposed, if any.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

45. The risk management and control policy should identify or determine at least:

a) The different types of financial and non-financial risk (including operational, technological, legal, social, environmental, political and reputational, including those related with corruption) to which the company is exposed, including contingent liabilities and other off-balance-sheet risks among the financial or economic risks.

b) A risk management and control model based on different levels, including a committee specialising in risks whenever this is contemplated in the sector regulation and the company deems fit.

c) The risk level that the company considers acceptable.

d) The measures contemplated to mitigate the impact of the risks identified, should they materialise.

e) The internal control and reporting systems to be used to control and manage those risks, including contingent liabilities and other off-balance-sheet risks.

Complies [ ] Partial compliance [X] Explanation [ ]

The Company complies with all of this Recommendation except the inclusion in its risk management and control policy of risks related with corruption, contemplated in paragraph (a).

The Company has a specific policy dealing with corruption (Policy against Corruption and Bribery), which sets out and specifically and verifiably develops the principles, values and rules of action established in the Code of Conduct and implemented within the Ebro Group to fight against corruption and fraud.

This Policy provides guidelines to be followed in respect of: (i) bribery, illegal commissions, influence peddling and money laundering; (ii) acceptance and offering of gifts and courtesies; (iii) dealings with authorities, regulatory bodies and governments; and (iv) social action and/or sponsorship activities. The Policy also contains an illustrative indication of the conduct that is prohibited in these areas.

The Policy applies to all the Professionals of both Ebro Foods and the subsidiaries of the Ebro Group in all the countries in which the Group operates.

The Company considers that it complies with the principles behind this Recommendation, since the risks related with corruption and bribery: (i) form part of the corporate risk map and (ii) are analysed by the Risks Committee.

46. Under the direct supervision of the audit committee or, as the case may be, an ad hoc committee of the board, there should be an internal risk management and control role exercised by an internal unit or department of the company expressly having the following duties:

a) See that the risk management and control systems work properly and, in particular, that all the major risks affecting the company are adequately identified, managed and quantified.

b) Participate actively in the preparation of the risk strategy and in the major decisions on their management.

c) See that the risk management and control systems adequately mitigate the risks within the policy defined by the board.

Complies [X] Partial compliance [ ] Explanation [ ]

47. Companies should ensure that the members of the nomination and remuneration committee -or the nomination committee and the remuneration committee, if they are separate- have adequate experience, skills and expertise for the duties they are to perform and that the majority of those members are independent directors

Complies [X] Partial compliance [ ] Explanation [ ]

48. Companies with a high level of capitalisation should have a separate nomination committee and remuneration committee.

Complies [ ] Explanation [ ] Not applicable [X]

49. The nomination committee should consult the chairman of the board and the chief executive of the company, especially on matters referring to the executive directors.

And any director should be able to request the nomination committee to consider potential candidates to fill vacancies on the board, in case they were suitable in the committee's opinion.

Complies [X] Partial compliance [ ] Explanation [ ]

50. The remuneration committee should perform its duties independently, having the following duties in addition to those assigned to it by law:

a) Propose to the board the basic terms of contract of the senior executives

b) See that the remuneration policy established by the company is observed

c) Periodically review the remuneration policy applied to directors and senior executives, including the systems of payment with shares and their application, and ensure that their individual remuneration is in proportion to that paid to other directors and senior executives of the company

d) Ensure that any conflicts of interest that may arise do not jeopardise the independence of the external counselling provided to the committee

e) Check the information on the remuneration of directors and senior executives in the different corporate documents, including the annual report on directors' remuneration

Complies [X] Partial compliance [ ] Explanation [ ]

51. The remuneration committee should consult the chairman of the board and the chief executive of the company, especially on matters referring to the executive directors and senior executives.

Complies [X] Partial compliance [ ] Explanation [ ]

52. The rules of composition and procedure of the supervision and control committees should be included in the regulations of the board and be coherent with those applicable to the committees required by law according to the foregoing recommendations, including the following:

a) The members should be exclusively non-executive directors, the majority independent directors.

b) They should be chaired by independent directors.

c) The board should appoint the members of these committees on account of the expertise, skills and experience of the directors and the duties of each committee, and discuss their proposals and reports; and the committees should report on their activities at the first board meeting following their meetings, answering for the work done.

d) The committees should be able to obtain external counselling whenever they may consider it necessary to perform their duties.

e) Minutes should be issued of their meetings and made available to all directors.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, and with the internal codes of conduct, should be assigned to one or distributed among several committees of the board, which may be the audit committee, the nomination committee, a committee specialising in sustainability or corporate social responsibility, or any ad hoc committee that the board may decide to set up, exercising its powers of self-organisation. And that committee should be made up exclusively of non-executive directors, most of them independent, specifically having the minimum duties indicated in the following recommendation.

Complies [X] Partial compliance [ ] Explanation [ ]

54. The minimum duties mentioned in the preceding recommendation are:

a) Oversight of compliance with the company's corporate governance rules and internal codes of conduct, ensuring that the corporate culture is aligned with its mission and values.

b) Supervision of the application of the general policy on communication of the economic & financial, non-financial and corporate information and communication with shareholders, investors, proxy advisors and other stakeholders. Oversight also of how the company communicates and relates with small and medium-sized shareholders.

c) Periodical assessment and review of the company's corporate governance system and environmental and social policy to ensure that it fulfils its mission of promoting corporate interests and takes account of the legitimate interests of the other stakeholders, where appropriate.

d) Supervision that the company's environmental and social practices are aligned with the relevant strategy and policy.

e) Supervision and assessment of the processes of relations with different stakeholders.

Complies [X] Partial compliance [ ] Explanation [ ]

55. The sustainability policies on environmental and social issues should identify and define at least the following:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax liability, respect for human rights and prevention of corruption and other unlawful 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 risks, including those related with ethics and business conduct.

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

e) Responsible communication practices to avoid manipulation of information and protect integrity and honour.

Complies [X] Partial compliance [ ] Explanation [ ]

56. The remuneration of directors should be high enough to attract and retain directors with the desired profiles and remunerate the dedication, qualification and responsibility required by their office, but not so high as to jeopardise the independence of non-executive directors.

Complies [X] Explanation [ ]

57. Variable remuneration linked to the company's yield and personal performance and the remuneration paid in shares, stock options, rights over shares or instruments indexed to the value of the share, and long-term savings systems such as pension plans, retirement schemes or other welfare systems, should be limited to executive directors.

The delivery of shares as remuneration to non-executive directors may be contemplated when it is conditional upon holding those shares until they retire from the board. This will not be applicable to any shares that the director may need to sell to pay the costs incurred in their acquisition.

Complies [X] Partial compliance [ ] Explanation [ ]

58. For variable remunerations, the remuneration policies should establish the limits and technical precautions required to make sure those remunerations are linked to the professional performance of their beneficiaries and do not merely derive from general trends on the markets or in the company's sector of business or other similar circumstances.

In particular, the variable components of the remuneration should:

a) Be linked to predetermined, measurable yield criteria, which consider the risk assumed to obtain a result.

b) Promote the company's sustainability and include non-financial criteria that are adequate for the creation of long-term value, such as compliance with the internal rules and procedures of the company and its policies for the control and management of risks.

c) Be based on a balance between meeting short, medium and long-term goals, permitting the remuneration of yield achieved through continuous performance over a sufficient period of time to appreciate their contribution to the sustainable creation of value, such that the elements for measuring that yield are not related only with one-off, occasional or extraordinary events.

Complies [ ] Partial compliance [X] Explanation [ ] Not applicable [ ]

The company complies with all the sections of this Recommendation except (b).

At present, the remuneration of the Executive Chairman (the only director with executive duties) does not include any non-financial criteria tied to the creation of long-term value, as he is a major shareholder.

This notwithstanding, in view of the imminent transposition of EU laws on the remuneration of directors, the Nomination and Remuneration Committee of the Company is assessing the possibility of including non-financial criteria in the variable remuneration scheme of the Executive Chairman, with a view to implementing those criteria when the transposition becomes effective.

59. Payment of the variable components of remuneration should be subject to an adequate verification that the performance or other pre-established conditions have actually been met. The companies should include in their annual reports on directors' remuneration the time and methods required to make that verification, according to the nature and characteristics of each variable component.

In addition, the companies should consider including a malus clause based on the deferral for a sufficient time of the payment of part of the variable components, whereby the entitlement to all or part of them would be lost if anything occurs before the scheduled payment date that make this advisable.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

60. Earnings-linked remuneration should take account of any qualifications made in the report by the external auditors that may reduce those earnings.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

61. A significant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or financial instruments indexed to their value.

Complies [ ] Partial compliance [ ] Explanation [X] Not applicable [ ]

Of the two Executive Directors, only the Chairman of the Board of Directors, Antonio Hernández Callejas, receives remuneration for his executive duties. Hercalianz Investing Group, S.L. does not receive any such remuneration, for the reasons explained elsewhere in this Report.

The current variable remuneration systems of the Executive Director are described in the Annual Report on Directors' Remuneration 2020 and are linked to the achievement of pre-established measurable, quantifiable objectives related with financial factors that promote profitability and the creation of sustainable value in the Company and Group in the long term.

Although Article 22 of the Articles of Association contemplates the possibility that Directors may receive remuneration in the form of shares, stock options or any other system of remuneration indexed to the price of the shares, the Board of Directors has not so far submitted this form of remuneration to approval by the General Meeting, taking account of the fact that the executive director is a major shareholder and considering that the systems of variable remuneration of the Executive Director currently used are most appropriate for stimulating his motivation and personal performance, and his commitment to and relationship with the Group's interests.

62. Once the shares, stock options or financial instruments corresponding to the remuneration systems have been allotted, the executive directors may not transfer the ownership thereof or exercise them until at least three years have passed.

This will not be applicable if, at the date of transfer or exercise, the director has a net economic exposure to the price variation of the shares with a market value equivalent to at least twice the amount of their annual fixed remuneration, through the holding of shares, stock options or other financial instruments.

The foregoing will not be applicable to any shares that the director may need to sell to pay the costs incurred in their acquisition or, subject to the favourable opinion of the nomination and remuneration committee, to meet the costs of any extraordinary situations that may arise.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

63. Contracts should include a clawback clause whereby the company may to claim repayment of the variable components of remuneration when the amounts paid do not correspond to fulfilment of the conditions regarding yield or when paid on the basis of data subsequently proved to be misstated.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

64. Termination benefits should not exceed an amount equivalent to two years' total annual remuneration and should not be paid until the company has confirmed that the director has met the performance requirements established above.

For the purpose of this recommendation, termination benefits (i.e. payments upon termination or expiry of contract) shall include any amounts that accrue or become payable as a result of or in connection with the termination or expiry of the contractual relationship between the director and the company, including any amounts not previously vested in long-term saving schemes and the sums payable under post-contract no competition clauses.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

H. OTHER INFORMATION OF INTEREST

1. If you consider there to be any important aspects regarding the corporate governance practices applied by your company or other companies in the group that have not been mentioned in this report, but which should be included to obtain more complete, reasoned information on the corporate governance practices and structure in the company or group, describe them below and give a brief explanation.

2. This section may be used to include any other information, clarification or qualification relating to the previous sections of the report, provided it is relevant and not repetitive.

   In particular, state whether the company is subject to any laws other than the laws of Spain on corporate governance and, if this is the case, include whatever information the company may be obliged to supply that differs from the information included in this report.

3. The company may also state whether it has voluntarily applied any international, sector-based or other codes of ethical principles or good practices. If so, it should name the code in question and the date of its accession. Particular mention shall be made of whether the company has acceded to the Code of Good Tax Practices of 20 July 2010.

EXPLANATORY NOTE ONE, ON SECTION C

A) The name of the audit committee in the company is "Audit and Compliance Committee" and the name of the nomination and remuneration committee is "Nomination and Remuneration Committee".

B) All the members of the Audit and Compliance Committee were appointed on account of their accounting and audit experience and expertise, including Grupo Tradifín, S.L., which was elected on account of the expertise in these areas of its representative, Blanca Hernández Rodríguez.

EXPLANATORY NOTE TWO, ON SECTION C.1.10

This note is included to indicate the positions held by Félix Hernández Callejas in the subsidiaries of the Ebro Foods Group.

As indicated elsewhere in this report, it should be borne in mind that Félix Hernández Callejas represents the corporate director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. and that said director is classified as an executive director by virtue of the fact that its representative is an executive and director in several Group subsidiaries.

- Anglo Australian Rice, LTD. Director. Executive duties
- Arrozeiras Mundiarroz, S.A. Director. Executive duties
- Boost Nutrition, CV. Director. Executive duties
- Española de I+D, S.A. Joint and Several Director. Executive duties
- Eurodairy, S.L.U. Joint and Several Director. Executive duties
- Formalac, S.L.U. Joint and Several Director. Executive duties
- Fallera Nutrición, S.L.U. Joint and Several Director. Executive duties
- Herba Foods, S.L.U. Joint and Several Director. Executive duties
- Herba Ingredients Belgium B, BVBA. Director. Executive duties
- Herba Nutrición, S.L.U. Joint and Several Director. Executive duties
- Herba Trading, S.L.U. Joint and Several Director. Executive duties
- Joseph Heap & Sons, Ltd. Director. Executive duties
- Nuratri, S.L.U. Joint and Several Director. Executive duties
- Nutramas, S.L.U. Joint and Several Director. Executive duties
- Nutrial, S.L.U. Joint and Several Director. Executive duties
- Panzani, S.A.S. Director. No executive duties
- Pronatur, S.L.U. Joint and Several Director. Executive duties
- Risella, OY. Chairman and CEO. Executive duties
- Riviana Foods, Inc. Director. No executive duties
- S&B Herba Foods, Ltd. Director. Executive duties
- Santa Rita Harinas, S.L. Chairman. No executive duties
- Vitasan, S.L.U. Joint and Several Director. Executive duties
- Vogan, Ltd. Director. Executive duties
- Yofres, S.L.U. Joint and Several Director. Executive duties
- Herba Ingredients Belgium F, BV. Director. Executive duties

EXPLANATORY NOTE THREE, ON SECTION E.3

The main risks that could have a bearing on achievement of the company's business goals listed in section E.3 of this Report.

A. OPERATIONAL RISKS:

- Food safety. Owing to the nature of the Group's business, aspects regarding food safety are a critical point to which the Group pays the utmost attention, as we are bound by a large number of laws and standards in each of the countries in which the Group's products are put on the market. One point that is becoming increasingly important is the detection and use of fungicides and pesticides by producers.

- Commodity supply risk. The availability of commodities in the quantity and quality required to meet our commitments to customers and the requirements of our brands is a key factor for our business both nationally (Spanish paddy rice) and internationally (semi-processed rice for the Group subsidiaries), wheat and semolina for the production of quality pasta.

- Market risk (prices). Unexpected variations in the prices of our commodity supplies may affect the profitability of our commercial transactions, in both the industrial and brand-based segments. The main risk lies in the prices of the different rice varieties and durum wheat, although it extends also to other materials consumed, such as packaging material and oil derivatives and, especially so recently, sea and inland transportation.

- Customer concentration risk. The concentration of customers, which can occur in both the industrial and brand segments, may lead to less favourable commercial terms for our sales and affect our credit risk.

- Technological risk. In the sector in which the Group operates, one of the most important tools for competing with our rivals is constant technological innovation and constant adaptation to consumers' desires. Consequently, "technological lag" is considered a possible risk.

- Cybersecurity. Traditionally considered part of 'technological risk', the risks relating to the security of the IT systems and data (cybersecurity) have been considered a separate risk in the 2020 revision of the management risk map.

B. RISKS RELATED WITH THE ENVIRONMENT AND STRATEGY:

- Environmental risk. Respect for the environment is another critical point for the Group, considering our industrial activity, with a large number of plants distributed internationally. We aim to adopt a set of good practices, complying scrupulously with the law.

- Climate change. The effects of droughts, flooding and other weather perils in the countries where we source our supplies can cause problems of availability and unstable commodity prices, in both rice and durum wheat. Other strategic and operational risks are also assessed, such as possible changes in consumer habits as a result of alterations in the temperature, or the need to make specific investments.

- Competition risk. In general, pressure from white label brands is the main threat for maintaining the market shares of the Group's brands.

- Reputational risk. This is the risk associated with changes of opinion resulting in a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, employees, institutions, etc., as they may adversely affect the Group's ability to maintain its commercial and financial relations or its interaction with social partners.

- Exposure to social networks. After the revision of the management risk map in 2020, this risk (perception of the Group's brands or its general image in social networks) has been separated from the more generic "reputational risk).

- Changes in lifestyle. The proliferation of low carbohydrate diets or other food habits could alter consumers' perception of our products.

- Country or market risk. Owing to the international nature of the Group's activities, political and economic circumstances in the different countries in which we operate and other market variables, such as exchange rates, interest rates, costs of production, etc. may affect our business.

- Natural disasters, fires. As an industrial group, a significant part of the assets on the Group's balance sheet corresponds to its factories, so any natural incidents (earthquakes, fires, etc.) that may affect the integrity of the Group's plants are a business risk.

- Strategic planning and assessment of strategic opportunities for investment or divestment. Risk deriving from the possibility of making a mistake in the selection of alternatives and/or assignment of resources to reach the Group's strategic goals. In the short term, this includes aligning the budget with the goals defined for the medium and long term.

C. COMPLIANCE RISKS:

- Sectoral regulatory risk. The food industry is a sector subject to numerous regulations affecting export and import quotas, customs duties, intervention prices, etc., subject to the directives laid down in the Common Agricultural Policy (CAP). The Group's activity may also be affected by changes in legislation in the countries in which it sources raw materials or sells its products.

- General regulatory risk. These include risks of compliance with civil, commercial, criminal and good governance provisions.

In the area of criminal risks, the Group has a Crime Prevention Model, monitored and controlled by the Compliance Unit, a committee independent from the Risks Committee, which is responsible for monitoring overall compliance by the Group, under direct supervision by the Audit and Compliance Committee. During 2020, the Compliance Unit conducted a revision and update of its criminal risk map and mechanisms for mitigating those risks, assisted by an external expert.

After completion of that work, the Compliance Unit issued its six-monthly report on monitoring of the Crime Prevention Model using the revised, updated Model.

- Tax risks. Any changes in the tax laws or the interpretation or application thereof by the competent authorities in the countries in which the Group operates could affect its earnings.

D. FINANCIAL RISK:

This category includes foreign exchange, interest rate, liquidity and credit risks. The foreign exchange risk is particularly significant because the functional currency of the Group is the euro, but a considerable part of its commodity supply transactions are in US dollars and a very large part of the Group's investments are also in that currency.

The current management risk map does not identify within the top 25 risks any that might be considered to derive from corruption and bribery, even though the questionnaire used for general monitoring of management risks includes questions on these possible forms of malpractice. This notwithstanding, the Group's position of total rejection of all forms of corruption and bribery is expressly included both in its Code of Conduct and Policy against Corporate Corruption and Bribery (on a global level), and in the Crime Prevention Model and other local mechanisms of the different business units, as described in greater detail in the Statement of Non-Financial Information contained in the Group's Consolidated Directors' Report.

EXPLANATORY NOTE FOUR, ON SECTION G

- RECOMMENDATION 11

The Company has a Policy on Attendance Fees for General Meetings, which establishes the principle that those fees will not be cash payments, but the delivery of a gift related with the products of Ebro Group and/or its brands.

- RECOMMENDATION 51

The "senior executives" contemplated in this recommendation include the Chief Operating Officer (COO), the Company Secretary and Secretary of the Board and the heads of the principal business units of the Ebro Foods Group, even though they do not all have a special senior management relationship.

ETHICAL PRINCIPLES AND CODES VOLUNTARILY APPLIED BY EBRO FOODS, S.A.:

- United Nations Global Compact. 2001

- Project of the Spanish Commercial Coding Association (AECOC) against food waste, "Don't waste food, use it". 2012

- Member of the Advisory Committee of the United Nations Sustainable Development Goals Fund (SDGF) to boost the Sustainable Development Goals (SDG) - 2015

- Sustainable Agriculture Initiative (SAI) Platform. 2015

- SERES Foundation. 2015

- Sustainable Rice Platform. 2016

- Forética. 2017

This Annual Corporate Governance Report was approved by the Board of Directors of the Company on:

24/03/2021

State whether any directors voted against approval of this Report or abstained in the corresponding vote.

[ ] Yes
[√] No

The English version of this document is purely informative.
In the event of any discrepancy between the Spanish and English versions of this document, the Spanish version will prevail.

EBRO FOODS, S.A.

Audit Report on the "2020 Disclosures Regarding the Internal Control over Financial Reporting (ICFR) System"

Building a better working world

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

AUDIT REPORT ON THE "DISCLOSURES REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM" OF EBRO FOODS, S.A.

To the Board of Directors of Ebro Foods S.A.,

As per the request of the Board of Directors of EBRO FOODS, S.A. (hereinafter, the Company) and our proposal letter of December 20, 2020, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2020, which summarize the Company's internal control procedures in respect of its annual reporting exercise.

The Board of Directors is responsible for taking the opportune measures to reasonably assure the implementation, maintenance and supervision of an adequate internal control system, making improvements to this system and preparing the contents of the ICFR disclosures required for the accompanying Annual Corporate Governance Report (ACGR).

Against this backdrop, it is important to note that, regardless of the quality of design and effect ive functioning of the ICFR system adopted by the Company in respect of is annual financial reporting effort, the system can only provide reasonable but not absolute assurance regarding the objectives pursued, due to the limitations intrinsic to any internal control system.

In the course of our financial statement audit work and in keeping with Spain's Technical Auditing Standards, the sole purpose of our assessment of the Company's internal controls was to enable us to establish the scope, nature and timing of the Company's financial statement audit procedures. Accordingly, our internal control assessment, performed in connection with the financial statement audit, was not sufficiently broad in scope to enable us to issue a specific opinion on the effectiveness of the internal controls over the annual financial disclosures that the Company is required to present.

For the purpose of issuing this report, we have only carried out the specific procedures described below, as indicated in the *Procedures for external audit reviews* of an entity's ICFR disclosures contained in the *Internal Control over Financial Reporting in Listed Companies* report published by Spain's securities market regulator, the CNMV (and available on its website), which establishes the procedures to be performed, the scope thereof and the contents of this report. Given that the product resulting from these procedures is at any rate limited in scope and substantially more limited than an audit or review of the internal control system, we do not express any opinion on the effectiveness of the system or on its design or effective functioning in respect of the Company's 2020 financial disclosures, as described in the accompanying ICFR disclosures. Consequently, had we performed additional procedures to those stipulated in the above-mentioned CNMV report or had we performed an audit or review of the internal controls over the annual financial disclosures that the Company is required to present, other matters might have come to our attention that would have been reported to you.

Furthermore, given that this special assignment neither constitutes a financial statement audit nor is subject to the Consolidated Text of Spain's Financial Statement Audit Act, we do not express an opinion in the terms provided for in that piece of legislation.

The procedures performed are itemized below:

1. Reading and understanding the information prepared by the Company in relation to the ICFR System - which is disclosed in the Management Report - and assessing whether this information meets all the minimum reporting requirements needed to fill out section F on the ICFR system in the Annual Corporate Governance Report template established in CNMV Circular No. 5/2013 (of June 12, 2013), as amended most recently by Circular No. 1/ 2020 (of October 6, 2020) (hereinafter, the CNMV Circulars).

2. Questioning of the personnel responsible for drawing up the information detailed in item 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning.

3. Reviewing the explanatory documents supporting the information detailed in item 1, including documents directly made available to those responsible for describing ICFR system. The documentation to be reviewed may include reports prepared for the audit committee by internal audit, senior management and other internal or external experts.

4. Comparing the information detailed in item 1 above with our knowledge of the Company's ICFR System obtained through the external audit procedures applied during the annual audit.

5. Reading of the minutes taken at meetings of the board of directors, audit committee and other committees of the Company to evaluate the consistency between the ICFR business transacted and the information detailed in item 1 above.

6. Obtaining a management representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in item 1 above.

The specific procedures carried out in respect of the Company's ICFR disclosures did not reveal any inconsistencies or incidents that could affect such disclosures.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated Text of Spain's Corporate Enterprises Act and the CNMV Circulars related to the description of the ICFR System in the Annual Corporate Governance Report.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Ramón Masip López

March 23, 2021

Auditor’s Report

CONSOLIDATED ANNUAL ACCOUNTS

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Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of EBRO FOODS, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of EBRO FOODS, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2020, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2020, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework for financial information applicable in Spain.

Basis of the opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are applicable to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Sale of the dry pasta business in the US and Canada

Description: As explained in notes 5 and 25 to the accompanying consolidated financial statements, at the end of 2020 the Group reached agreements for the sale of its dry pasta business in Canada and the United States. Most of the net assets of the US business were disposed of at year-end. The Group classified as available for sale the related assets and liabilities of the dry pasta businesses in the United States and Canada, the sale of which was completed subsequent to year-end as described in note 5, the Group has classified the related assets and liabilities as available for sale. The Group recognized all of the transactions of the businesses sold as discontinued operations in the consolidated statement of income and the consolidated statement of cash flows.

Due to the qualitative and quantitative significance of the above transactions as well as their impact on the accompanying consolidated financial statements, we determined these transactions to be a key audit matter.

Our response Our audit procedures related to this matter included:

- Reviewing and analyzing the terms and conditions of the corresponding sale agreements entered into by the Group.
- Analyzing and performing specific tests on the businesses sold to ensure the related transactions were correctly reclassified and the accounting records closed.
- Analyzing the gain from the disposal, as well as the profit or loss and cash flows from discontinued operations, including the reasonableness of the allocation of goodwill to the businesses sold.
- Checking that the transaction was properly presented and that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Measurement of goodwill, other intangible assets, and property, plant and equipment

Description The Group has a significant amount of other intangible assets (primarily, brand names) and property, plant and equipment. Specifically, at December 31, 2020, goodwill, other intangible assets, and property, plant and equipment amount to 1,061,602 thousand euros, 449,356 thousand euros, and 857,799 thousand euros, respectively.

At least once a year, the Group's Management analyzes the recoverable amounts of each significant cash-generating unit (CGU). The goal of this analysis is to determine whether it is necessary to recognize an impairment loss against the goodwill associated with these CGUs or against any other intangible asset or item of property, plant, and equipment belonging to them. For purposes of this analysis, the Group determines, in collaboration with an independent expert, the impairment tests using the cash flow method at a risk-free rate.

We considered this issue to be a key audit matter because the analysis performed by Group management requires the use of complex estimates that entail making judgments regarding the future earnings of the CGUs to which the aforementioned assets belong.

The description of the amounts, the movements, and the analysis of the recoverable amounts of the CGUs to which the aforementioned goodwill has been allocated are provided in Note 15 to the accompanying consolidated financial statements. Elsewhere, the corresponding disclosures for other intangible assets and property, plant and equipment are provided in Notes 8 and 9, respectively, to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding the policies and procedures for measuring goodwill, other intangible assets, and property, plant and equipment, as well as evaluating the design and implementation of the Group's relevant controls.
- Reviewing, in collaboration with our valuation specialists, the reasonableness of the methodology used by Group management and the independent expert in constructing the cash flows discounted from each significant CGU, focusing particularly on the discount rate and long-term growth rate applied.
- Reviewing the projected financial information for each CGU's business plan by understanding and analyzing:
  - Historical and budgetary financial information
  - The Company's business and its operational market
  - Other information provided by the parent
- Reviewing the disclosures included in the notes to the consolidated financial statements related to the analysis of the recoverability of goodwill, other intangible assets, and property, plant and equipment in accordance with IAS 36.

The procedures described above are performed on all the assets that do not generate cash flows, irrespective of the CGU to which they belong. However, for assets no longer in use, we perform specific procedures in order to conclude on their recoverable amounts. In addition, the aforementioned analysis is likewise carried out for CGUs having assets which require annual impairment testing (good will and intangible assets with indefinite useful lives). With regard to other intangible assets and property, plant, and equipment, we analyzed the internal and external factors taken into account by the Group in order to conclude on the existence of objective indications of impairment, carrying out procedures to conclude on the recoverable amounts of those items for which indications of impairment did exist following our analysis.

Revenue recognition - discounts and promotions

Description

The Group recognizes revenue in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), net of sales discounts, incentives, and rebates accrued by its customers. In certain markets, the estimate associated with these discounts, incentives, and rebates is significant and likewise entails making complex and highly subjective judgments. Consequently, there is a risk that the contractual terms that give rise to these adjustments to sales are incorrectly recorded and thus, revenue recognized in the consolidated financial statements may be incorrectly measured.

We determined this issue to be a key audit matter due to the variety of discounts and incentives offered, as well as the complexity associated with the estimates that management must make to record some of them at year-end.

The disclosures related to the Group's revenue recognition policies as well as information relating to revenue by business segments and customer contracts are provided in Notes 3 r) and 6, respectively, to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding revenue recognition policies and procedures, as well as evaluating the design and implementation of relevant controls employed by the Group's significant components.
- Carrying out substantive analytical procedures for the Group's key components, analyzing the actual performance of revenue and cost of sales related to discounts, incentives, rebates, and margins, as compared with budgeted data.
- Analyzing and discussing with management significant contracts, including contractual terms and conditions related to discounts, incentives, and rebates, as well as the hypotheses used in the related estimates.
- Reviewing the most relevant estimates made in connection with discounts, incentives, and rebates at years-end via customer confirmation letters and alternative procedures.

- Performing operations cut-off procedures for a sample of revenue transactions at year-end in order to conclude on whether they were recognized at the moment the related goods or services actually took place.
- Analyzing other adjustments and credit notes issued after the reporting date.
- Performing analytical procedures on revenue-related journal entries in the Group's key components, paying special attention to accounting entries recorded near or after the year-end closing, as well as those deemed unusual due, among other reasons, to their nature, amount, date of occurrence, user, the item itself or its balancing entry.
- Reviewing the disclosures made in the notes to the consolidated financial statements in conformity with the applicable regulatory financial reporting framework.

Other information: Consolidated Management Report

Other information refers exclusively to the 2020 consolidated management report, the preparation of which is the responsibility of the Parent's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in a) above has been provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2020 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent's directors and the audit committee for the consolidated financial statements

The directors of the Parent are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee of the parent is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Parent with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Parent, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legally stipulated disclosure requirements

Additional report for the parent's audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the parent's (EBRO FOODS, S.A.) audit committee on April 9, 2021.

Building a better
working world

Term of engagement

During the Ordinary General Shareholders' Meeting held on December 31, 2020, we were appointed auditors of Ebro Foods S.A. for a period of three years, commencing the year ended December 31, 2020.

Previously, we were appointed auditors by the shareholders in general meeting for three years and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2014.

ERNST & YOUNG
(Registered in Spain's Official Register of Auditors
under No. S0530)

(Signed on the original in Spanish)

Ramón Masip López
(Registered in Spain's Official Register of Auditors
under entry no. 16253)

April 9, 2021

Consolidated Annual Accounts

MANAGEMENT REPORT

NON-FINANCIAL STATEMENTS

INDEPENDENT LIMITED ASSURANCE REPORT

ANNUAL CORPORATE GOVERNANCE REPORT

FINANCIAL REPORTING (ICFR)

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT YEAR-END 2020 AND 20199

(000€)	NOTE	12-31-2020	12-31-2019 RESTATED
NON-CURRENT ASSETS		**2,577,452**	**2,982,774**
Intangible assets	8	449,356	579,254
Property, plant and equipment	9	857,799	941,260
Right-of-use assets	10	76,242	88,447
Investment properties	11	19,454	23,322
Financial assets	12	7,616	20,808
Investments in associates	14	43,387	42,226
Deferred tax assets	21	61,996	57,252
Goodwill	15	1,061,602	1,230,205
CURRENT ASSETS		**1,316,236**	**1,398,230**
Inventories	16	578,280	621,012
Trade and other receivables	12	442,931	443,832
Current tax assets	21	17,055	24,027
Taxes receivable	21	48,526	38,824
Other financial assets	12	3,356	6,637
Derivatives	12	1,611	714
Other current assets		13,991	11,112
Cash and cash equivalents	13	210,486	252,072
Non-current assets held for sale	5 & 25	141,974	0
TOTAL ASSETS		**4,035,662**	**4,381,004**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2020.

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT YEAR-END 2020 AND 20199

(000€)	NOTE	12-31-2020	12-31-2019
EQUITY		**1,957,798**	**2,291,670**
Equity attributable to equity holders of the parent	**17**	**1,927,351**	**2,262,203**
Share capital		92,319	92,319
Share premium		4	4
Restricted parent company reserves		21,633	21,633
Retained earnings		1,814,239	2,044,128
Translation differences		(844)	104,119
Own shares		0	0
Non-controlling interests		**30,447**	**29,467**
NON-CURRENT LIABILITIES		**895,175**	**1,188,890**
Deferred income	18	11,437	7,204
Provisions for pensions and similar obligations	19	56,466	47,010
Other provisions	20	14,089	15,125
Financial liabilities	12	570,267	826,725
Deferred tax liabilities	21	242,916	292,826
CURRENT LIABILITIES		**1,165,216**	**900,444**
Other financial liabilities	12	591,759	424,967
Derivatives	12	2,732	1,040
Trade and other payables	12	485,642	447,000
Current tax assets	21	49,875	8,685
Taxes payable	21	32,785	15,537
Other current liabilities		2,423	3,215
Liabilities of non-current assets held for sale	5 & 25	17,473	0
TOTAL EQUITY AND LIABILITIES		**4,035,662**	**4,381,004**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2020.

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE	2020	2019 RE-EXPRESADO
Revenue from contracts with customers	6	2,897,589	2,510,381
Change in inventories of finished goods and work in progress		20,766	(7,588)
Own work capitalized		711	1,856
Other operating income	7	11,334	18,034
Raw materials and consumables used and other external expenses	6	(1,626,299)	(1,370,397)
Employee benefits expense	7	(386,861)	(347,208)
Depreciation and amortization	8, 9, 10 & 11	(112,202)	(100,025)
Other operating expenses	7	(562,415)	(513,911)
OPERATING PROFIT		**242,623**	**191,142**
Finance income	7	41,977	24,692
Finance costs	7	(60,249)	(39,711)
Impairment of goodwill	15	(35,104)	(3,684)
Share of profit of associates	14	5,448	5,243
PROFIT/(LOSS) BEFORE TAX		**194,695**	**177,682**
Income tax	21	(53,853)	(59,383)
PROFIT FROM CONTINUING OPERATIONS		**140,842**	**118,299**
Profit after tax from discontinued operations	25	65,809	31,989
GROUP PROFIT/(LOSS) FOR THE YEAR		**206,651**	**150,288**
Attributable to:			
EQUITY HOLDERS OF THE PARENT		**192,415**	**141,752**
Non-controlling interests		14,236	8,536
		206,651	**150,288**

	NOTE	2020	2019
Earnings per share (euros)	17		
From continuing operations			
Basic		0.823	0.713
Diluted		0.823	0.713
From profit for the period			
Basic		1.251	0.921
Diluted		1.251	0.921

The accompanying notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the year ended December 31, 2020.

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE	2020			2019		
		GROSS AMOUNT	TAX EFFECT	NET AMOUNT	GROSS AMOUNT	TAX EFFECT	NET AMOUNT
1. Profit for the year				**206,651**			**150,288**
2. Other comprehensive income recognized directly in equity:		**(112,804)**	**1,667**	**(111,137)**	**53,024**	**893**	**53,917**
2.1 Other comprehensive income to be reclassified to profit or loss in subsequent periods		**(105,089)**	**0**	**(105,089)**	**56,009**	**0**	**56,009**
Gains (losses) on the measurement of financial assets	12	0	0	0	0	0	0
Gains (losses) on the measurement of financial assets reclassified to profit or loss during the reporting period	12	0	0	0	0	0	0
Translation differences	17	(105,089)	0	(105,089)	55,807	0	55,807
Translation differences reclassified to profit or loss during the reporting period		0	0	0	202	0	202
2.2 Other comprehensive income not to be reclassified to profit or loss in subsequent periodss		**(7,715)**	**1,667**	**(6,048)**	**(2,985)**	**893**	**(2,092)**
Actuarial gains and losses	19	(7,715)	1,667	(6,048)	(2,985)	893	(2,092)
1+2 TOTAL INCOME AND EXPENSE RECOGNIZED DURING THE PERIOD:	17			**95,514**			**204,205**
Attributable to:							
Equity holders of the parent	17			81,404			195,687
Non-controlling interests	17			14,110			8,518
				95,514			**204,205**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of recognized income and expense for the year ended December 31, 2020.

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (000€)

	TOTAL EQUITY	NCI	TOTAL	SHARE CAPITAL	SHARE PREMIUM	REVAL. RESERVE	LEGAL RESERVE	RETAINED EARNINGS	PROFIT/ (LOSS)	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	OWN SHARES
BALANCE AT DECEMBER 31, 2018	**2,190,202**	**27,868**	**2,162,334**	**92,319**	**4**	**3,169**	**18,464**	**1,858,388**	**141,589**	**0**	**48,401**	**0**
Distribution of prior-period profit	**0**	0	**0**	0	0	0	0	141,589	(141,589)	0	0	0
Dividend payment	**(90,697)**	(2,994)	**(87,703)**	0	0	0	0	(87,703)	0	0	0	0
Gain/(loss) on own share sales	**(2)**	0	**(2)**	0	0	0	0	(2)	0	0	0	0
Tax effect of above movements	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Transactions with non-controlling interests	**(5,511)**	(5,511)	**0**	0	0	0	0	0	0	0	0	0
Other movements in equity	**(6,527)**	1,586	**(8,113)**	0	0	0	0	(7,804)	0	0	(309)	0
Total distribution of profit and transactions with shareholders	**(102,737)**	**(6,919)**	**(95,818)**	0	0	0	0	46,080	(141,589)	0	(309)	0
Profit for the year (as per statement of profit or loss)	**150,288**	8,536	**141,752**	0	0	0	0	0	141,752	0	0	0
Change in translation differences	**55,807**	(18)	**55,825**	0	0	0	0	0	0	0	55,825	0
Translation differences reclassified to profit or loss	**202**	0	**202**	0	0	0	0	0	0	0	202	0
Fair value of financial instruments:			0		0							
1. Unrealized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Change due to actuarial gains/(losses)	**(2,985)**	0	**(2,985)**	0	0	0	0	(2,985)	0	0	0	0
Tax effect of gains/(losses) recognized in equity	**893**	0	**893**	0	0	0	0	893	0	0	0	0
Total income and expense recognized	**204,205**	**8,518**	**195,687**	**0**	**0**	**0**	**0**	**(2,092)**	**141,752**	**0**	**56,027**	**0**
BALANCE AT DECEMBER 31, 2019	**2,291,670**	**29,467**	**2,262,203**	**92,319**	**4**	**3,169**	**18,464**	**1,902,376**	**141,752**	**0**	**104,119**	**0**

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (000€)											
	TOTAL EQUITY	NCI	TOTAL	SHARE CAPITAL	SHARE PREMIUM	REVAL. RESERVE	LEGAL RESERVE	RETAINED EARNINGS	PROFIT/ (LOSS)	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	OWN SHARES
Distribution of prior-period profit	0	0	**0**	0	0	0	0	141,752	(141,752)	0	0	0
Dividends paid (note 17)	**(387,804)**	(1,602)	**(386,202)**	0	0	0	0	(386,202)	0	0	0	0
Gain/(loss) on own share sales	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Tax effect of above movements	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Transactions with non-controlling interests	**(11,528)**	(11,528)	**0**	0	0	0	0	0	0	0	0	0
Other movements (notes 5 & 22)	**(30,054)**	0	**(30,054)**	0	0	0	0	(30,054)	0	0	0	0
Total distribution of profit and transactions with shareholders	**(429,386)**	**(13,130)**	**(416,256)**	0	0	0	0	(274,504)	(141,752)	0	0	0
Profit for the year (as per statement of profit or loss)	**206,651**	14,236	**192,415**	0	0	0	0	0	192,415	0	0	0
Change in translation differences	**(105,089)**	(126)	**(104,963)**	0	0	0	0	0	0	0	(104,963)	0
Translation differences reclassified to profit or loss	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Fair value of financial instruments:												
1. Unrealized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Change due to actuarial gains/(losses)	**(7,715)**	0	**(7,715)**	0	0	0	0	(7,715)	0	0	0	0
Tax effect of gains/(losses) recognized in equity	**1,667**	0	**1,667**	0	0	0	0	1,667	0	0	0	0
Total income and expense recognized	**95,514**	**14,110**	**81,404**	**0**	**0**	**0**	**0**	**(6,048)**	**192,415**	**0**	**(104,963)**	**0**
BALANCE AT DECEMBER 31, 2020	**1,957,798**	**30,447**	**1,927,351**	**92,319**	**4**	**3,169**	**18,464**	**1,621,824**	**192,415**	**0**	**(844)**	**0**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of changes in equity for the year ended December 31, 2020.

Ebro Foods, S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS
TENDED DECEMBER 31, 2020 AND 2019

(000€)	NOTE (*)	2020	2019
Receipts from customers		3,354,263	2,865,487
Payments to suppliers and employees		(2,916,960)	(2,564,319)
Interest paid		(12,484)	(11,294)
Interest received		974	4,092
Dividends received		3,634	2,061
Other operating activity receipts / payments		11,899	7,937
Income tax paid	21	(71,463)	(53,506)
NET CASH FLOWS FROM OPERATING ACTIVITIES	a)	**369,863**	**250,458**
Purchase of fixed assets	b)	(117,600)	(148,705)
Proceeds from sale of fixed assets	c)	20,966	9,395
Purchase of financial assets (net of cash acquired)		(10,106)	(282,849)
Proceeds from sale of financial assets and/or businesses	d)	210,906	63,732
Other investment activity proceeds / purchases		832	1,735
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**104,998**	**(356,692)**
Acquisition of own shares		(644)	(599)
Proceeds from sale of own shares		0	0
Dividends paid to shareholders (including NCI holders)	e)	(397,375)	(98,588)
Proceeds from borrowings		1,122,367	1,354,766
Repayment of borrowings		(1,231,663)	(1,076,424)
Other financing activity proceeds / payments and grants		41	(229)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		**(507,274)**	**178,926**
Translation differences arising on cash flows from foreign companies		3,742	2,585
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(28,671)**	**75,277**
Cash and cash equivalents, opening balance		252,072	171,450
Effect of year-end exchange rate on opening balance		(12,915)	5,345
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	**13**	**210,486**	**252,072**
The 2020 and 2019 consolidated statements of cash flows include the cash flows pertaining to the discontinued dry pasta businesses in the US and Canada. The related cash flows so included are disclosed by category below:			
NET CASH FLOWS FROM OPERATING ACTIVITIES		**53,366**	**26,890**
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(4,021)**	**(5,915)**
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(207)**	**(1,397)**

(*) The cross-references to the corresponding notes accompanying the consolidated financial statements are provided for qualitative purposes only; it is not always possible to provide cross-references to the precise amounts reported.

a) Cash flow from operating activities increased year-on-year due to the growth in EBITDA-A, in line with the improvement in the Group's general business performance, more than offsetting the increase in tax payments on the back of higher taxable income.

b) That balance minus the 1,656 thousand euros of differences between the cash outflows and accrual for accounting purposes of the additions to property, plant and equipment and intangible assets, explain the movements in new investments disclosed in notes 9 and 10.

c) Corresponds basically to the amounts received from the sale of fixed assets arranged with deferred payments (note 12).

d) Of that sum, 209,406 thousand euros corresponds to the sale of the dry pasta business in the United States (note 5).

e) This balance is made up of:
- Dividends paid to shareholders of the Parent in the amount of 386,202 thousand euros.
- Dividends paid to non-controlling shareholders and holders of stock options (put & call options) in the amount of 11,173 thousand euros.

The accompanying notes 1 to 28 are an integral part of the consolidated statement of cash flows for the year ended December 31, 2020.

1. Group information

Ebro Foods, S.A., a Spanish public limited company (sociedad anónima), hereinafter the Parent or the Company, was created by the merger by absorption of Puleva S.A. into Azucarera Ebro Agrícolas S.A. on January 1, 2001. On the occasion of that transaction, Azucarera Ebro Agrícolas, S.A.'s name was changed to Ebro Puleva, S.A. Later, at the Annual General Meeting of June 1, 2010, its registered name was changed again to its current name: Ebro Foods, S.A.

The Company's current registered office is in Madrid (28046), at Paseo de la Castellana, 20.

The corporate object of its consolidated group (hereinafter, the Ebro Foods Group, the Ebro Group or the Group) is to perform the following business activities in Spanish and foreign markets:

a) The production, preparation, sale, research, export and import of all manner of food and dietary products for both human and animal consumption, in addition to energy food products, including their by-products and waste, and, in particular, rice, pasta, sauces and all manner of nutritional products.

b) The production, exploitation and sale of all manner of food and soft and alcoholic beverages.

c) The use of by-products and the provision of services or products of all types relating to the aforementioned activities, including refrigeration cabinets, ice, industrial gas, steam, cold and energy.

d) The acquisition, lease, creation, installation, development and management of industrial, farming and livestock facilities in the food, nutrition and beverage (including alcohol) industries.

e) The performance of projects and installation work and the provision of all manner of technical assistance to other companies in the aforementioned industries; the creation, development, protection and use of patents, trademarks and other assets susceptible to intellectual property protection.

f) Staff training, computer programming or management, investment and monetization of resources, advertising and image, transport, distribution and sale and marketing activities that are ancillary or complementary to the aforementioned activities.

Those activities may be carried on through the subscription or acquisition of shares or other equity interests in companies with an identical or similar corporate purpose.

The Group currently operates in Spain and internationally. The revenue breakdown by geographic market is provided with the segment reporting disclosures (note 6).

The 2019 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on July 29, 2020 and duly filed with Madrid's Companies Register.

The distribution of the profit of the Parent proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors on December 16, 2020 for submission for ratification at the upcoming Annual General Meeting is as follows:

AMOUNTS RELATING ONLY TO THE PARENT'S SEPARATE FINANCIAL STATEMENTS	
(000€)	AMOUNT
Basis of appropriation	
Unrestricted reserves	937,800
Profit for the year (as per statement of profit or loss)	34,461
TOTAL	**972,961**

The profit generated by the Ebro Foods Group in 2020 makes it possible, as in prior years, to propose the payment of a cash dividend, with a charge against unrestricted reserves and profit for the year, of 0.57 euros per share, payable in the course of 2021, in a total amount of 87,703 thousand euros.

The dividend will be paid out in three equal instalments of 0.19 euros per share on April 6, June 30 and October 1, 2021.

LIMITATIONS ON THE DISTRIBUTION OF DIVIDENDS

Ebro Foods, S.A. is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount equal to at least 20% of share capital. That reserve cannot be distributed to shareholders unless it exceeds and only in the amount by which it exceeds the 20% threshold.

Once the legal and bylaw-stipulated requirements have been met, dividends may be distributed against profit for the year or freely distributable reserves, so long as the value of equity is not lower than or would not fall below share capital as a result of the distribution. Any profit recognized directly in equity may not be distributed either directly or indirectly for such purposes. If prior-year losses were to reduce the Company's equity to below the amount of share capital, profit would have to be allocated to offset those losses.

2. Basis of preparation and comparability of the information included in the consolidated financial statements

These consolidated financial statements are presented in thousands of euros (unless expressly stated otherwise). Transactions performed in other currencies are translated into euros using the accounting policies outlined in note 3.

A) BASIS OF PREPARATION

1. General accounting policies

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements for the year ended December 31, 2020, which were authorized for issue by the Parent's directors on March 24, 2021, are pending approval by its shareholders at the Annual General Meeting; however, they are expected to be approved without modification. (Similarly, at the reporting date, the separate 2020 financial statements of Ebro Foods, S.A. and of its subsidiaries and associates had still to be ratified by their respective shareholders at the corresponding Annual General Meetings).

2. Use of estimates and assumptions

The Parent's directors are responsible for the information included in these consolidated financial statements.

In preparing the accompanying consolidated financial statements, they have relied on occasion on estimates made by the management of the various Group companies in order to measure certain of the assets, liabilities, income, expenses and commitments recognized therein. Essentially, those estimates refer to:

- → Measurement of the recoverable amounts of assets and goodwill for impairment testing purposes (notes 8 and 15).
- → The assumptions used in the actuarial calculation of pension and similar liabilities and obligations (note 19).
- → The useful lives of fixed and intangible assets (notes 8 and 9).
- → The assumptions used to calculate the fair value of financial instruments and put options (notes 12 and 22).
- → The probability of occurrence and amount of liabilities of uncertain amounts and/or contingent liabilities (note 20).
- → The recoverability of deferred tax assets (note 21).

Although these estimates were made on the basis of the best information available at the date of authorizing these consolidated financial statements for issue regarding the facts analyzed, future events, specifically including events related with the situation induced by COVID-19 (see below), could make it necessary to revise the estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the changes in estimates in the related consolidated financial statements.

COVID-19: IMPLICATIONS OF THE PANDEMIC ON THE CONSOLIDATED FINANCIAL STATEMENTS

On March 11, 2020, the World Health Organization escalated the status of the public health crisis triggered by the expansion of the coronavirus (COVID-19) to that of a global pandemic. The speed at which events unfolded, in Spain and abroad, has caused an unprecedented health crisis that has impacted the macroeconomic environment and the Group's business performance.

To tackle that situation, among other things, the Spanish government declared a state of alarm, which finalized on June 21, 2020 but was later reinstated until May 9, 2021, and passed a raft of extraordinary urgent measures designed to mitigate the economic and social fallout from COVID-19. Other countries have taken similar actions, introducing their own measures.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impact of the situation induced by COVID-19 on the financial situation, performance and cash flows of the Ebro Group, the following specific disclosures are made:

1. To date there have been no adverse ramifications on the Ebro Group's financial position, earnings performance or cash flows.
2. The Group's product sales have experienced distortions, particularly in the first half of 2020 (especially in March and April and, to a lesser degree, May, with June reflecting a more 'normal' situation) and to a much smaller degree in the second half of 2020, by comparison with the trends observed in the first and second halves of 2019.

   More specifically, the Group experienced sharp increases in sales in March and April and to a lesser degree May, with some countries reverting to close to normal levels in June; that normalization trend continued throughout the second half.

3. The pandemic is not over and is having different impacts in each country. Given the complexity of the situation and difficulty in predicting its direction, it is not presently feasible to make a reliable quantitative estimate of its potential additional impact, if any, on the Group beyond December 31, 2020, which, if necessary, will be recognized prospectively in the 2021 financial statements. The Group estimates that in 2021 its sales will be very much in line with those observed during the second half of 2020, with slight growth in volumes and revenues; i.e., it does not anticipate extraordinary effects similar to those experienced during the first half of 2020.

4. The Ebro Group continues to take the steps required to tackle the situation and minimize its impact. It believes that the situation is circumstantial and, based on its most recent estimates and its liquidity position as of the reporting date, will not compromise its ability to continue as a going concern.

5. Asset and liability measurement conventions at December 31, 2020 and additional information. As disclosed in note 3 below, the Group has used the same accounting policies to prepare the 2020 consolidated financial statements as it used to prepared the 2019 statements. Below is a list of the asset and liability accounts that may have been affected by the extraordinary situation brought about by the COVID virus in light of the consequences it has had for the Ebro Group:

   → COVID-19 constitutes a significant extraordinary event and, therefore, in keeping with prevailing accounting standards, requires the fine-tuning and possibly the expansion of the level of disclosures provided in the consolidated financial statement notes. The Group has therefore expanded the information provided in these consolidated financial statements where necessary.

   → The COVID-19 pandemic has not had significant adverse effects on the Ebro Group's direct activities such that it has not given rise to the need to recognize any material additional impairment losses on any of its assets or liabilities beyond those recognized in 2020 in the ordinary course of its business activities. As detailed in note 15, at year-end 2020 the Group conducted its annual impairment tests on its indefinite-lived intangible assets and goodwill, logically updating its forward-looking assumptions and building in other sources of uncertainty. The Group has had to recognize material impairment losses in the 2020 consolidated financial statements as a result of COVID-19; those recognized during the year were recognized in the ordinary course of business activities.

   → In terms of its financial liabilities, the Group did not encounter any problems whatsoever in relation to the refinancing of any debt, the arrangement of new financing agreements or its ability to service its financial obligations. Financial liability management unfolded exactly as anticipated, in keeping with the natural and normal maturity schedules.

   → Note, in keeping with IFRS 9, in relation to the estimation of expected credit losses on accounts receivable, that there have been no significant changes in the assumptions and judgments used to analyze the Group's accounts receivable with respect to those used at year-end 2019 (i.e., the analysis performed did not indicate the need to recognize any additional extraordinary losses on account of the pandemic).

   → As for the Group's lease contracts (IFRS 16), there have been no changes in the agreements as a result of the pandemic.

   → Lastly, the Group has concluded that the prevailing extraordinary circumstances have not had any impact on the recognition of deferred tax assets or the utilization of tax credits in keeping with IAS 12, the measurement of fair value in keeping with IFRS 13 or the measurement of provisions or onerous contracts in accordance with IAS 37.

3. Materiality assessment

These consolidated financial statements omit information and disclosures that do not require detailed breakdown on account of their qualitative importance and were not deemed material or relevant in accordance with the materiality or significance concept defined in the IFRS Conceptual Framework, considering the consolidated financial statements of the Ebro Group as a whole.

B) COMPARABILITY

For comparative purposes, the Group presents, in addition to the figures for the year ended December 31, 2020, for each item in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of cash flows, consolidated statement of changes in equity, consolidated statement of comprehensive income and notes to the consolidated financial statements, the figures for the year ended December 31, 2019.

The following significant changes were made to the prior-year figures in order to make them comparable year-on-year:Accounting for the impact of the definitive amounts recognized in respect of the TILDA business combination (a business acquired in August 2019; for further information refer to the 2019 consolidated financial statements) compared to the provisional amounts recognized at year-end 2019 once the opportune appraisals and analyses had been carried out in order to establish the definitive fair value of the net assets acquired. That accounting process implied the following reclassifications:

- The amounts of intangible assets and property, plant and equipment were increased by 41,138 thousand euros and reduced by 250 thousand euros, respectively.
- Goodwill was decreased by 36,861 thousand euros.
- Trade and other receivables were increased by 2,904 thousand euros.
- Deferred tax liabilities were increased by 7,769 thousand euros and trade and other payables were reduced by 838 thousand euros.

Lastly, as a result of the decision to discontinue certain pasta businesses in the US and Canada (notes 5 and 25), the consolidated statement of profit or loss for 2019 has been restated to reclassify those businesses' income and expenses within 'Profit after tax from discontinued operations'.

C) CHANGES IN THE SCOPE OF CONSOLIDATION

Notes 4 and 5 detail the main changes affecting the consolidation scope in 2020 and 2019, outlining the corresponding consequences in terms of accounting methods used.

3. Measurement standards

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

A) PRINCIPLES OF CONSOLIDATION

Subsidiaries

All of the companies over which the Group has control are fully consolidated in these financial statements. Control is the power to affect an investee's returns through the ability to direct its relevant activities.

When the Group acquires a business, that business's assets, liabilities and contingent liabilities are measured at their acquisition-date fair values. The difference between the cost of the business combination and the fair value of the net assets acquired is recognized as goodwill if positive and as a gain on a bargain purchase in profit and loss if negative. The results of companies acquired during the year are consolidated from the effective date of acquisition.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All material intra-group balances relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests

Non-controlling interests are determined at the acquisition date at their percentage interest in the fair value of the acquired business, i.e., including their share of goodwill.

Put options written over non-controlling interests (NCI)

As detailed in notes 12.2 and 22, the Group has closed a number of business combinations in recent years in which it has acquired the majority of the target companies' voting rights and, by extension, control. When structuring those transactions it wrote certain put options over the NCI holders' shares.

Whenever the Group acquires a business without acquiring all of the voting shares, it analyzes the acquisition terms from a technical standpoint. The purpose of that analysis is to determine whether: (1) the terms of the transaction substantiate the conclusion that the Group has entered into a forward-purchase contract for the NCI shares, in which case IAS 32 applies; or (2) the terms of the transaction evidence that the Group has not acquired 100% of the NCI shares, in which case IFRS 10 applies.

a) Forward-purchase contract (applying IAS 32) – the Group is obliged to acquire the percentage of shares still in the hands of the NCI holders at a fixed price. That fixed price is grossed up by the corresponding percentage interest in any profits that have not been distributed on the date of the purchase of the NCI holder shares. In this instance, it is understood that the Group has deferred payment for 100% of the shares, such that the NCI shares are recognized as if they had already been acquired at the time of the business combination and any changes in the liability payable to the NCI holders are recognized in profit or loss.

b) Not a forward contract (applying IFRS 10):

   - **Acquisition-date measurement:** on the acquisition date, the Group recognizes the non-controlling interests, in keeping with paragraph 10 of IFRS 3, at their proportionate share in the fair value of the business acquired (considering, therefore, the business acquired).

   - **Subsequent measurement and classification:** IFRS does not provide specific guidance for accounting for put options written over NCI which irrevocably oblige the Group to purchase their shares. As a result, the Group, in keeping with customary practice and the interpretations of the main audit firms and experts in the field, does the following at each year-end:

     1. It determines the value at which the non-controlling interests would have been recognized, including an updated allocation of profit or loss, any changes in the consolidated statement of comprehensive income that are recognized in equity and any dividends declared during the reporting period, in accordance with IFRS 10;

     2. It then derecognizes the non-controlling interests as if they had been acquired on that date (year-end).

     3. It recognizes a financial liability at the present value of the amount payable as consideration for the NCI holders' put options in accordance with IFRS 9.

     4. The difference between the figures arrived at under items 2) and 3) above is recognized against equity.

Associates

The Group's investments in associates (companies over which it has significant influence but not control) are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of the net assets of the associate since the acquisition date, adjusted for impairment charges as necessary.

The Group's share of the results of operations of its associates is recognized, net of the related tax effect, in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income, as warranted.

B) FOREIGN CURRENCY TRANSLATION: RESULTS AND FINANCIAL POSITION OF FOREIGN OPERATIONS

The Group companies' separate financial statements are expressed in each company's functional currency.

On consolidation, their assets and liabilities are translated into euros using the year-end exchange rate; items of profit and loss are translated at the average exchange rate for the period; while share capital, share premium and reserve accounts are translated using the historical exchange rate. The exchange differences arising on translation for consolidation purposes of investments in foreign subsidiaries and associates are recognized in equity under "Translation differences".

If there are non-controlling interests in these subsidiaries, the related translation differences are recognized under "Non-controlling interests" within equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.

On disposal of an investment in a foreign subsidiary or associate, the translation differences relating to that particular foreign operation, deferred in equity until the transaction date, are recognized in profit or loss.

C) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Each Group company translates its transactions in foreign currencies to its respective functional currency using the rate prevailing on the transaction date. Differences arising on settlement of these transactions or translation of monetary assets and liabilities denominated in currencies other than each Group company's functional currency are recognized in profit or loss.

D) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are mainly certificates of deposit, short-term deposits, short-term marketable securities, short-term government bonds and other money market assets with a maturity of three months or less, and bank deposits with a maturity of more than three months from the date of acquisition but immediately drawable without incurring any kind of penalty. Those assets are valued at cost, which is deemed a fair approximation of their realizable amount.

E) PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Items of property, plant and equipment and investment properties are stated at the lower of:

- Acquisition (or production) cost, net of accumulated depreciation and accumulated impairment losses, if any.
- Their recoverable amount, i.e. the amount that will be recovered via the cash-generating units to which they belong or via their sale, capital appreciation or a combination of the two.

For items of property, plant and equipment and investment properties acquired in business combinations, acquisition cost equates to their fair value on the date that the Group obtained control, determined using appraisals carried out by independent experts, as detailed in section a) above.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is its carrying amount on the date of the change in use.

If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the reporting period in which they are derecognized.

In the event that management detects indications that these assets may be impaired, the corresponding impairment losses are recognized.

Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost of the asset until such assets are commissioned. Extension, upgrade or improvement costs that represent an increase in productivity, capacity or efficiency or an extension in the useful life of assets are capitalized as an increase in the cost of the corresponding assets. Upkeep and maintenance costs are expensed in the year they are incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their respective useful lives, taking into consideration actual depreciation sustained through operation, usage and wear and tear, as follows: The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end.

DEPRECIATION RATES	
Buildings and other structures	1.0 to 3.0%
Plant and machinery	2.0 to 20%
Other fixtures, tools and furniture	8 to 25%
Other PP&E	5.5 to 25%

Assets acquired under finance lease agreements, i.e., when the Group assumes substantially all the risks and rewards incidental to ownership, are capitalized, recognizing the present value of the total lease liability in tandem. Lease payments are apportioned between finance charges and principal (reduction of the lease liability) so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets are depreciated on a straight-line basis over the useful life of the assets, using the rates shown above.

Operating lease payments are recognized as an operating expense in profit and loss on a straight-line basis over the lease term.

F) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

- **Right-of-use assets:** The Group recognizes right-of-use assets at the lease commencement date (i.e., the date on which the underlying asset is made available for use).

  Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and are adjusted for any remeasurement of the lease liability. The cost of right-of-use assets includes the amount of the lease liability at initial recognition, initial direct costs incurred and lease payments made at or before the commencement of the lease, less any lease incentives received. Unless the Group is reasonably certain it will obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities:** At the lease commencement date, the Group recognizes lease liabilities at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed lease payments) less any incentives receivable, variable lease payments that depend on an index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and the payment of penalties for terminating the lease. Variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers those payments occurs.

  To calculate the present value of its lease payments, the Group uses a discount rate equivalent to its incremental borrowing rate at the date of commencement of the lease if the interest rate implicit in the lease is not readily determinable.

  After initial recognition, the measurement of a lease liability is increased by the interest accrued and reduced by lease payments made. In addition, the carrying amount of lease liabilities is remeasured if the lease is modified, if there is a change in the assessment of the lease term, a change in in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

- **Short-term and low-value leases:** The Group applies the recognition exemption allowed for short-term leases (i.e., leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). It also applies the permitted recognition exemption to leases of equipment of low value (i.e., less than 5 thousand euros). Lease payments for short-term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight-line basis over the lease term.

- **Significant judgments and estimates made to determine the term of leases with extension options:** The Group determines the lease term as the non-cancelable period of the lease, together with both the periods covered by an option to extend the lease if it is reasonably certain to exercise that option and the periods covered by an option to terminate the lease if it is reasonably certain not to exercise that option.

  In some of its leases, the Group has the option of extending the lease for an additional three to five years. The Group applies judgment in assessing whether it is reasonably certain to exercise those options. To do so, it considers all the relevant facts and circumstances that create an economic incentive for it to exercise the option to extend the lease.

  After first-time recognition, the Group reassesses the lease term upon the occurrence of a significant event or significant change in circumstances that is within its control and affects whether it is reasonably certain to exercise (or not exercise) the option to extend the lease (e.g., a change in sales strategy).

G) INTANGIBLE ASSETS (EXCLUDING GOODWILL AND GREENHOUSE GAS EMISSION ALLOWANCES)

Intangible assets are recognized at their acquisition or production cost, which is reviewed continually, and written down for impairment, as warranted, as described in note 3.h) below. Intangible assets with finite lives are amortized; their residual values, amortization periods and amortization methods are reviewed annually. The assets included under this heading are the following:

- **Development costs:** The costs incurred on specific projects for the development of new projects for sale or internal use that are reasonably certain to be recovered are capitalized and amortized on a straight-line basis over the period of expected future benefit from the date of completion.

  Recovery is regarded reasonably assured when it is considered technically feasible and the Group has the ability and intention to complete the asset and use it or sell it and it is expected to generate future economic benefits.

- **Trademarks, patents and licenses:** Capitalized development expenditure is recognized under this heading when the corresponding patent or similar protection is obtained. This heading also includes new trademarks or brand names acquired from third parties (recognized at their acquisition cost) and those acquired in business combinations (recognized at their fair value on the date control is obtained). Based on an analysis of all the relevant factors, the Group has determined that there is no foreseeable limit to the period of time for which its most significant trademarks will generate net cash inflows for the Group, which is why it has classified them as intangible assets with indefinite useful lives. Nevertheless, it reviews that indefinite useful life assessment every year.

  Those that are amortized are amortized over their estimated useful lives, which vary between 10 and 20 years.

- **Computer software:** Computer software includes the amounts paid for title to or the right to use computer programs and the costs incurred to develop software in-house, to the extent that the software is expected to be used for several years. Software is amortized on a straight-line basis over its useful life, which is usually around three years.

  Software maintenance expenses are expensed in the year incurred.

H) GOODWILL

Goodwill is the excess of the consideration transferred in exchange for control of a business and the acquisition-date fair value of the share of the net assets acquired, including the portion attributable to non-controlling interests, as detailed earlier in this note. Goodwill in respect of investments in associates is recognized in the consolidated statement of financial position within ‘Investments in associates’, while any corresponding impairment losses are recognized under ‘Share of profit of associates’ in the consolidated statement of profit or loss.

When the price of a business combination includes contingent consideration, the acquisition price includes the present value of such contingent consideration.

Goodwill is not amortized but is tested for impairment annually. Any impairment of goodwill indicated by such tests is recognized immediately in profit or loss and cannot be reversed in subsequent years.

Similarly, gains from a bargain purchase are recognized in the consolidated statement of profit or loss once the Group has confirmed the fair value of the net assets acquired.

Whenever the Group disposes of a subsidiary or associate to which goodwill has been allocated, the amount of such goodwill is included in the carrying amount in order to determine the gain or loss on disposal.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill derecognized under these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

I) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group tests its assets for impairment every year.

If its impairment tests indicate that an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount by recognizing an impairment loss in the consolidated statement of profit or loss. An asset's recoverable amount is the higher of its realizable value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate.

If an asset being tested for impairment does not generate cash inflows that are largely independent of those from other assets or groups of assets, the impairment test is performed in respect of the group of assets to which it belongs (cash-generating unit or CGU).

The recoverable value of intangible assets with indefinite useful lives is reassessed annually (annual impairment test) or whenever there are indications that such assets may be impaired. The reversal of an asset impairment loss is recognized in the consolidated statement of profit or loss.

J) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets classified as held for sale and discontinued operations are measured at the lower of their acquisition cost and fair value less costs of disposal.

Assets are classified into this category when their carrying amount is expected to be realized through a sale transaction rather than through continuing use, the asset is available for immediate sale in its present condition and the sale is expected to qualify for recognition as a completed sale within one year.

K) FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

Financial assets are classified in accordance with how they are measured on the basis of the corresponding business model and the characteristics of the contractual cash flows. A financial asset is only reclassified from one category to another when there is a change in the business model used to manage the financial assets.

Financial asset acquisitions and disposals are recognized at the trade date, i.e., on the date the Group undertakes to acquire or sell the asset. Upon acquisition they are classified into one of the following categories:

a) **Financial assets at amortized cost.**

These are non-derivative financial assets that are held in order to collect their contractual cash flows and those contractual cash flows represent solely payments of principal and interest. They are included in current assets, except for amounts maturing more than 12 months from the end of the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Interest income from these financial assets is recognized in finance income and any gain or loss arising on their derecognition and any impairment losses are recognized directly in profit and loss as they arise.

b) **Financial assets at fair value through profit or loss**

These are assets that are acquired for sale in the short term. Derivatives are included in this category unless they are designated as hedging instruments. These financial assets are initially recognized and subsequently measured at fair value and any changes in fair value are recognized in profit and loss as they arise.

Equity instruments classified into this category are recognized at fair value and any gain or loss arising from changes in their fair value or as a result of their sale are similarly recognized in profit and loss as they arise.

The fair values of quoted investments are based on quoted prices (fair value hierarchy level 1). The fair value of investments in unlisted entities is established using valuation techniques, which include the use of recent arm's length transactions between knowledgeable, willing parties, reference to other instruments that are substantially the same and discounted cash flow analysis (levels 2 and 3). In the event that recent information available is insufficient to measure fair value or there is a wide range of possible fair value measurements and cost represents the best estimate within that range, such investments are recognized at cost less any impairment losses.

c) **Equity instruments at fair value through other comprehensive income (FVOCI).**
These are investments in equity instruments which the Group has opted to irrevocably designate as at fair value through other comprehensive income upon initial recognition. They are recognized at fair value and any gains or losses arising from changes in their fair value are recognized in other comprehensive income, except for the dividends received from those investments, which are recognized in profit or loss when the right to receive payment is established. Accordingly, no impairment losses are recognized on these investments. Changes in their fair value are not recycled to profit and loss when they are sold.

The fair value measurements made in the accompanying consolidated financial statements are classified using a fair value hierarchy articulated around the relevance of the inputs used to make the corresponding measurements. The hierarchy categorizes the inputs used in valuation techniques into three levels:

- **Level 1 inputs:** Fair value measurements based on quoted prices in active markets for identical instruments. These measurements are based on quoted prices at the reporting date.
- **Level 2 inputs:** Fair value measurements based on inputs that are observable for the asset or liability. The fair value of financial assets included in this category is determined by using valuation techniques. Those valuation techniques maximize the use of available observable market-based inputs and rely as little as possible on entity-specific estimates. If all the significant inputs required to measure fair value are observable, the instrument is included in Level 2. If one or more of the significant inputs required to measure fair value are not observable market inputs, the instrument is included in Level 3.
- **Level 3 inputs:** Measurements based on inputs that are not based on observable market data.

Financial assets are derecognized when the contractual rights to the related cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the assets. If substantially all the risks and rewards have been retained, the financial asset is not derecognized; instead the Group recognizes a financial liability in the amount of any consideration received in exchange for the transfer.

Agreements for the transfer of account receivables are considered non-recourse factoring agreements if the risks and rewards of ownership of the receivables have been transferred substantially.

The financial asset impairment model is based on expected credit losses. The Group accounts for expected credit losses, and any changes therein, at every reporting date, to reflect changes in credit risk since the date of initial recognition, without waiting for an impairment event to occur.

The Group applies the general expected loss approach for all its financial assets except for trade and other accounts receivable that do not contain a significant financing component; it applies the simplified approach for those qualifying assets.

Under the general approach, the Group recognizes the expected loss from a financial asset default on either a 12-month or lifetime basis, depending on whether there has been a significant increase in credit risk since initial recognition. Under the simplified approach, the Group recognizes a loss allowance from the outset based on lifetime expected credit losses using available information about past events (such as historical customer default rates), current conditions and forward-looking estimates (macroeconomic factors such as the outlook for GDP, unemployment, inflation, interest rates, etc.) that could affect the creditworthiness of its debtors.

Financial liabilities

a) **Financial liabilities at amortized cost**

Borrowings are initially recognized at fair value, less any transaction costs incurred. Any difference between the amount received and the redemption value is recognized in profit and loss over the borrowing repayment term using the effective interest method. These financial liabilities are subsequently measured at amortized cost.

In the event that a modification in the contractual terms of a liability at amortized cost does not result in its derecognition (a non-substantial modification), the contractual cash flows from the refinanced debt is calculated using the original effective interest rate and any resulting modification gain or loss is recognized in profit or loss on the date of the modification.

Borrowings are classified as current liabilities unless they mature more than 12 months from the reporting date or the Group is entitled to automatically roll them over.

Trade and other current accounts payable are financial liabilities and are initially recognized at fair value; they do not explicitly accrue interest and are recognized at their face value. Non-current borrowings are those due more than 12 months from the reporting date.

b) **Financial liabilities at fair value through profit or loss**

These are liabilities that are incurred with the intention of repurchasing them in the short term. Derivatives are included in this category unless they are designated as hedging instruments. These financial liabilities are initially recognized and subsequently measured at fair value and any changes in fair value are recognized in profit and loss as they arise.

L) DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Group uses certain financial derivatives to manage its exposure to movements in exchange and interest rates. All of these derivatives are measured at fair value, regardless of whether or not they are designated as hedges, their fair value being their market value in the case of listed instruments, and valuations based on option valuation models or discounted cash flow analysis in the case of unlisted instruments. The following criteria are used for recognition purposes:

- Cash flow hedges: the gains and losses derived from the restatement to fair value at the reporting date of derivatives designated as hedges, to the extent effective, are recognized directly in equity (net of tax) until the committed or forecast transaction is realized, at which point they are reclassified to profit or loss.

  Gains and losses on ineffective hedges are recognized directly in profit or loss.

- Hedges of a net investment in a foreign operation: the gains and losses derived from the measurement at fair value of these investments in respect of the portion of the hedge deemed effective are recognized, net of tax, directly in equity under ‘Translation differences’ and are reclassified to profit or loss when the hedged investment is disposed of. Gains and losses on ineffective hedges are recognized directly in profit or loss.

- Accounting treatment for financial derivatives not designated as hedges or not qualifying for hedge accounting: the gains and losses arising from the restatement to fair value of these financial instruments are recognized directly in the consolidated statement of profit or loss.

M) INVENTORIES

Inventories are measured at their weighted average acquisition or production cost.

The acquisition price includes the amount stated on the invoice plus all additional costs incurred until the goods are stored in the warehouse.

Production cost is determined by adding to the cost of acquiring raw materials and other consumables, manufacturing costs directly attributable to the product and the corresponding portion of indirect costs attributable to the product in question, to the extent such costs are incurred during the manufacturing period. If the selling price less estimated costs of completion and the estimated costs necessary to make the sale are less than the costs indicated above, the inventories are written down for impairment.

N) DEFERRED INCOME - GRANTS

The grants received by the Group are accounted for as follows:

a) Non-repayable grants related to assets: these grants are measured at the amount awarded and reclassified to profit and loss on a straight-line basis over a period of 10 years, which is roughly equivalent to the average period during which the assets financed by such grants are depreciated. They are presented on the liability side of the consolidated statement of financial position.

b) Grants related to income: when a grant relates to an item of expense, it is recognized as income in the period that the costs it is intended to compensate are expensed.

O) PENSION COMMITMENTS AND SIMILAR OBLIGATIONS

The Group manages several defined benefit and defined contribution pension plans. The cost of providing benefits under defined benefit plans is determined using the projected unit credit method.

The defined benefit commitment is calculated by independent actuarial experts annually for the most significant plans and regularly for the rest. The actuarial assumptions used to calculate the Group's obligations depend on each country's economic situation.

The various funds may be funded through an external fund or through internal provisions.

For defined benefit plans funded externally, any deficit in the fair value of the plan assets with respect to the present value of the obligation as a result of actuarial gains or losses is recognized directly in equity net of the related tax effect, and any changes in past service costs are recognized in profit or loss. A gain is only capitalized in respect of a surplus to the extent that it represents a future economic benefit, in the form of refunds from the plan or a reduction in future contributions.

Actuarial gains and losses arise mainly as a result of changes in actuarial assumptions or differences between estimated and actual variables.

In the case of defined benefit plans, the actuarial cost charged to the consolidated statement of profit or loss is the sum of the current service cost, interest cost, the expected return on any plan assets and the past service cost, while any material actuarial gains and losses are recognized directly in retained earnings within equity.

Contributions to defined contribution plans are charged to the consolidated statement of profit or loss when they are made.

Pursuant to the prevailing collective bargaining agreement and other non-binding agreements, Ebro Foods, S.A. is obliged to pay bonuses for long service to certain of its permanent employees upon retirement at the legally-stipulated age or early retirement.

In accordance with the applicable collective bargaining agreements and other non-binding agreements, the Riviana Group (USA) and certain European Group companies are obliged to make annual supplementary payments of various kinds and other bonuses for long service and retirement, where applicable, to certain of their permanent employees upon retirement at the legally-stipulated age or early retirement.

The provision recognized represents the present value, calculated by means of actuarial studies, most of which performed by independent experts, of the future payment obligations of the companies concerned to their former and current employees in connection with the aforementioned retirement bonus obligations, net of the present value of the financial assets in which the related funds are invested. These plans are managed independently by a Management Committee made up of employees, executives and third parties.

In addition, certain Group companies grant their employees certain voluntary retirement bonuses of undetermined amount. Those bonuses, which are scantly material, are recognized as an expense when they are paid. The other Group companies do not have similar obligations or have obligations that are scantly material.

P) OTHER PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is considered probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

They are measured at the year-end estimate of the amounts (at their present value) that will be required to discharge probable or certain liabilities arising as a result of lawsuits or other outstanding obligations.

If an outflow of resources is considered possible but not probable, the Group does not recognize a provision but discloses the nature of the contingent liability in the notes to the annual consolidated financial statements.

Restructuring provisions are recognized only when the Group has a constructive obligation, which is deemed to exist when a detailed formal plan identifies the business concerned, the locations affected, the function and number of employees who will be compensated for terminating their services, a detailed estimate of the associated costs, and when it will be implemented, and a valid expectation has been raised among those affected that the restructuring will be carried out because the plan has started to be implemented or because the main features of the plan have been announced to those affected by it. Those provisions are estimated on the basis of their economic substance and not just their legal form.

Q) INCOME TAX

Current tax expense is recognized in the consolidated statement of profit or loss, except for current income tax relating to items recognized directly in equity, the tax effect of which is recognized in equity.

Deferred tax is provided using the liability method. Under this method, deferred tax assets and liabilities are recognized on the basis of the temporary differences between the carrying amounts of the assets or liabilities and their tax bases and are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities that arise from items recognized in equity are directly credited to or charged against equity. Deferred tax assets and unused tax credits are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit to be utilized and they are written down if this expectation changes. Deferred tax liabilities associated with investments in subsidiaries and associates are not recognized unless the Parent has the power to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

R) REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 establishes a new five-step model applicable to the recognition of revenue from contracts with customers. Under IFRS 15, revenue must be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer.

The Group's core business is the sale of food products to end consumers and the supply of food-related raw materials to third parties. The new standard has not had an impact on the Group's earnings from contracts with customers under which the sale of finished food products and food-related raw materials is generally the only contractual obligation. Revenue is recognized when control of the asset is transferred to the customer, which is customarily when the goods are delivered.

With respect to variable consideration (discounts), despite the fact that (i) the types of arrangements vary widely; (ii) the volume of information required to make the corresponding estimates is considerable; and (iii) the estimation process is intrinsically subjective in nature, the Group believes it does not make judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers (as per paragraph 123 of IFRS 15), as the variable consideration (discounts) included in its contracts reflect customary sector practice and the discounts offered have not changed significantly with respect to the criteria, procedures and calculations used under the old revenue recognition standard. In addition, the discount estimation process is framed by adequate preventive and supervisory controls and an appropriate level of segregation of duties and involves skilled professionals with the experience required to make the estimates in keeping with the applicable accounting rules.

The Group has two main types of customers: retailers and industrial customers. Discounts are more diverse and varied in the retail segment. Below is a description of the types of discounts given and how they are treated for accounting purposes under IFRS 15:

- Volume discounts: these are accrued by Group customers as a function of certain sales volume thresholds and are unknown at the time of executing the contracts or placing an order. Therefore, these discounts are estimated at each year-end as a function of the sales thresholds reached and those the Group deems it is probable will be reached by its customers at the time of estimation.

  Therefore, given that volume discounts generally depend on future events (sales volumes to be reached), they are treated as variable consideration and are recognized as a reduction of revenue in the consolidated statement of profit or loss.

- Discounts for prompt payment: in this instance, the consideration receivable by the Group in exchange for fulfilling its main performance obligation of delivering goods and services depends on whether its customers make use of this discount by paying promptly. As with the volume discounts, the Group estimates the volume it expects to be paid for at the discount, recognizing that estimate as a reduction of revenue at year-end.

- There are other discounts related with contracts with customers that may be fixed or variable and are tied to concepts such as preferential aisle positioning (slotting fees), new product promotions, anniversary discounts, etc. Such discounts are commercial and promotional in nature and commonplace in the retail sector. In general, all those discounts are treated as a reduction of revenue: in the contracts they can be identified as a service included in or intrinsic to the product delivery performance obligation, constituting a reduction in the transaction price and not, therefore, a distinct service or a cost for the customer in exchange for such services. These terms and conditions are negotiated with customers annually or more frequently depending on their nature and following negotiations at the behest of the latter. However, promotions entailing a related service with a cost for the customer, e.g., in-store tastings, are accounted for as a cost. They are recognized as a 'service provided by the customer'.

S) ENVIRONMENTAL DISCLOSURES

Expenditure incurred under initiatives taken or that have to be undertaken to manage the environmental effects of the Group's business operations and that deriving from environmental commitments are considered environmental expenses.

Capitalized assets acquired or produced by the Group for the purpose of long-lasting use in its business operations and whose main purpose is to minimize environmental damage and/or enhance environmental protection, including assets intended to make the Group's operations less contaminating, are considered environmental assets. Those assets are accounted for using the same criteria as other items of property, plant and equipment of the same nature.

T) GREENHOUSE GAS EMISSION ALLOWANCES

The Group recognizes its greenhouse gas emission allowances as intangible assets with an infinite useful life. Allowances received for free under the various national allocation plans are measured at their fair value at the time of receipt and a deferred income balance is recognized in the same amount.

Since 2013 the Group is no longer obliged to meet allowance requirements and will therefore not be allocated additional free allowances.

U) OWN SHARES

Own equity instruments that are reacquired (own shares or treasury shares) are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

V) NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The measurement standards (accounting policies) applied in preparing the accompanying consolidated financial statements are consistent with those used to prepare the 2019 consolidated financial statements with the exception of the following new and amended standards and interpretations (none of which has been early adopted by the Ebro Group):

1) Standards and amendments published by the International Accounting Standards Board (IASB) and adopted by the European Union for application in Europe for annual periods beginning on or after January 1, 2020:

   Although certain new and amended standards were applied for the first time in 2020, they have not had an impact on the accompanying consolidated financial statements.

2) At the date of authorizing the accompanying consolidated financial statements for issue, the following new and amended standards and interpretations have been published but are either effective for reporting periods beginning after December 31, 2020 or are still pending adoption by the European Union. None of those standards has been early adopted by the Group.

NEW OR AMENDED STANDARD OR INTERPRETATION	DATE OF ADOPTION BY THE EU	DATE OF APPLICATION IN THE EU	DATE OF APPLICATION BY THE IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform (Phase 2)	Pending	Pending	June 1, 2021
IAS 16 – Property, plant and equipment: Proceeds before intended use	Pending	Pending	January 1, 2022
Amendments to IAS 1 - Classification of liabilities as current or non-current	Pending	Pending	January 1, 2023

Although the Group is still in the process of analyzing their impact, based on the analysis performed to date, it estimates that their first-time application will not in general have an impact on its consolidated financial statements.

4. Subsidiaries and associates

Ebro Foods, S.A. has the following direct and indirect investments in subsidiaries and associates:

SUBSIDIARIES AND ASSOCIATES						
	OWNERSHIP INTEREST, %		PARENT COMPANY		REGISTERED OFFICE	BUSINESS ACTIVITY
	12-31-20	12-31-19	12-31-20	12-31-19		
Dosbio 2010, S.L.	100.0%	100.0%	EF	EF	Madrid (Spain)	Flour production
Fincas e Inversiones Ebro, S.A.	100.0%	100.0%	EF	EF	Madrid (Spain)	Agricultural holding
Arotz Foods, S.A.	100.0%	100.0%	EF	EF	Madrid (Spain)	Production of canned vegetables
Riviana Foods Inc. (Group) (Riviana)	100.0%	100.0%	EF	EF	Houston, Texas (US)	Production and sale of rice and pasta
Panzani, SAS (Group) (Panzani)	100.0%	100.0%	EF	EF	Lyon (France)	Production and sale of pasta and sauces
Ebro Germany, Gmbh. (Group) (EFG)	100.0%	100.0%	EF/Boost	EF/Boost	Hamburg (Germany)	Holdco
Ebro Alimentación México, S.A.	100.0%	100.0%	EF	EF	Mexico	Sale and marketing of rice
Fundación Ebro Foods	100.0%	100.0%	EF	EF	Madrid (Spain)	Foundation
Ebro Financial Corporate Services, S.L.	100.0%	100.0%	EF	EF	Madrid (Spain)	Insurance and finance
Herba Foods S.L. (HF)	100.0%	100.0%	EF	EF	Madrid (Spain)	Investment management
Herba Ricemills S.L (HR)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Herba Nutrición S.L (HN)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Semola, S.r.l. (SEM)	100.0%	100.0%	EF	EF	Naples (Italy)	Investment management
Riso Scotti, S.p.a. (Group) (A)	40.0%	40.0%	EF	EF	Milan (Italy)	Production and sale of rice
Geovita, S.r.l. (B)	52.0%	52.0%	EF	EF	Vercelli (Italy)	Production and sale of pulses
Santa Rita Harinas, S.L. (B)	52.0%	52.0%	EF	EF	Guadalajara (Spain)	Production and sale of flour
Ebro Frost ENA, Inc.	100.0%	100.0%	EF	EF	Houston (US)	Production and sale of rice and pasta
Fallera Nutrición, S. L.	100.0%	100.0%	HN	HN	Valencia (Spain)	Production and sale of rice
Tilda Limited (Tilda)	100.0%	100.0%	EF	EF	London (UK)	Production and sale of rice
Tilda International DMCC	100.0%	100.0%	Tilda	Tilda	Dubai (UAE)	Sale and marketing of rice
Tilda Rice Limited	100.0%	100.0%	Tilda	Tilda	London (UK)	Dormant
Ebro Tilda Private Limited	100.0%	100.0%	EF	EF	New Delhi (India)	Sale and marketing of rice
Brand Associated Limited	100.0%	100.0%	Tilda	Tilda	Isle of Man	In liquidation
Herba Germany, GmbH	100.0%	100.0%	EFG	EFG	Hamburg (Germany)	Trademark holdco
Euryza, Gmbh.	100.0%	100.0%	EFG	EFG	Hamburg (Germany)	Sale and marketing of rice
Transimpex, Gmbh (B)	55.0%	55.0%	EFG	EFG	Hamburg (Germany)	Sale and marketing of rice
T.A.G. Nahrungsmittel Gmbh.	100.0%	100.0%	EFG	EFG	Stuttgart (Germany)	Dormant
Bertolini Import Export Gmbh.	100.0%	100.0%	EFG	EFG	Mannheim (Germany)	Dormant
Ebro Frost Holding, Gmbh (Efrost)	55.0%	55.0%	HF	HF	Munich (Germany)	Investment management
Ebro Frost Denmark, AS.	100.0%	100.0%	Efrost	Efrost	Orbaek (Denmark)	Production and sale of rice and pasta
Ebro Frost Germany, Gmbh.	100.0%	100.0%	Efrost	Efrost	Munich (Germany)	Production and sale of rice and pasta
Ebro Frost UK, Ltd.	100.0%	100.0%	Efrost	Efrost	London (UK)	Production and sale of rice and pasta

SUBSIDIARIES AND ASSOCIATES						
	OWNERSHIP INTEREST, %		PARENT COMPANY		REGISTERED OFFICE	BUSINESS ACTIVITY
	12-31-20	12-31-19	12-31-20	12-31-19		
S&B Herba Foods, Ltda. (Group)	100.0%	100.0%	HF/R. Int.	HF/R. Int.	London (UK)	Production and sale of rice
Riceland Magyarorszag, KFT.	100.0%	100.0%	HF/EF	HF/EF	Budapest (Hungary)	Sale and marketing of rice
Boost Nutrition C.V. (Boost)	100.0%	100.0%	HF / NC	HF / NC	Merksem (Belgium)	Production and sale of rice
Mundi Riso S.R.L.	100.0%	100.0%	HF	HF	Vercelli (Italy)	Production and sale of rice
Mundi Riz, S.A. (MR)	100.0%	100.0%	HF	HF	Larache (Morocco)	Production and sale of rice
Agromeruan, S.A.	100.0%	100.0%	MR	MR	Larache (Morocco)	Farmland concessionaire
Rivera del Arroz, S.A.	100.0%	100.0%	MR	MR	Larache (Morocco)	Rice farming
Katania Magrheb, S.A.R.L	100.0%	100.0%	MR	MR	Larache (Morocco)	Sale and marketing of rice
Arrozeíras Mundiarroz, S.A.	100.0%	100.0%	HF	HF	Lisbon (Portugal)	Production and sale of rice
Josep Heap Properties, Ltda.	100.0%	100.0%	HF	HF	Liverpool (UK)	Investment management
Risella OY	100.0%	100.0%	HF	HF	Helsinki (Finland)	Sale and marketing of rice
Bosto Poland, S.L.	100.0%	100.0%	HF	HF	Warsaw (Poland)	Sale and marketing of rice
Herba Bangkok, S.L. (Group) (HB)	100.0%	100.0%	HF	HF	Bangkok (Thailand)	Production and sale of rice
Herba Cambodia CO, Ltd	100.0%	100.0%	HB	HB	Cambodia	Sale and marketing of rice
Herba Egipto Rice Mills, S.A.E.	100.0%	100.0%	HF	HF	Cairo (Egypt)	Production and sale of rice
Herba Ricemills Rom, SRL	100.0%	100.0%	HF	HF	Romania	Sale and marketing of rice
Ebro India, Ltda.	100.0%	100.0%	HF	HF	New Delhi (India)	Production and sale of rice
Ebrosur, S.R.L.	100.0%	100.0%	HF	HF	Argentina	Sale and marketing of rice
Ebro Rice Handling, S.A.	100.0%	100.0%	HF	HF	Merksem (Belgium)	Logistics
La Loma Alimentos, S.A.	100.0%	100.0%	HF	HF	Argentina	Production and sale of rice
Neofarms Bio, S.A.	60.0%	60.0%	HF	HF	Argentina	Sale and marketing of rice
Ebro Foods Nederland, B.V. (EFN)	100.0%	100.0%	HF	HF	Amsterdam (Netherlands)	Investment management
Lassie Nederland, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Production and sale of rice
Lassie, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Industrial operations
Lassie Property, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Industrial operations
Rice & Cereals Consultancy BV (RCC)	100.0%	-	EFN	-	Amsterdam (Netherlands)	Holdco
Herba Ingredients, B.V. (Grupo) (HI) (B)	100.0%	80,0%	EFN/HF/RCC	EFN/HF	Amsterdam (Netherlands)	Holdco and sale of rice
Mediterranean Foods Label, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Production and sale of rice
Nuratri, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Nutramas, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Nutrial, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Pronatur, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Vitasan, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Yofres, S.A.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Herba Trading, S.A.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Formalac, S.L.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Eurodairy, S.L.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Española de I+D, S.A.	100.0%	100.0%	HR	HR	Valencia (Spain)	New product development and commercialization

SUBSIDIARIES AND ASSOCIATES						
	OWNERSHIP INTEREST, %		PARENT COMPANY		REGISTERED OFFICE	BUSINESS ACTIVITY
	12-31-20	12-31-19	12-31-20	12-31-19		
Riviana International Inc. (R. Int.)	100.0%	100.0%	Riviana	Riviana	Houston (US)	Investment management
Ebro Riviana de Guatemala, S.L.	100.0%	100.0%	R. Int.	R. Int.	Guatemala	Investment management
Ebro de Costa Rica, S.L.	100.0%	100.0%	R. Int.	R. Int.	San José (Costa Rica)	Investment management
R&R Partnership (A)	50.0%	50.0%	Riviana	Riviana	Houston (US)	Production and sale of rice
N&C Boost N.V. (N.C. Boost)	100.0%	100.0%	R. Int.	R. Int.	Antwerp (Belgium)	Investment management
Les Traiteurs Lyonnais (LTL)	99.8%	99.8%	Panzani	Panzani	Lyon (France)	Investment management
Lustucru Riz	99.9%	99.9%	LTL	LTL	Lyon (France)	In liquidation
Lustucru Frais	100.0%	100.0%	LTL	LTL	Lyon (France)	Production and sale of food
Roland Monterrat, SAS	100.0%	100.0%	LTL	LTL	Lyon (France)	Production and sale of flour and semolina
Panzani Development, S.A.	100.0%	100.0%	Panzani	Panzani	Lyon (France)	Investment management
S.F.C. Silo de la Madrague, SAS	100.0%	100.0%	Panzani	Panzani	Lyon (France)	Industrial operations
S.F.C. d'Investissements, SAS	100.0%	100.0%	Panzani	Panzani	Marseilles (France)	Industrial operations
Bertagni, Spa. (Bertagni) (B)	70.0%	70.0%	LTL	LTL	Verona (Italy)	Production and sale of pasta
Bertagni USA, Inc.	70.0%	70.0%	Bertagni	Bertagni	New York (US)	Sale and marketing of pasta
Bertagni UK, Ltd.	56.0%	56.0%	Bertagni	Bertagni	London (UK)	Sale and marketing of pasta
TBA Suntra Beheer, B.V. (Group)	100.0%	100.0%	HI	HI	Netherlands and Belgium	Production and sale of rice
Herba Ingredients, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Belgium B, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Belgium C, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Netherlands, BV	100.0%	100.0%	HI	HI	Netherlands	Industrial operations
Euro Rice Flour, BV	100.0%	100.0%	HI	HI	Netherlands	Dormant
Pastificio Lucio Garofalo, Spa. (GAROF) (B)	52.0%	52.0%	SEM	SEM	Naples (Italy)	Production and sale of pasta
Garofalo Nordic, AB.	100.0%	100.0%	GAROF	GAROF	Sweden	Sale and marketing of pasta
Garofalo USA, Inc.	100.0%	100.0%	GAROF	GAROF	New York (US)	Sale and marketing of pasta
Garleb, SAL.	70.0%	70.0%	GAROF	GAROF	Lebanon	Sale and marketing of pasta
Cateli Corp. (Ronzoni)	100.0%	100.0%	Riviana	Riviana	Montreal (Canada)	Production and sale of pasta and sauces
Garofalo France, S.A.	100.0%	100.0%	Garof/Pzni	Garof/Pzni	Lyon (France)	Sale and marketing of pasta and sauces

(A) Associates consolidated using the equity method.
(B) Companies fully consolidated due to the existence of a commitment to acquire the rest of these investees' equity (for a description of those commitments, refer to note 22).

None of the subsidiaries or associates is publicly traded. The financial statements of all of the companies consolidated by the Group correspond to the same financial year-end, namely December 31, 2020 and 2019.

5. Significant transactions (business combinations, disposals, etc.) closed in 2020 and 2019 and impact on comparability

5.1 BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL IN 2020
There were no internal company restructuring transactions in 2020.

5.2 BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL IN 2019
There were no internal company restructuring transactions in 2019.

5.3 THIRD-PARTY BUSINESS COMBINATIONS UNDERTAKEN IN 2020 AND 2019 AND IMPACT ON COMPARABILITY. CHANGES IN CONSOLIDATION SCOPE:
Business combinations: the Group did not make any acquisitions in 2020 but it did sell businesses.

Sale and discontinuation of the CANADIAN DRY PASTA business

At the end of October 2020, the Ebro Group, through its indirectly-owned Canadian subsidiary, Catelli Foods Corporation, agreed the sale of the 'Catelli' dry pasta business in Canada to Barilla G.eR. Fratelli S.p.A. The business sold encompasses the Catelli, Lancia and Spledor trademarks and the factory in Montreal (Québec).

The business sold was valued for the purpose of the transaction at 165 million Canadian dollars (the value of 100% of the business, before potential debt and working capital adjustments). The transaction is not expected to generate a significant gain for the Ebro Group. Execution of the transaction was subject to performance of the opportune requirements for Canadian anti-trust purposes and other standard closing conditions.

On January 29, 2021, once those conditions had been met, the the transaction closed: the proceeds were collected and the business was delivered to the buyer.

The Ebro Group will continue to have a presence in the Canadian market through several brands: Garofalo (dry pasta), Olivieri (fresh pasta and sauces) and Minute Rice and Tilda (rice). Following that disposal, the Ebro Group plans to center its resources in the Canadian market on the premium segment, offering higher value-added and more profitable products.

Accordingly, under IFRS 5, the assets and liabilities of this business have been reclassified in the consolidated statement of financial position at December 31, 2020 to 'Non-current assets held for sale' and 'Liabilities of non-current assets held for sale', respectively. Likewise, its income and expenses for the years ended December 31, 2020 and 2019 have been reclassified to 'Profit after tax from discontinued operations' (note 25). That business's income and expenses had previously been included in the Group's Pasta segment.

Sale and discontinuation of the US DRY PASTA business

In early November 2020, the Ebro Group, through its US subsidiary, Riviana, agreed the sale of certain assets from its US dry pasta and noodles business to American Italian Pasta Company (a TreeHouse Foods, Inc. company). The business sold encompasses a number of the Ebro Group's American dry pasta and noodle brands and the factory in St. Louis.

The assets sold were valued for the purpose of the transaction at 242.5 million US dollars (the value of 100% of the business, before potential debt and working capital adjustments). Execution of the transaction was subject to performance of the various steps required before the US anti-trust authorities as well as other standard closing conditions. On December 11, 2020, once those closing conditions had been met, the transaction closed: the proceeds (209,406 thousand euros) were collected, the business was delivered to the buyer and the transaction was accounted for. The transaction generated an after-tax gain of 28 million euros for the Ebro Group.

In the wake of the disposal, the Ebro Group continues to boast a strong presence in the North American market through its dry and fresh pasta businesses (Garofalo and Bertagni), frozen products (Ebrofrost) and rice and other value-added products (Carolina, Mahatma, Minute, Success, Tilda and RiceSelect). The rest of the dry pasta business in the US, essentially the Ronzoni brand and the Winchester factory, is expected to be sold in 2021 (note 25).

In accordance with IFRS 5, that business's income and expenses were reclassified to 'Profit after tax from discontinued operations' in the consolidated statement of profit or loss for the year ended December 31, 2020 (note 25). That business's income and expenses had previously been included in the Group's Pasta segment.

There were no other significant changes in the Group's scope of consolidation in 2020.

The most significant changes in the Group's consolidation scope in 2019 are outlined below:

COMPANIES ADDED TO THE CONSOLIDATION SCOPE AND INCREASES IN SHAREHOLDINGS IN 2019			
COMPANY AFFECTED	SUBGROUP	%	COMMENTS
Tilda Group (UK and others)	Rice	100%	Acquisition of 100% of this business
Ebro Frost ENA (USA)	Rice	45%	Acquisition of the remaining 45%

COMPANIES REMOVED FROM THE CONSOLIDATION SCOPE AND DECREASES IN SHAREHOLDINGS IN 2019			
COMPANY AFFECTED	SUBGROUP	%	COMMENTS
Jiloca, S.A. (Teruel, Spain)	Other	100%	Sale of this company
Beira Terrace, Ltda. (Portugal)	Other	100%	Liquidation of this company
TBA Suntra UK, Ltd. (UK)	Rice	75.5%	Liquidation of this company
Bio business: Alimentation Sante, A.S. (France), Celnat, S.A. (France), Vegetalia, S.L. and Satoki, S.L. (Spain)	Pasta	100%	Sale of these companies

Sale of Jiloca Industrial, S.A.

Ebro Foods, S.A. sold this wholly-owned subsidiary, based in Teruel and devoted primarily to making and selling organic and humic manure and improvers, on June 27, 2019. That investee was not included in the key Rice or Pasta segments (it was included within Other businesses). The sale generated a gain of 4,922 thousand euros.

Sale of the Bio Food business

During the second quarter of 2019, the Ebro Group decided to explore the sale of its Bio Food business, specifically that carried out through its wholly-owned subsidiaries, Vegetalia, S.L. and Satoki, S.L. in Spain and Celnat, S.A. in France.

Despite continuing to view Bio Food as an interesting line of business with strong growth potential, the Group would have had to devote significant resources to building a strong division of sufficient scale. Meanwhile, Bio Food companies were commanding high prices in the market on account of the interest being exhibited by major multinationals in businesses of this kind.

That process culminated on July 23, 2019 with the execution of a put option that ultimately materialized in a sale transaction on September 30, 2019 at a price of 57.5 million euros (debt-free). The sale generated a gain of 16,043 thousand euros.

That business's income and expenses had previously been included in the Group's Pasta segment.

Acquisition of the Tilda Group

On August 28, 2019, under the umbrella of its strategy for becoming a global benchmark in the premium food sector, Ebro Foods, S.A. acquired 100% of the companies and assets encompassing the Tilda business worldwide from Hain Celestial. Tilda is a premium rice brand, specialized in basmati rice, with global brand recognition. It is present in several countries on all five continents and boasts particularly strong positioning in the UK market.

In total, the Group invested 291,335 thousand euros for 100% of the business. The acquisition was financed using a mix of own funds and borrowings.

The Group took effective control of this business on August 28, 2019, which was also the date of its first-time consolidation. The fair value of the assets and liabilities acquired at the acquisition date was as follows:

TILDA GROUP (000€)	DATE OF CONSOLIDATION 08-28-2019
	FAIR VALUE
Intangible assets	136,880
Property, plant and equipment	41,367
Right-of-use assets	883
Financial assets	33
Deferred tax assets	35
Inventories	64,277
Cash	11,191
Other current assets	31,738
TOTAL ASSETS	**286,404**
Provisions for pensions and similar obligations	208
Non-current financial liabilities	579
Deferred tax liabilities	27,266
Current financial liabilities	13,716
Trade payables	20,650
Other current liabilities	11,570
TOTAL LIABILITIES	**73,989**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**212,415**
Goodwill arising on acquisition	78,920
PURCHASE CONSIDERATION TRANSFERRED	**291,335**
Financed with financial liabilities and cash	291,335
PURCHASE CONSIDERATION TRANSFERRED	**291,335**
Net cash (debt) acquired with the subsidiary	(3,104)
Revenue since the acquisition date	55,560
Net profit contribution since the acquisition date	2,060
Revenue since January 1 **(a)**	174,500
Net profit contribution since January 1 **(a)**	13,400

(a) Estimate as if the businesses had been acquired on January 1, 2019

The goodwill generated represents the future economic benefits the Ebro Group expects to obtain as a result, mainly, of the synergies implied by integration of these businesses into its supply, logistics, industrial, sales and human resources platforms.

Acquisition of 45% of Ebro Frost ENA (US)

In January 2019, the Group acquired an additional 45% interest in this US business, incorporated in mid-2017 to make and market frozen rice and pasta products.

That investee was originally held indirectly through Ebro Frost Holding, Gmbh (Germany), with a 55% interest, but is now wholly-owned directly by Ebro Foods, S.A. The cost of the 45% interest acquired was 1,586 thousand euros for consolidation purposes, which was paid to the non-controlling interest holders. That common control business combination was recognized in the consolidated statement of changes in equity under “Other changes”.

There were no other significant changes in the Group’s scope of consolidation in 2019.

6. Segment reporting and revenue from contracts with customers

The operating segments are organized and managed separately by products and services; each segment represents a strategic business unit that sells different products and services different markets. Accordingly, the Group’s segment reporting disclosures are articulated around its business segments, as the Group’s risks and returns are shaped primarily by differences in the products and services provided.

Against this backdrop, the Ebro Foods Group is divided into the following business segments and/or activities:

- Rice business
- Pasta business (with the US and Canadian dry pasta businesses reclassified as discontinued activities - refer to notes 5 and 25).
- Other businesses and/or activities

The Group structures its segment reporting disclosures around these businesses and/or activities. The financial information relating to these business segments is presented in the table provided at the end of this note 6.

RICE BUSINESS

Herba Group: Specialized in businesses related with rice, pulses and other grains. The Herba Group has established itself as Europe’s leading rice group and one of the world’s most important players. It boasts an extensive and modern manufacturing base and sales network, doing business in more than 70 markets.

It is the leading European player in rice retailing, the food service segment and in the supply of rice, rice derivatives and ingredients for industrial purposes. It follows a multi-brand strategy underpinned by a deep portfolio of successful brands that boast strong recognition in their operating markets. These high-profile brands include: SOS, La Fallera, La Cigala, Saludades, Lassie, Reis fit, Rix fis, Oryza, Bosto, Riceland, Risella, Peacock and Phoenix. The table below summarizes the Group’s market shares in its main retail markets:

COUNTRY	BY VOLUME	BY VALUE	RANKING
Spain	28.20%	37.00%	Leader
Portugal	18.70%	20.70%	Leader
Belgium	19.80%	20.90%	#2
Netherlands	12.80%	19.30%	Leader

In parallel it supplies rice to Europe's leading food sector players:

- Beverage industries
- Industrial rice companies
- Baby food: cereals, baby food, etc.
- Pre-cooked dishes: non-refrigerated, dehydrated, frozen, etc.
- Animal and pet food

Riviana Rice Group: This is the unit specialized in the rice business in the US, specifically through Riviana Inc., the largest rice company in the US with rice processing and production facilities in Tennessee, Texas and Arkansas.

Riviana is the leading rice retailer in the US and boasts a variety of brands including Mahatma and Minute, leaders in the traditional and instant & microwaveable rice segments, respectively.

The Group's overall market share in the US retail segment is 22% by volume; its footprint extends to growth segments such as aromatic and microwaveable rice and grains.

This subgroup also has an international presence in markets with long-standing trade ties with the US, several Caribbean nations and the Middle East, the latter through the Abu Bint brand, which is the leading player in the par-boiled rice segment in Saudi Arabia.

Tilda Group: This is the newest addition to the Rice business, acquired in 2019. Its main asset is the Tilda brand, a rice brand - deeply specialized in basmati - with global brand recognition. It boasts a presence in several markets on all five continents and is particularly well known and well positioned in the UK, which is where it manufactures: approximately 70% of its sales stemmed from its home market in 2020. In the UK market it is the number-two brand by both volume (12.8%) and value (19.3%); it also commands a market share of close to 10% (by value) in Ireland.

PASTA BUSINESS

Panzani Group: This is the Group unit specialized in the pasta and sauces business. Panzani is the leading player in the dry pasta, fresh products, rice, pulses, semolina and sauce segments in France.

In dry pasta it is the clearcut leader with a market share of 35.5% by volume and 32.9% by value. The sauce and fresh products line is a premium customer proposition and a segment in which Panzani is the undisputed leader in France. Those products are marketed under the Panzani and Lustucru trademarks, which command 30.4% and 45.1% of the market by volume, respectively.

The fresh products line includes fresh pastas, pan-fry products, risotto sauces, ready-to-eat fresh dishes and fresh, potato-based specialties. It represents a growth segment and a launch pad for the Group's R&D effort.

Panzani sells rice under two brands: Lustucru, devoted to conventional and quick-cook rice, and Taureau Ailé, specialized in select, premium quality rice. Between the two brands, Panzani is the number-one player in the French market, with a market share of 22% by sales volumes. Panzani sells semolina products under the Regia and Ferrero brands, which lead the market by sales volumes.

It is also the market leader in Belgium and the Czech Republic with shares of 6.5% and 11.9% (by volume), respectively, and exports pasta and semolina products, particularly to northern Africa and other French-speaking markets.

Bertagni Group: Added to the Group in March 2018 following the acquisition of 70% of its shares (including an option over the remaining 30%). The Bertagni Group has factories in Vicenza and Avio (Italy). Bertagni is known as the oldest filled pasta brand in Italy. An expert in the production of fresh pasta in the premium segment, it boasts deep know-how and a terrific portfolio of products.

Garofalo Group: This is the Group unit that specializes in the high-end dry pasta segment; its products enjoy protective geographic indications. Pastificio Lucio Garofalo is steeped in over two hundred years of history and marries tradition and innovation in the premium pasta business. It is based in Gragnano (at the back of the Bay of Naples), the region considered the cradle of pasta on account of its special microclimate. It owns the Garofalo and Santa Lucia trademarks, among others.

This company has etched out a growth story during the past 15 years, transforming from a small-sized local player into a leader in the Italian premium dry pasta segment (share of 5.8% by volume and 7.8% by value). Its brands are sold in most European markets and the US and its Santa Lucía brand is a best-selling pasta brand in eastern Africa.

Riviana Pasta Group: the Group's leading unit in the fresh pasta segment in Canada. At the end of 2013, the Group acquired the Olivieri brand, the undisputed leader in the fresh pasta segment in Canada with a market share of 49.7% by volume and 50.4% by value. Olivieri makes and sells simple and filled fresh pasta products as well as a wide range of gnocchi products.

OTHER BUSINESSES AND/OR ACTIVITIES

The most notable activity in this category:

Asset management:

This unit manages the Group's property that is not used in the core businesses (investment properties). Its purpose is to centrally control all of the Group's properties with a view to remaining abreast of their status, reducing costs and selling off those not used for industrial purposes after taking action to maximize their valuation prior to monetization.

Criteria used to allocate amounts to reportable segments

The restructuring effort and initiatives undertaken by the Group in recent years have enabled it to scale each of its main business segments separately, thereby facilitating their management, decision-making and financial control. Accordingly, the allocation of consolidated expenses, income, assets and liabilities among the segments derives from the amounts that belong directly to each. It hasn't been necessary to establish criteria for allocating shared expenses and income or shared assets and liabilities among the segments other than in the US businesses for which certain expenses were allocated on a pro rata basis (as is common practice in these kinds of situations) between the US rice and pasta units (until the sale of the US and Canadian dry pasta businesses in 2020). Against this backdrop, although the non-financial fixed assets and liabilities and working capital structures dovetail with the needs of each business or activity, the financial structure shown by segment is determined by internal financial management criteria in keeping with appropriate and necessary centralization and coordination at the Group level.

Inter-segment transactions

Although not material in relation to the total consolidated figures, inter-segment transactions have been eliminated for the purpose of determining the reportable segments' revenue, expenses and profits. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment transactions are eliminated on consolidation.

6.1 GEOGRAPHIC INFORMATION

The geographic information is provided on the basis of the Group's assets. Revenue from external customers is based on the geographic location of the customers. The detailed descriptions of each of the Group's business segment provided above indicate the geographic areas in which each operates. A summary of the businesses and/or activities carried out by the Group by geographic areas is provided below:

- **Spain:** Herba's rice business and the Harinas de Santa Rita business.
- **Rest of Europe:** essentially the businesses of Herba, Panzani (including Monterrat and Bertagni), Garofalo, Tilda and Geovita.
- **US & Canada:** the Riviana business in the US and the Olivieri business in Canada; to a lesser extent, Panzani, Bertagni, Tilda and Garofalo.
- **Rest of world:** essentially the rice business of Herba and some of the exports of Panzani, Bertagni, Riviana and Garofalo.

The breakdown of assets and revenue provided by geographic market below for continuing operations, without considering the place where the goods are produced, is provided in the next table (thousands of euros):

2019 - GEOGRAPHIC MARKET	SPAIN	EUROPE	AMERICAS	ROW	TOTAL
Segment revenue	189,048	1,487,004	746,185	267,846	2,690,083
Inter-segment revenue	(7,753)	(74,304)	(93,400)	(4,245)	(179,702)
TOTAL REVENUE	**181,295**	**1,412,700**	**652,785**	**263,601**	**2,510,381**
Intangible assets	32,558	301,218	244,617	861	579,254
Property, plant and equipment and right-of-use assets	75,179	547,956	340,243	66,329	1,029,707
Other assets	291,233	1,443,555	889,278	147,977	2,772,043
TOTAL ASSETS	**398,970**	**2,292,729**	**1,474,138**	**215,167**	**4,381,004**
CAPITAL EXPENDITURE	**13,408**	**82,035**	**51,187**	**7,313**	**153,943**

2020 - GEOGRAPHIC MARKET	SPAIN	EUROPE	AMERICAS	ROW	TOTAL
Segment revenue	203,010	1,770,778	906,853	268,052	3,148,693
Inter-segment revenue	(10,811)	(107,355)	(112,400)	(20,538)	(251,104)
TOTAL REVENUE	**192,199**	**1,663,423**	**794,453**	**247,514**	**2,897,589**
Intangible assets	32,477	290,603	125,945	331	449,356
Property, plant and equipment and right-of-use assets	86,280	546,752	240,676	60,333	934,041
Other assets	288,224	1,486,851	719,372	157,818	2,652,265
TOTAL ASSETS	**406,981**	**2,324,206**	**1,085,993**	**218,482**	**4,035,662**
CAPITAL EXPENDITURE	**16,212**	**67,464**	**29,292**	**2,975**	**115,943**

In two of the countries within the Group's markets, specifically the US and France, the revenue from contracts with customers and the unit's assets are material in comparison with those of the remaining countries (i.e., the countries other than Spain that account for over 10% of consolidated revenue and assets) and are thus broken down below (thousands of euros):

	US		FRANCE	
	2020	2019	2020	2019
Segment revenue	947,860	645,014	822,296	732,285
Inter-segment revenue	(265,946)	(89,196)	(50,441)	(41,757)
TOTAL REVENUE	**681,914**	**555,818**	**771,855**	**690,528**
Intangible assets	120,429	227,172	88,878	90,279
Property, plant and equipment	222,069	304,962	264,315	273,945
Other assets	569,578	713,904	671,366	644,280
TOTAL ASSETS	**912,076**	**1,246,038**	**1,024,559**	**1,008,504**
CAPITAL EXPENDITURE	**26,232**	**38,782**	**35,723**	**42,652**

6.2 SEGMENT INFORMATION BY BUSINESS

The following tables provide information on the revenue and earnings of continuing operations as well as certain asset and liability disclosures for the Group's reportable segments for the years ended December 31, 2020 and 2019.

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS (000€)

EBRO FOODS GROUP	TOTAL CONSOL. FIGURES		RICE BUSINESS (EXCL. N. AMERICA)		NORTH AMERICA RICE & PASTA		PASTA BUSINESS (EXCL. N. AMERICA)		EF HOLDCO		OTHER BUSINESSES & CONSOL. ADJUSTMENTS	
STATEMENT OF FIN'L POSITION	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Intangible assets	449,356	579,254	181,386	191,214	125,945	244,616	129,996	131,389	10,726	10,730	1,303	1,305
Property, plant and equipment	934,041	1,029,707	311,090	300,166	240,671	340,240	371,799	378,174	2,408	3,112	8,073	8,015
Investment properties	19,454	23,322	22,133	25,967	0	0	1	1	8,509	8,543	(11,189)	(11,189)
Financial assets	10,972	27,445	4,647	5,751	629	686	4,208	3,073	146	21,680	1,342	(3,745)
Investments in associates	43,387	42,226	0	19	43,064	41,823	5	0	1,717,879	1,718,605	(1,717,561)	(1,718,221)
Deferred tax assets	61,996	57,252	14,905	12,023	20,687	23,338	10,320	10,136	6,713	6,240	9,371	5,515
Goodwill	1,061,602	1,230,205	189,673	194,490	259,979	423,765	604,193	604,193	0	0	7,757	7,757
Accounts receivable from group companies	0	0	41,002	35,764	160,637	53,592	15,543	8,070	211,057	207,013	(428,239)	(304,439)
Other current assets	1,312,880	1,391,593	622,326	632,816	293,821	417,433	381,334	307,747	34,358	28,649	(18,959)	4,948
	3,893,688	**4,381,004**	**1,387,162**	**1,398,210**	**1,145,433**	**1,545,493**	**1,517,399**	**1,442,783**	**1,991,796**	**2,004,572**	**(2,148,102)**	**(2,010,054)**
Assets held for sale	141,974	0			141,974		0				0	0
TOTAL ASSETS	**4,035,662**	**4,381,004**			**1,287,407**		**1,517,399**				**(2,148,102)**	**(2,010,054)**
Total equity	1,957,798	2,291,670	893,694	906,175	1,001,864	985,154	645,694	627,524	1,101,276	1,451,699	(1,684,730)	(1,678,882)
Deferred income	11,437	6,038	6,321	3,954	0	0	5,116	2,084	0	0	0	0
Provisions for pensions and similar obligations	56,466	47,010	18,118	16,253	13,021	7,139	20,566	19,280	2,652	1,876	2,109	2,462
Other provisions	14,089	15,125	528	144	183	397	1,584	2,742	11,240	11,240	554	602
Non-current & current financial liabilities	1,162,026	1,251,692	161,918	211,795	34,227	306,611	326,223	311,325	616,735	400,977	22,923	20,984
Deferred tax liabilities	242,916	293,992	52,160	53,790	77,535	129,096	52,532	53,112	60,315	57,639	374	355
Borrowings from group companies	0	0	75,073	43,020	30,596	27,968	210,757	211,563	167,430	66,245	(483,856)	(348,796)
Other current liabilities	573,457	475,477	179,350	163,079	112,508	89,128	254,927	215,153	32,148	14,896	(5,476)	(6,779)
	4,018,189	**4,381,004**	**1,387,162**	**1,398,210**	**1,269,934**	**1,545,493**	**1,517,399**	**1,442,783**	**1,991,796**	**2,004,572**	**(2,148,102)**	**(2,010,054)**
Liabilities of non-current assets held for sale	17,473	0			17,473		0				0	0
TOTAL LIABILITIES	**4,035,662**	**4,381,004**			**1,287,407**		**1,517,399**				**(2,148,102)**	**(2,010,054)**
Capital expenditure for the year	115,944	153,943	47,777	44,451	26,610	44,100	40,797	63,603	618	2,266		
Average capital employed	2,191,813	2,080,166	895,243	726,426	724,341	754,114	562,570	568,089	14,781	40,021		
ROCE	14.2	11.1										
Leverage	47.6%	38.5%										
Average headcount for the year	7,664	7,522										
Stock market data:												
Number of shares outstanding ('000)	153,865	153,865										
Market cap. at year-end	2,914	2,968	Millions of euros									
Earnings per share (EPS)	1.25	0.92										
Dividend per share (DPS)	2.51	0.57										
Underlying carrying amount per share	12.53	14.70										

Within “North America: Rice and Pasta”, the breakdown of intangible assets and property, plant and equipment between the Rice and Pasta segments is as follows (thousands of euros):

	12-31-2020			12-31-2019		
	RICE	PASTA	TOTAL	RICE	PASTA	TOTAL
Intangible assets	120,428	5,517	125,945	132,672	111,944	244,616
Property, plant and equipment	222,064	18,607	240,671	236,827	103,413	340,240
	342,492	24,124	366,616	369,499	215,357	584,856

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS (000€)

EBRO FOODS GROUP	TOTAL CONSOL. FIGURES		RICE BUSINESS		PASTA BUSINESS		EF HOLDCO		OTHER BUSINESSES & CONSOL. ADJUSTMENTS	
STATEMENT OF PROFIT OR LOSS	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
External revenue	2,897,589	2,510,381	1,753,814	1,513,414	1,140,634	987,238	2	9	3,139	9,720
Inter-segment revenue			63,865	52,825	21,837	21,765	4,275	3,929	(89,977)	(78,519)
TOTAL REVENUE	**2,897,589**	**2,510,381**	**1,817,679**	**1,566,239**	**1,162,471**	**1,009,003**	**4,277**	**3,938**	**(86,838)**	**(68,799)**
Change in inventories	20,766	(7,588)	2,199	(13,427)	18,704	5,418	0	0	(137)	421
Own work capitalized	711	1,856	272	437	439	1,419	0	0	0	0
Other operating income	11,334	18,034	7,448	4,752	8,596	9,371	14,414	12,466	(19,124)	(8,555)
Raw materials and consumables used and other expenses	(1,626,299)	(1,370,397)	(1,073,018)	(910,776)	(633,287)	(517,336)	0	0	80,006	57,715
Employee benefits expense	(386,861)	(347,208)	(206,888)	(183,364)	(167,742)	(153,955)	(13,746)	(11,600)	1,515	1,711
Depreciation and amortization	(112,202)	(100,025)	(57,306)	(49,203)	(53,378)	(49,322)	(1,364)	(1,334)	(154)	(166)
Other operating expenses	(562,415)	(513,911)	(315,652)	(280,213)	(253,940)	(235,791)	(12,239)	(24,054)	19,416	26,147
OPERATING PROFIT	**242,623**	**191,142**	**174,734**	**134,445**	**81,863**	**68,807**	**(8,658)**	**(20,584)**	**(5,316)**	**8,474**
Finance income	41,977	24,692	39,275	18,295	6,577	15,707	52,692	930,711	(56,567)	(940,021)
Finance costs	(60,249)	(39,711)	(52,068)	(27,855)	(11,851)	(6,087)	(12,149)	(25,152)	15,819	19,383
Impairment of goodwill	(35,104)	(3,684)	(183)	(3,684)	(34,921)	0	0	0	0	0
Share of profit of associates	5,448	5,243	6,041	5,711	(4)	0	0	0	(589)	(468)
CONSOLIDATED PROFIT (LOSS) BEFORE TAX	**194,695**	**177,682**	**167,799**	**126,912**	**41,664**	**78,427**	**31,885**	**884,975**	**(46,653)**	**(912,632)**

6.3 REVENUE FROM CUSTOMER CONTRACTS

Disaggregated revenue disclosures. The Group's disaggregated revenue from contracts with customers:

TYPE OF GOODS OR SERVICES (000€)

	12-31-2020				
	RICE	PASTA	OTHER	INTER-COMPANY	TOTAL
Sale of goods	1,811,657	1,153,918	7,222	(85,461)	2,887,336
Rendering of services	4,941	4,378	3,735	(7,081)	5,973
Revenue from royalties et al.	273	4,173	560	(1,092)	3,914
Lease income	364	1	2	(1)	366
	1,817,235	**1,162,470**	**11,519**	**(93,635)**	**2,897,589**

	12-31-2019				
	RICE	PASTA	OTHER	INTER-COMPANY	TOTAL
Sale of goods	1,561,121	1,000,663	10,441	(71,387)	2,500,838
Rendering of services	4,033	4,194	3,457	(6,443)	5,241
Revenue from royalties et al.	736	4,144	497	(1,429)	3,948
Lease income	348	2	3	1	354
	1,566,238	**1,009,003**	**14,398**	**(79,258)**	**2,510,381**

The Group's core business is the sale of food products to end consumers and the supply of food-related raw materials to third parties. The Group's contracts with customers are contracts for the sale of finished food products and food-related raw materials and the delivery of those products and raw materials is generally the only performance obligation.

Revenue is recognized when control of the asset is transferred to the customer, which is customarily when the goods are delivered.

7. Other income and expense

7.1 OTHER OPERATING INCOME (THOUSANDS OF EUROS)

	2020		2019	
Government grants (related to income and grants)		1,281		904
Other operating income		5,164		8,053
Gains on disposal of fixed assets		323		2,924
Gains on disposal of investment properties		213		205
Gains on disposal of investees		0		4,922
Reversal of non-current asset impairment provisions		314		0
Other income		4,039		1,026
Insurance claims	977		549	
Settlement of lawsuits	1,663		0	
Reversal of provisions for other lawsuits	943		259	
Other less significant items	456		218	
		11,334		**18,034**

Other income included the following less-recurring items in 2020:

- A gain of 536 thousand euros recognized on the sale of items of property, plant and equipment and investment properties.
- Income from the reversal of provisions for liabilities of 754 thousand euros, from the reversal of provisions for pension commitments of 189 thousand euros, from the reversal of impairment losses on property, plant and equipment of 314 thousand euros and the reimbursement of customs duties in the amount of 977 thousand euros.
- Income from a payment received pursuant to the out-of-court settlement of a lawsuit in the amount of 1,663 thousand euros.
- The rest of other operating income related to grants and minor other operating items.

Other income included the following less-recurring items in 2019:

- A gain of 4,922 thousand euros on the sale of Jiloca Industrial, S.A.
- A gain of 3,129 thousand euros on the sale of property, plant and equipment (a warehouse in France and an estate in Spain) and an investment property (in Spain).
- Income from the reversal of provisions of 259 thousand euros and the collection of insurance in the amount of 549 thousand euros.
- The rest of other operating income related to grants and minor other operating items.

7.2 OTHER OPERATING EXPENSES (THOUSANDS OF EUROS)

	2020		2019	
External services		(442,630)		(396,180)
Advertising expenditure		(88,605)		(77,564)
Research and development costs		(2,462)		(2,360)
Taxes/levies other than corporate income tax		(14,430)		(13,280)
Loss on sale, derecognition or impairment of property, plant and equipment		(5,116)		(3,749)
Provision for the impairment of intangible assets (trademarks)		0		(2,000)
Other provisions and charges recognized		(9,172)		(18,778)
Provisions for lawsuits and disputes	(1,670)		(892)	
Industrial and logistics restructuring charges	(3,755)		(4,521)	
New business and investment acquisition costs	(3,314)		(9,588)	
Tax assessment expenses	(76)		(922)	
Claims expenses	0		(2,125)	
Other less significant items	(357)		(730)	
		(562,415)		**(513,911)**

Other operating expenses included the following less-recurring items in 2020:

- Losses totaling 1,646 thousand euros on the derecognition, sale or restructuring of several pieces of industrial equipment and plant; losses of 1,225 thousand euros on the derecognition of software; and impairment losses recognized on items of property, plant and equipment in the amount of 2,245 thousand euros.
- Investment expenditure that does not quality for capitalization in the amount of 3,314 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centers, etc.).
- Charges for provisions and expenses for lawsuits with third parties in the amount of 1,670 thousand euros.

- Industrial restructuring charges and costs at certain centers totaling 3,755 thousand euros.
- Extraordinary expenses derived from the health pandemic: protective gear, extraordinary facility and office cleaning costs and incentives paid to employees in a total amount of 12,259 thousand euros; and the donation of food, money and protective gear in the amount of 3,200 thousand euros.

Other operating expenses included the following less-recurring items in 2019:

- Loss and charges of 3,885 thousand euros, of which: 2,635 thousand euros corresponded to the derecognition or withdrawal of industrial equipment and plant and 1,250 thousand euros related to a provision for the impairment of a manufacturing line at a factory in Spain.
- A provision for the impairment of one of the Portuguese trademarks in the amount of 2 million euros.
- Investment expenditure that did not quality for capitalization in the amount of 9,558 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centers, etc.).
- Charges for provisions and expenses for lawsuits with third parties in the amount of 892 thousand euros.
- Industrial restructuring charges and costs at certain centers totaling 7,579 thousand euros.
- Expenditure related with industrial equipment damage and business claims totaling 2,125 thousand euros.

7.3 FINANCE COSTS AND FINANCE INCOME (THOUSANDS OF EUROS)

	2020	2019
Finance costs		
Third-party borrowings	(10,981)	(10,684)
Unwinding of discount on financial liabilities	(2,131)	(1,254)
Unwinding of discount on provisions for pensions and similar obligations	(863)	(743)
Losses on derecognition of financial assets and liabilities	(5)	(1)
Impairment provisions on other financial assets	(1,511)	(2,846)
Expenses/losses related to derivatives and financial instruments	(6,289)	(4,218)
Exchange losses	(38,469)	(19,965)
	(60,249)	**(39,711)**
Finance income		
Third-party loans	2,766	4,993
Gains on derecognition of financial assets and liabilities	885	3,701
Reversal of financial asset impairment provisions	2,634	1,362
Gains on derivatives and financial instruments	2,837	541
Exchange gains	32,855	14,095
	41,977	**24,692**
NET FINANCE INCOME/(COST)	**(18,272)**	**(15,019)**

7.4 EMPLOYEE BENEFITS EXPENSE

The breakdown of employee benefits expense and the average Group headcount in 2020 and 2019 and at each year-end (thousands of euros):

	2020	2019
Wages and salaries	(293,125)	(262,811)
Other benefit expense	(28,336)	(24,890)
Social security and similar costs	(53,332)	(49,958)
Cost of post-employment and similar benefits	(12,068)	(9,549)
	(386,861)	**(347,208)**

AVERAGE HEADCOUNT

AVERAGE HEADCOUNT 2020	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	292	3	131	1	427
Skilled staff and middle management	789	18	447	30	1,284
Clerical and support staff	393	171	418	67	1,049
Production staff	2,713	935	727	447	4,822
Other staff	29	19	26	8	82
TOTAL	**4,216**	**1,146**	**1,749**	**553**	**7,664**

AVERAGE HEADCOUNT 2019	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	290	7	136	1	434
Skilled staff and middle management	727	24	415	27	1,193
Clerical and support staff	380	165	403	58	1,006
Production staff	2,638	1,011	693	458	4,800
Other staff	27	31	28	3	89
TOTAL	**4,062**	**1,238**	**1,675**	**547**	**7,522**

YEARD-END HEADCOUNT

YEAR-END HEADCOUNT 2020	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	286	1	131	1	419
Skilled staff and middle management	781	13	441	42	1,277
Clerical and support staff	390	174	422	66	1,052
Production staff	2,734	805	754	388	4,681
Other staff	28	20	28	10	86
TOTAL	**4,219**	**1,013**	**1,776**	**507**	**7,515**

YEAR-END HEADCOUNT 2019	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	289	7	138	1	435
Skilled staff and middle management	736	21	426	21	1,204
Clerical and support staff	401	188	407	121	1,117
Production staff	2,698	792	709	384	4,583
Other staff	36	29	28	3	96
TOTAL	**4,160**	**1,037**	**1,708**	**530**	**7,435**

As required under article 260 of the Corporate Enterprises Act, it is hereby disclosed that the number of people employed by the Group in 2020 (2019) with a disability of a severity of 33% or higher averaged 76 (62) men and 26 (21) women, most of whom in the production staff categories.

8. Intangible assets

The reconciliation of the carrying amount of intangible assets at the beginning and end of 2020 and 2019, detailing the amortization and impairment provisions recognized each year, is provided below (in thousands of euros):

CARRYING AMOUNTS

	DEVELOPMENT COSTS	PATENTS & TRADEMARKS	COMPUTER SOFTWARE	INTANGIBLES IN PROGRESS	TOTAL
Balance at December 31, 2018	0	432,250	6,101	919	439,270
Balance at December 31, 2019	0	570,309	6,968	1,977	579,254
Balance at December 31, 2020	0	442,203	6,051	1,102	449,356

GROSS CARRYING AMOUNTS

	DEVELOPMENT COSTS	PATENTS & TRADEMARKS	COMPUTER SOFTWARE	INTANGIBLES IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2018	86	465,761	49,569	919	516,335
Business combinations		136,880			136,880
Business sales (exits)		(8,675)	(154)		(8,829)
Additions		15	3,922	1,058	4,995
Decreases	(86)		(1,333)		(1,419)
Translation differences		15,078	413		15,491
Assets held for sale					0
Transfers		(18)	18		0
BALANCE AT DECEMBER 31, 2019	0	609,041	52,435	1,977	663,453
Business combinations					0
Business sales (exits)		(55,332)	(11)		(55,343)
Additions		30	3,493	(875)	2,648
Decreases			(2,038)		(2,038)
Translation differences		(26,152)	(1,560)		(27,712)
Assets held for sale		(51,444)	(2)		(51,446)
Transfers		1	254		255
BALANCE AT DECEMBER 31, 2020	0	476,144	52,571	1,102	529,817

AMORTIZATION AND IMPAIRMENT

	DEVELOPMENT COSTS	PATENTS & TRADEMARKS	COMPUTER SOFTWARE	INTANGIBLES IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2018	(86)	(33,511)	(43,468)	0	(77,065)
Business sales (exits)		13	121		134
Additions		(4,160)	(3,008)		(7,168)
Decreases	86		1,313		1,399
Translation differences		(1,078)	(420)		(1,498)
Assets held for sale					0
Transfers		4	(5)		(1)
BALANCE AT DECEMBER 31, 2019	0	(38,732)	(45,467)	0	(84,199)
Business sales (exits)		4,925	3		4,928
Additions		(3,685)	(3,372)		(7,057)
Decreases			812		812
Translation differences		1,686	1,592		3,278
Assets held for sale		1,860			1,860
Transfers		5	(88)		(83)
BALANCE AT DECEMBER 31, 2020	0	(33,941)	(46,520)	0	(80,461)

MOVEMENTS IN 2020

The most significant movements under this heading during the year ended December 31, 2020:

- Additions totaling 2,648 thousand euros (mainly software).
- A decrease of 24,434 thousand euros due to translation differences.
- Decreases of 7,057 thousand euros due to amortization charges (of which, 281 thousand euros were recognized within the charges corresponding to discontinued activities; refer to note 25).
- Decrease of 49,586 thousand euros due to the reclassification of intangible assets to assets held for sale (notes 5 and 25) and of 50,415 thousand euros related with companies sold during the year (note 5).
- In 2020, the Group derecognized intangible assets with a carrying amount of 1,226 thousand euros and recognized transferred assets with a carrying amount of 172 thousand euros.

The most significant movements under this heading in 2019:

- Additions totaling 4,995 thousand euros (mainly software).
- An increase of 13,993 thousand euros due to translation differences.
- Decreases of 5,168 thousand euros due to amortization charges (of which, 362 thousand euros were recognized within the charges corresponding to discontinued activities; refer to note 25) and of 2,000 thousand euros due to the impairment charge recognized against a trademark in the Portuguese business.
- A decrease of 8,695 thousand euros due to business disposals (note 5).
- An increase of 136,880 thousand euros due to business combinations (note 5).
- The Group also derecognized non-material intangible assets in the amount of 20 thousand euros in 2019.

TRADEMARKS

At year-end 2020, there are four trademarks (year-end 2019: eight) with an original aggregate cost of 40,745 thousand euros (year-end 2019: 57,382 thousand euros) that have been written down for impairment by 20,893 thousand euros in total (28,939 thousand euros).

The trademarks and patents included within intangible assets were either acquired directly or via business combinations. Virtually all of these assets have been assessed as having an indefinite useful life and have been valued using the cost model. Their carrying amounts have been allocated to the cash-generating units (CGUs) shown in the table below (thousands of euros):

The Group tested its trademarks for impairment in 2020 and 2019; most of the tests were mostly performed by an independent expert, namely Duff & Phelps. The Group did not recognize any additional impairment losses as a result of those impairment tests in 2020; in 2019, the Group recognized a 2,000 thousand euros impairment loss against one of the trademarks used in its rice business in Portugal.

SEGMENT	CASH-GENERATING UNIT: TRADEMARKS	NUMBER OF TRADEMARKS	BALANCE AT 12-31-2020		
			GROSS	IMPAIRMENT & AMORTIZ.	NET
Rice	Herba Germany	2	21,065	(8,653)	12,412
Rice	Risella (Finland)	1	4,000	0	4,000
Rice	SOS business	3	33,269	(2,000)	31,269
Rice	Geovita (Italy)	3	1,977	0	1,977
Rice	Tranximpex (Germany)	1	64	0	64
Rice	Tilda Group	2	115,680	0	115,680
Rice	Riviana (US)	4	97,919	0	97,919
Rice	Riviana (US) SOS	4	15,236	0	15,236
Rice	Riviana (US) Rice select	4	3,700	0	3,700
Pasta	Riviana (Canada)	1	15,680	(10,240)	5,440
Pasta	Panzani (France)	4	83,199	0	83,199
Pasta	Panzani (France) - Monterrat	1	2,677	0	2,677
Pasta	Garofalo (Italy)	3	34,575	0	34,575
Pasta	Bertagni (Italy)	1	6,169	0	6,169
Other	Harinas (Spain)	1	1,300	0	1,300
			436,510	**(20,893)**	**415,617**
Rice	Riviana (US) Rice select		5,669	(3,166)	2,503
Rice	Riviana (US) Rice select - Customer portfolio		1,533	(1,222)	311
Pasta	Canada - customer portfolio		3,221	(3,221)	0
Rice	Tilda Group - customer portfolio		21,134	(1,878)	19,256
Rice	Geovita - customer portfolio		4,872	(975)	3,897
Other indefinite-lived trademarks and patents			3,205	(2,586)	619
			476,144	**(33,941)**	**442,203**

The recoverable amount of the trademarks was determined using cash flow projections that are typically derived from budgets that cover a five-year horizon and are then projected for another five years (using the royalty relief method).

The growth rates used to extrapolate the cash flow projections beyond the projection horizon and the discount rates applied to the cash flow projections for the most important CGUs in 2020 (2019) were:

PRODUCT	TRADEMARK/COUNTRY OR BUSINESS	PRE-TAX DISCOUNT RATE		POST-TAX DISCOUNT RATE		GROWTH RATE, G	
		2019	2020	2019	2020	2019	2020
Rice	Herba Germany	5.7%	6.3%	5.25%	5.8%	1.8%	2%
Rice	SOS business (Spain, Netherlands and Portugal)	5.6%-7.8%	6.2%-7.5%	5.3%-7.3%	5.8%-7.0%	1.8%-1.9%	1.8%-1.9%
Rice	Geovita (Italy and France)	6.7%	7.2%	6.25%	6.5%	1.7%	1.7%
Rice	Riviana (US)	7%	6.7%	6.5%	6.3%	2.2%	2.2%
Rice	Riviana Abu Bint (Saudi Arabia)	8.8%	8.9%	8%	8.0%	1.6%	1.5%
Rice	Riviana (US) SOS	7%	6.7%	6.5%	6.3%	2.2%	2.2%
Rice	Tilda (UK)	N/A	6.6%	N/A	6.3%	N/A	2.1%
Pasta	Riviana Canada	6.8%	6.5%	6.25%	6%	2%	2%
Pasta	Panzani (France)	6.2%	6.8%	5.75%	6.3%	1.8%	1.8%
Pasta	Panzani (France) - Monterrat	6.2%	6.8%	5.75%	6.3%	1.8%	1.8%
Pasta	Garofalo (Italy and international)	7.9%	8.4%	7.25%	7.5%	1.7%	1.7%
Pasta	Garofalo (Africa and international)	9.1%	9.7%	8.25%	8.5%	1.7%	1.7%
Pasta	Bertagni (Italy)	7%	8.1%	6.5%	7.3%	1.7%	1.7%

The Group also performed sensitivity analysis, varying the two inputs deemed key to the valuation results: the discount rate and the growth rate (g). With respect to the assumptions used to calculate the trademarks' value in use, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to exceed their recoverable amounts, with the exception of those already deemed impaired.

More specifically, neither a 10% increase in the discount rates nor a 10% variation in the growth rates (g) used would trigger significant impairment charges.

9. Property, plant and equipment

The reconciliation of the carrying amount of the Group's property, plant and equipment at the beginning and end of 2020 and 2019, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

CARRYING AMOUNTS	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	PP&E IN PROGRESS	TOTAL
Balance at December 31, 2018	110,544	226,828	408,513	21,555	6,041	82,766	**856,247**
Balance at December 31, 2019	130,766	256,263	456,886	24,236	8,138	64,971	**941,260**
Balance at December 31, 2020	123,324	226,451	407,988	25,583	9,592	64,861	**857,799**

GROSS CARRYING AMOUNTS	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	PP&E IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2018	**119,016**	**405,221**	**1,076,758**	**68,412**	**17,926**	**82,766**	**1,770,099**
Business combinations	18,257	4,886	16,939	165	1,120		41,367
Business sales (exits)	(729)	(7,905)	(7,316)	(956)	(27)	(481)	(17,414)
Additions	4,238	52,966	101,615	8,937	3,703	(17,945)	153,514
Decreases	(2,181)	(11,639)	(20,168)	(1,601)	(279)		(35,868)
Translation differences	1,611	3,010	8,327	244	353	631	14,176
Assets held for sale							0
Transfers	(103)	(4,909)	5,084	(17)	22		77
BALANCE AT DECEMBER 31, 2019	**140,109**	**441,630**	**1,181,239**	**75,184**	**22,818**	**64,971**	**1,925,951**
Business combinations							0
Business sales (exits)	(2,692)	(8,535)	(51,021)	(504)			(62,752)
Additions	1,196	15,434	89,850	7,259	2,715	2,462	118,916
Decreases	(814)	(860)	(8,186)	(384)	(1,089)		(11,333)
Translation differences	(5,388)	(14,739)	(37,974)	(1,220)	(845)	(1,702)	(61,868)
Assets held for sale	(6,490)	(15,352)	(68,783)	(1,085)	(18)	(869)	(92,597)
Transfers	4,900	(2,035)	317	678	1,797	(1)	5,656
BALANCE AT DECEMBER 31, 2020	**130,821**	**415,543**	**1,105,442**	**79,928**	**25,378**	**64,861**	**1,821,973**

DEPRECIATION AND IMPAIRMENT	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	PP&E IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2018	**(8,472)**	**(178,393)**	**(668,245)**	**(46,857)**	**(11,885)**	**0**	**(913,852)**
Business sales (exits)		1,702	3,453	407	23		5,585
Additions	(904)	(16,817)	(71,373)	(5,519)	(2,153)		(96,766)
Decreases	220	9,149	17,213	1,339	173		28,094
Translation differences	(179)	(1,334)	(5,787)	(341)	(35)		(7,676)
Assets held for sale							0
Transfers	(8)	326	386	23	(803)		(76)
BALANCE AT DECEMBER 31, 2019	**(9,343)**	**(185,367)**	**(724,353)**	**(50,948)**	**(14,680)**	**0**	**(984,691)**
Business sales (exits)	665	3,373	33,527	502			38,067
Additions	(897)	(19,776)	(78,042)	(5,585)	(2,090)		(106,390)
Decreases	229	764	7,474	554	489		9,510
Translation differences	830	4,390	18,490	1,044	423		25,177
Assets held for sale	1,020	7,537	46,838	860	18		56,273
Transfers	(1)	(13)	(1,388)	(772)	54		(2,120)
BALANCE AT DECEMBER 31, 2020	**(7,497)**	**(189,092)**	**(697,454)**	**(54,345)**	**(15,786)**	**0**	**(964,174)**

The Group takes out all the insurance policies deemed necessary to cover risks that could affect these assets.

Additions under ‘PP&E under construction’ include the amounts corresponding to projects related to the creation of new production lines and, in general, the upgrade of the quality of the Group’s industrial processes, products and its assets’ environmental performance.

Note that the Group obtained grants in relation to certain investments made by the various Group companies in 2020 and prior years, the amounts of which are disclosed in note 18.

No material items of property, plant or equipment are used other than for business purposes.

MOVEMENTS IN 2020

The most significant movements under this heading during the year ended December 31, 2020:

- A decrease of 36,691 thousand euros due to exchange losses.
- Decreases of 103,168 thousand euros due to depreciation charges (of which 11,773 thousand euros corresponded to discontinued activities; refer to note 25); 2,245 thousand euros of asset impairment provisions; offset by an increase of 314 thousand euros due to impairment losses reversed.
- Additions of 113,295 thousand related to capital expenditure, essentially investments in technical upgrades, expansion work and new facilities at the Group’s various factories. The Group management report includes information about the most significant investments recognized under this heading in 2020.
- An increase of 4,644 thousand euros due to the monetary correction of the assets of La Loma de Argentina.
- Decrease of 36,324 thousand euros due to the reclassification of items of property, plant and equipment to non-current assets held for sale (notes 5 and 25) and of 24,685 thousand euros in relation to companies sold during the year (note 5).
- In 2020, the Group also derecognized assets with a carrying amount of 2,137 thousand euros and recognized transferred assets with a carrying amount of 3,536 thousand euros.

MOVEMENTS IN 2019

- An increase of 6,500 thousand euros due to exchange gains.
- Decreases of 95,299 thousand euros due to depreciation charges (of which 12,524 thousand euros corresponded to discontinued activities; refer to note 25); of 1,250 thousand euros due to impairment losses; and of 217 thousand euros due to the monetary restatement of the accumulated depreciation of the assets of La Loma de Argentina.
- Increase of 153,514 thousand euros due to capital expenditure (of which 4,615 thousand euros corresponds to the monetary correction of the assets of La Loma de Argentina), essentially investments in technical upgrades, expansion work and new facilities at the Group’s various factories.
- A decrease of 11,829 thousand euros due to business disposals (note 5).
- An increase of 41,367 thousand euros due to business combinations (note 5).
- In 2019, the Group derecognized assets with a carrying amount of 7,774 thousand euros.

The depreciation and impairment charges recognized on property, plant and equipment in the 2020 and 2019 consolidated financial statements break down as follows:

- In 2020: 103,168 thousand euros of depreciation charges (of which 11,773 thousand euros is recognized as depreciation charges corresponding to discontinued activities; refer to note 25) and 2,245 thousand euros of impairment charges.
- In 2019: 95,299 thousand euros of depreciation charges (of which 12,524 thousand euros was recognized as depreciation charges corresponding to discontinued activities; refer to note 25) and 1,250 thousand euros of impairment charges.

The derecognition of items of property, plant and equipment in 2020 generated losses, on the one hand, of 1,646 thousand euros (2019: 2,635 thousand euros) and gains of 323 thousand euros (2019: 2,924 thousand euros), on the other (note 7).

10. Right-of-use assets

Below is the breakdown of the carrying amount of the Group's right-of-use assets and lease liabilities and a reconciliation of the opening and closing balances:

(00€)	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	ACCUM. DEPRECIATION & IMPAIRMENT	TOTAL	FINANCIAL LIABILITY NOTE 12
BALANCE AT DECEMBER 31, 2018	**0**	**15**	**4,115**	**68**	**73**	**(2,426)**	**1,845**	**(100)**
Adjustment at January 1, 2019	15,347	34,068	4,733	1,634	2,145		57,927	(57,927)
Business combinations		145		292	505	(59)	883	(881)
Business sales (exits)		(883)	(22)	(64)		100	(869)	869
Additions	(21)	36,409	2,969	520	1,601		41,478	(41,478)
Decreases		(532)	(352)	(158)	(114)	732	(424)	317
Translation differences	171	70	26	30	90	(10)	377	(367)
Depreciation charges						(12,770)	(12,770)	
Finance costs								(1,531)
Lease payments								11,393
BALANCE AT DECEMBER 31, 2019	**15,497**	**69,292**	**11,469**	**2,322**	**4,300**	**(14,433)**	**88,447**	**(89,705)**
Additions	249	2,283	1,873	802	857		6,064	(5,972)
Decreases	(105)	(1,294)	(1,164)	(329)	(386)	2,165	(1,113)	1,126
Translation differences	(439)	(2,981)	(47)	(53)	(182)	570	(3,132)	3,372
Transfers			44	4	(19)	31	60	(44)
Reclassified to held for sale			(260)	(27)		176	(111)	113
Depreciation charges						(13,973)	(13,973)	
Finance costs								(2,144)
Lease payments								13,303
BALANCE AT DECEMBER 31, 2020	**15,202**	**67,300**	**11,915**	**2,719**	**4,570**	**(25,464)**	**76,242**	**(79,951)**

The reconciliation of the opening and closing balances of accumulated depreciation and impairment provisions (thousands of euros):

ACCUMULATED IMPAIRMENT AND DEPRECIATION (000€)	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	TOTAL
BALANCE AT DECEMBER 31, 2018	**0**	**0**	**(2,369)**	**0**	**(57)**	**(2,426)**
Business combinations		(9)		(13)	(37)	(59)
Business sales (exits)		79	2	19		100
Additions	(889)	(7,293)	(2,626)	(825)	(1,137)	(12,770)
Decreases		336	237	96	63	732
Translation differences	1	(2)	(4)	(3)	(2)	(10)
BALANCE AT DECEMBER 31, 2019	**(888)**	**(6,889)**	**(4,760)**	**(726)**	**(1,170)**	**(14,433)**
Business sales (exits)	26			20		46
Additions	(1,248)	(7,881)	(2,669)	(770)	(1,405)	(13,973)
Decreases		526	1,086	309	198	2,119
Translation differences	82	377	20	23	68	570
Assets held for sale			156	20		176
Transfers					31	31
BALANCE AT DECEMBER 31, 2020	**(2,028)**	**(13,867)**	**(6,167)**	**(1,124)**	**(2,278)**	**(25,464)**

The breakdown of the Group's lease liabilities by year of maturity and currency of denomination is as follows (thousands of euros):

CURRENCY	2021	2022	2023	2024	2025	ROW	TOTAL
EUR	6,855	5,820	4,490	3,261	2,919	16,774	40,119
USD	3,654	3,270	3,287	3,330	3,390	17,348	34,279
GBP (UK)	594	243	81	91	390	108	1,507
INR (India)	82	57	57	0	0	0	196
MAD (Moroco)	2	168	199	199	199	2,707	3,474
DKK (Denmark)	17	12	4	0	0	0	33
HUF (Hungary)	20	20	21	22	0	0	83
THB (Thailand)	196	61	3	0	0	0	260
TOTAL	**11,420**	**9,651**	**8,142**	**6,903**	**6,898**	**36,937**	**79,951**

In 2020, the Group recognized the following expenses in connection with short-term leases and leases over low-value assets.

LEASE EXPENSE IN 2020 (000€)	SHORT-TERM CONTRACTS	LOW-VALUE CONTRACTS	TOTAL EXPENSE
Leases not capitalized:			
Buildings and offices	(633)		(633)
Plant and machinery	(132)		(132)
Warehouses	(986)		(986)
Industrial equipment	(1,626)	(900)	(2,526)
Other non-industrial equipment	0	(455)	(455)
Vehicles	(284)		(284)
TOTAL	**(3,661)**	**(1,355)**	**(5,016)**
Lease expense in future years			
In 2021	(1,475)	(168)	(1,643)
Between 1 and 5 years		(123)	(123)
Over 5 years		(51)	(51)
	(1,475)	**(342)**	**(1,817)**

It did not incur variable lease payments of significant amount.

Note that the extraordinary situation brought about by the coronavirus has not had a material impact on the Group's lease agreements.

11. Investment properties

The reconciliation of the carrying amount of the Group's investment properties at the beginning and end of 2020 and 2019, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

CARRYING AMOUNTS	LAND	BUILDINGS	TOTAL
Balance at December 31, 2018	23,014	425	**23,439**
Balance at December 31, 2019	21,592	1,730	**23,322**
Balance at December 31, 2020	17,761	1,693	**19,454**

	GROSS CARRYING AMOUNTS			DEPRECIATION AND IMPAIRMENT		
	LAND	BUILDINGS	TOTAL	LAND	BUILDINGS	TOTAL
BALANCE AT DECEMBER 31, 2018	**23,409**	**4,233**	**27,642**	**(395)**	**(3,808)**	**(4,203)**
Business combinations			0			0
Business sales (exits)			0			0
Additions		50	50	(12)	(137)	(149)
Decreases		(29)	(29)		11	11
Translation differences			0			0
Transfers			0	(1,410)	1,410	0
BALANCE AT DECEMBER 31, 2019	**23,409**	**4,254**	**27,663**	**(1,817)**	**(2,524)**	**(4,341)**
Business combinations			0			0
Business sales (exits)			0			0
Additions			0		(17)	(17)
Decreases	(122)	(32)	(154)		12	12
Translation differences			0			0
Transfers	(4,899)	3,396	(1,503)	1,190	(3,396)	(2,206)
BALANCE AT DECEMBER 31, 2020	**18,388**	**7,618**	**26,006**	**(627)**	**(5,925)**	**(6,552)**

The depreciation charge recognized in 2020 amounted to 17 thousand euros (2019: 17 thousand euros), while impairment charges amounted to zero (2019: 132 thousand euros).

The only material movement in 2020 was the transfer of the site on which the new factory in La Rinconada (Seville) is being built to property, plant and equipment. In 2020, the Group also sold one property, recognizing a gain of 213 thousand euros (note 7).

In 2019, the Group similarly sold one property, recognizing a gain of 205 thousand euros.

There are no restrictions on the monetization of the Company's investment properties or any proceeds from their disposal.

Investment properties are initially recognized at their acquisition cost. The investment properties with the most significant fair values correspond to the sites on which dismantled factories were located and some unoccupied buildings, located mainly in Spain. These properties' fair values represent the values at which the assets can be exchanged on the date of measurement between knowledgeable, willing parties in an arm's length transaction, in keeping with the International Valuation Standards.

In determining their fair value, the properties are valued individually and separately and not as part of a portfolio of properties. In some instances, the Group used the benchmark valuations provided by independent appraisers (updated internally as warranted), while in others it used comparable valuation methodology to reflect the market paradigm and the prices at which assets with similar characteristics are being transacted, adjusting as needed for changes in economic circumstances arising since the comparable transaction dates.

That effort is coordinated by the Asset Management Unit which, as indicated in note 6 above, is the business unit tasked with management and control of all of the properties that are not used in the Group's core business activities (investment properties), its remit being to remain abreast of their status, reduce costs and sell off those not used for industrial purposes after taking action to maximize their valuation prior to monetization. As a result, the inputs used to determine these properties' fair value should be deemed level 3 for IFRS fair value hierarchy purposes.

Note that the fair value of the Group's investment properties at year-end 2020 was an estimated 53 million euros (year-end 2019: 56 million euros).

12. Financial instruments: financial assets and financial liabilities

12.1 FINANCIAL ASSETS

The breakdown of the Group's financial assets (other than its cash equivalents, detailed in note 13), in thousands of euros, is provided below:

	12-31-2020			12-31-2019		
	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT
Classification for statement of financial position purposes:						
Financial assets	**10,972**	7,616	3,356	**27,445**	20,808	6,637
Trade and other receivables	**442,931**	0	442,931	**443,832**	0	443,832
Derivatives	**1,611**	0	1,611	**714**	0	714
TOTAL FINANCIAL ASSETS	**455,514**	**7,616**	**447,898**	**471,991**	**20,808**	**451,183**
Classification for measurement purposes:						
Financial assets at amortized cost:						
Trade and other receivables	**442,931**	0	442,931	**443,832**	0	443,832
Loans to associates	**1,122**	1,122	0	**0**	0	0
Loans to third parties	**3,855**	2,551	1,304	**22,517**	16,800	5,717
Deposits and guarantees	**4,921**	2,869	2,052	**3,810**	2,890	920
Financial assets at fair value through profit or loss						
Shares in non-group companies	**1,074**	1,074	0	**1,118**	1,118	0
Derivatives	**1,611**	0	1,611	**714**	0	714
TOTAL FINANCIAL ASSETS	**455,514**	**7,616**	**447,898**	**471,991**	**20,808**	**451,183**

Loans to third parties

The year-on-year decrease in the balance of loans to third parties in 2020 is the result of the settlement of one of the loans and the repayments collected in accordance with the corresponding loan schedules. The outstanding balance relates primarily to:

- In November 2020, the portion of the purchase price for the Nomen brands deferred under the agreement reached in 2012 (and amended in 2014, 2017 and 2019) was settled in full with the Group collecting 17,300 thousand euros.
- The deferred portion of the purchase price for the assets of the German pasta business under the terms of the agreement reached in December 2013, as amended in July 2014; the non-current portion of this vendor loan is zero and the current portion stands at 1,303 thousand euros. That loan accrues interest (between explicit and implicit interest) at a rate of 2.80%. That loan is being repaid in quarterly instalments, the last of which is due on June 30, 2021. The trademarks sold have been pledged as collateral against the vendor loan and would be returned to the seller in the event of non-payment.
- The deferred portion the purchase price for the SOS brand in Mexico and other neighboring countries under the payment terms agreed in January 2018 in the amount of MXP 100 million, of which the first MXP 50 million was collected in 2020. That loan earns interest at an implicit rate of 8%. The second and final instalment - in the amount of 1,953 thousand euros - is due on February 21, 2022.

Of the total recognized under this heading: (i) 1,311 thousand euros (year-end 2019: 17,753 thousand euros) is denominated in euros; (ii) 575 thousand euros (628 thousand euros) is denominated in US dollars; and (iii) 1,969 thousand euros (4,136 thousand euros) is denominated in Mexican pesos.

The maturity schedule for these non-current loans is: (i) 1,304 thousand euros in 2021; (ii) 1,953 thousand euros in 2022; and (iii) the remaining 598 thousand euros in 2026 and beyond.

Trade and other receivables

The breakdown of this heading at year-end 2020 and 2019 (in thousands of euros):

ITEM	12-31-20	12-31-19
Due from customers	439,589	441,891
Due from associates	497	1,440
Sundry receivables	14,981	12,612
Impairment allowance	(12,136)	(12,111)
TOTAL	**442,931**	**443,832**

For terms and conditions relating to related-party receivables, refer to note 23. Trade receivables are non-interest bearing and are generally on terms of 30 to 85 days. At December 31, 2020, the ageing analysis of trade receivables is as follows (thousands of euros):

AGEING ANALYSIS	GROSS	IMPAIRMENT ALLOWANCE	NET
Past due by less than 3 months	423,075	(3,519)	419,556
Past due by between 3 and 6 months	10,070	(2,613)	7,457
Past due by between 6 and 12 months	2,344	(1,858)	486
Past due by between 12 and 18 months	1,888	(1,198)	690
Past due by between 18 and 24 months	27	(14)	13
Past due by > 24 months	2,185	(2,182)	3
	439,589	**(11,384)**	**428,205**

At December 31, 2020 (2019) no material amounts of trade and other receivables were past due but not impaired at either year-end.

The movements recognized by the Group under the provision for the impairment of trade and other accounts receivable in 2020 (2019): (i) net new provisions of 1,483 thousand euros (2,501 thousand euros); (ii) the utilization of 1,286 thousand euros (655 thousand euros); (iii) zero additions (the addition of 153 thousand euros) due to business combinations; and (iv) translation losses of 172 thousand euros (gains of 60 thousand euros).

There have been no other significant movements in any other financial assets since December 31, 2019.

12.2 FINANCIAL LIABILITIES

The breakdown of the Group's financial liabilities is provided below (in thousands of euros):

	12-31-2020			12-31-2019		
	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT
Classification for statement of financial position purposes:						
Financial liabilities	**1,162,026**	570,267	591,759	**1,251,692**	826,725	424,967
Trade and other payables	**485,642**	0	485,642	**447,000**	0	447,000
Derivatives	**2,732**	0	2,732	**1,040**	0	1,040
TOTAL FINANCIAL LIABILITIES	**1,650,400**	**570,267**	**1,080,133**	**1,699,732**	**826,725**	**873,007**
Classification for measurement purposes						
Financial liabilities at amortized cost:						
Trade and other payables	**485,642**	0	485,642	**447,000**	0	447,000
Bank borrowings	**884,563**	308,384	576,179	**990,242**	579,214	411,028
Borrowings from other entities	**5,806**	2,369	3,437	**6,217**	3,339	2,878
Lease liabilities (note 10)	**79,951**	68,531	11,420	**89,705**	78,682	11,023
Deposits and guarantees	**782**	59	723	**97**	59	38
Financial liabilities at fair value through profit or loss						
Financial liabilities under vendor put options (note 22)	**190,924**	190,924	0	**165,431**	165,431	0
Derivatives	**2,732**	0	2,732	**1,040**	0	1,040
TOTAL FINANCIAL LIABILITIES	**1,650,400**	**570,267**	**1,080,133**	**1,699,732**	**826,725**	**873,007**

Note that the Group did not encounter any problems whatsoever in relation to the refinancing of any debt, the arrangement of new financing agreements or its ability to service its financial obligations in 2020. Financial liability management unfolded exactly as anticipated, in keeping with the corresponding natural and normal maturity schedules.

Trade and other payables

Set out below are the movements in this heading (thousands of euros):

ITEM	12-31-2020	12-31-2019
Trade accounts payable	386,022	347,596
Other liabilities	46,283	50,659
Employee benefits payable	53,243	48,589
Payable to associates	94	156
TOTAL	**485,642**	**447,000**

Trade payables are non-interest bearing and are normally settled on 60-80 day terms. Other payables are also non-interest bearing and have an average term of three months; they mainly correspond to payables related to the purchase of items of property, plant and equipment, the grant of trade discounts and rebates, and advertising and marketing initiatives.

Bank borrowings

There were certain movements in the Group's non-current bank borrowings in 2020 with respect to year-end 2019.

At Ebro Foods, S.A., in 2020:

- Two loans totaling 130 million euros were canceled at maturity.
- A new 3-year bilateral loan was arranged in the amount of 125 million euros, repayable in a single bullet payment in May 2023 and carrying interest at an average rate of 0.50%.
- Two new bilateral loans, arranged in December 2020, with two banks, one in the amount of 150 million euros and the other in the amount of 85 million euros; both are due in a single bullet payment in December 2021 and carry interest at an average rate of 0.23%.
- In December 2020, the Parent also refinanced a 25 million-euro loan initially due in March 2021 (whose size has been increased to 35 million euros) and is now due in March 2024; that loan carries interest at an average rate of 0.50%.
- The reclassification of three bilateral loans totaling 130 million euros to current borrowings; two are due in the first quarter of 2021 in an aggregate amount of 80 million euros, while the third, in the amount of 50 million euros, is due during the last quarter of 2021.

To finance its new factory in La Rinconada, Herba Ricemills, S.L. arranged up to 45 million euros of new long-term financing with three banks in 2019, specifically six-year credit agreements with one year for drawdown, a one-year grace period and repayment over the next five years. At December 31, 2019, those loans were drawn down by 31 million euros and by year-end 2020, by 45 million euros (making them fully drawn at the reporting date); the first repayment instalment of 9 million euros is due in 2021.

At the subsidiary in Italy, Garofalo applied for a 3-year bank loan of 15 million euros in 2020 to finance its new warehouse and other investments; the loan is due in a single bullet payment and bears interest at 0.20%.

At the subsidiary in the US, Riviana prepaid the 300 million US dollar loan arranged in 2019 in December 2020, using the proceeds received from the sale of the US dry pasta business (note 5) and cash.

As for current borrowings, the most significant developments in 2020 were the following:

- The renewal of certain short-term credit facilities of amounts that are not material on aggregate with respect to total borrowings.

→ In general, the terms of credit were very similar compared to those in force at year-end 2019, and the same can be said of the collateral and covenant requirements. The spreads applied to benchmark rates were virtually the same as in 2019: EURIBOR plus a spread of 0.6% on average.

The breakdown of the Group's bank borrowings by business segment or company and the corresponding maturities (in thousands of euros):

BREAKDOWN OF BANK BORROWINGS BY SEGMENT OR COMPANY							
	12-31-19	12-31-20	2022	2023	2024	2025	BEYOND
Of Ebro Foods, S.A	204,865	199,851	49,851	125,000	25,000		
Of Riviana Group (US)	267,368	0					
Of Herba Group	35,313	38,449	9,465	9,490	9,517	9,381	596
Of Panzani Group (France)	60,383	41,256	18,256	18,000	2,000	2,000	1,000
Of Garofalo Group (Italy)	11,245	28,828	3,889	18,082	2,100	683	4,074
Of Arotz Foods, S.A.,	40	0					
NON-CURRENT BANK BORROWINGS	**579,214**	**308,384**	**81,461**	**170,572**	**38,617**	**12,064**	**5,670**
Of Ebro Foods, S.A	193,661	415,171					
Of Panzani Group (France)	51,593	22,238					
Of Herba Group	134,869	91,876					
Of Garofalo Group (Italy)	30,516	45,242					
Of Tilda Group (UK)	341	1,652					
Of Riviana Group (US)	0	0					
Of other companies	48	0					
CURRENT BANK BORROWINGS	**411,028**	**576,179**					
TOTAL BANK BORROWINGS	**990,242**	**884,563**					

The breakdown of the above borrowings by currency of denomination is as follows (thousands of euros):

CURRENCY	12-31-19	12-31-20
EUR	614,895	813,342
USD	291,113	23,155
GBP (UK)	36,318	31,062
INR (India)	28,770	7,249
THB (Thailand)	18,410	9,368
ARS (Argentina)	616	0
DKK (Denmark	120	387
TOTAL	**990,242**	**884,563**

As for the rest of the Group's bank borrowings, at year-end 2020 the various companies had arranged unsecured credit facilities with an aggregate limit of 525 million euros (year-end 2019: 480 million euros), of which 152 million euros (231 million euros) had been drawn down.

Some of the Garofalo Group's credit facilities are secured by a mortgage over its factory and site in Italy for up to 40 million euros.

The Group also had the following reverse factoring, receivable discounting, and trade finance lines and had issued the following sureties and other bank guarantees at year-end (thousands of euros):

CREDIT FACILITIES ARRANGED			
AT DEC. 31, 2020	AMOUNT DRAW	AMOUNT UNDRAW	TOTAL LIMIT
Reverse factoring, receivable discounting and trade finance	3,240	33,167	36,407
Bank guarantee lines (note 20)	86,457	63,126	149,583
CONSOLIDATED GROUP TOTAL	**89,697**	**96,293**	**185,990**

CREDIT FACILITIES ARRANGED			
AT DEC. 31, 2019	AMOUNT DRAW	AMOUNT UNDRAW	TOTAL LIMIT
Reverse factoring, receivable discounting and trade finance	3,381	30,546	33,927
Bank surety lines	39,087	79,789	118,876
CONSOLIDATED GROUP TOTAL	**42,468**	**110,335**	**152,803**

The bank loans require compliance with a series of covenants, specifically a series of ratios calculated on the basis of the consolidated financial statements of the Ebro Foods Group, throughout the term of the loans. Any breach of the covenants would increase the related borrowing costs and in some cases would trigger an early repayment requirement. The Group was in compliance with these covenants at both year-ends.

Lease liabilities

This heading recognizes the Group's financial liabilities on account of its lease liabilities under IFRS 16, which took effect on January 1, 2019 (liability in respect of lease payment obligations). Refer to note 10.

Financial liabilities structured as options over shares

At December 31, 2020, the Group recognized 190,924 thousand euros of financial liabilities structured as options over shares (year-end 2019: 165,431 thousand euros) broken down as follows (refer to 22 for a breakdown of those commitments).

The option over the 20% of the Ingredients Group held by the only non-Group shareholder was exercised in September 2020. The Group paid 10.1 million euros for that 20% interest; that sum was not materially different from the amount at which the financial liability was recognized up until the settlement date. As for the rest of the financial liabilities structured as options over shares, the most significant movement in 2020 related to the increase in the corresponding liabilities due to their annual restatement to fair value (unwind of discount). Refer to note 22.

When acquiring certain companies, in addition to the investments made in exchange for the shareholdings acquired in each, the Group has granted the other shareholder(s) put or similar options over the percentage not originally acquired (exercisable from a specific date either for a specific period of time or with no maturity). The acquisition price in the event the options are exercised will be determined as a function of the targets' average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature.

There were no other significant movements in any other financial liabilities in 2020.

Financial flows

Below is the information needed to enable financial statement users to evaluate the changes in liabilities arising from financing activities, distinguishing between changes that involve cash flows and those that do not (such as foreign exchange gains or losses) (thousands of euros).

FINANCIAL LIABILITIES RECONCILIATION OF FLOWS 2020

	12-31-19	CASH FLOWS	RECLASSIF. SALES/DEREC.	MOVEMENTS IN FOR. CURRENCY	CHANGES IN FAIR VALUE	NEW LEASES	BUSINESS COMBINATIONS	INTEREST ACCRUED	RECLASSIFIC. CURRENT/NON-CURR.	12-31-2020
Current borrowings	411,028	(258,375)	0	(5,818)	0	0	0	11,846	417,498	576,179
Non-current borrowings	579,214	151,069	0	(4,401)	0	0	0	0	(417,498)	308,384
Lease liabilities	89,705	(13,303)	(1,239)	(3,328)	0	5,972	0	2,144	0	79,951
Dividends payable	0	0	0	0	0	0	0	0	0	0
Derivatives	1,040	(725)	0	0	2,417	0	0	0	0	2,732
Other financial liabilities	171,648	(10,455)	0	0	35,537	0	0	0	0	196,730
Guarantees and deposits received	97	685	0	0	0	0	0	0	0	782
TOTAL LIABILITIES ARISING FROM FINANCING ACTIVITIES	**1,252,732**	**(131,104)**	**(1,239)**	**(13,547)**	**37,954**	**5,972**	**0**	**13,990**	**0**	**1,164,758**

FINANCIAL LIABILITIES RECONCILIATION OF FLOWS 2019

	12-31-18	CASH FLOWS	RECLASSIF. SALES/DEREC.	MOVEMENTS IN FOR. CURRENCY	CHANGES IN FAIR VALUE	NEW LEASES	BUSINESS COMBINATIONS	INTEREST ACCRUED	RECLASSIFIC. CURRENT/NON-CURR.	12-31-2019
Current borrowings	340,881	(120,526)	(400)	(2,680)	0	0	337	10,684	182,732	411,028
Non-current borrowings	364,362	399,184	(1,600)	0	0	0	0	0	(182,732)	579,214
Lease liabilities	100	(11,393)	(1,232)	367	0	99,455	877	1,531		89,705
Derivatives	360	(679)	0	0	1,359	0		0		1,040
Other financial liabilities	171,669	0	0	0	1,251	0		0	(1,272)	171,648
Guarantees and deposits received	97									97
TOTAL LIABILITIES ARISING FROM FINANCING ACTIVITIES	**877,469**	**266,586**	**(3,232)**	**(2,313)**	**2,610**	**99,455**	**1,214**	**12,215**	**(1,272)**	**1,252,732**

Below is a schedule of the maturities of all of these financial liabilities including all expected actual cash flows, estimated as of December 31, 2020 (thousands of euros):

	STATEMENT OF FINANCIAL POSITION 12-31-20
Bank borrowings	884,563
Borrowings from other entities	5,806
Lease liabilities	79,951
Deposits and guarantees	782
Financial liabilities under vendor call options	190,924
Derivatives	2,732
TOTAL FINANCIAL LIABILITIES	**1,164,758**
Estimated expected future flows:	
2021	601,121
2022	218,271
2023	258,142
2024	46,975
2025	20,126
Other	44,056
TOTAL FUTURE FLOWS	**1,188,691**

12.3 RISK MANAGEMENT TARGETS AND POLICIES AND USE OF FINANCIAL INSTRUMENTS

The primary objective of the Group's risk management policy is to safeguard the value of its assets and facilitate sustainable business growth by configuring an optimal capital structure tailored to the legislation in force in the countries in which it operates. In addition, its capital management policy is designed to preserve its credit metrics and maximize shareholder value.

Its risk management strategy encompasses key business performance indicators such as earnings, leverage, capital expenditure and business strategy with a view to enabling the Group to take substantiated decisions in order to deliver the above-mentioned objectives. The attached Group Management Report and Corporate Governance Report provide additional information on the key business risks.

Capital management

The overriding objective of the Group's capital management is to safeguard the business's sustainability and maximize shareholder value. To this end it contemplates:

- The cost of capital, in keeping with industry calculation standards, with a view to combining debt and equity to optimize this cost.
- A leverage ratio that makes it possible to obtain and maintain the targeted credit ratings and ensure short- and long-term financing for the Group's projects.

The right combination of debt and equity, in order to optimize the cost of capital and enable adequate shareholder remuneration, business continuity and growth. Note that the Group is subject to capital requirements under certain long-term loan agreements and that it is in compliance with these covenants.

In recent years, the Group has been concentrating its activities in its key businesses by means of strategic acquisitions, while keeping leverage low.

NET DEBT (000€)					
	2018	2019	*2019/2018*	2020	*2020/2019*
Equity	2,162,334	2,262,203	*4.6%*	1,927,351	*(14.8%)*
Net debt	704,621	999,849	*41.9%*	950,870	*(4.9%)*
Average net debt	627,350	871,658	*38.9%*	917,583	*5.3%*
Leverage	32.6%	44.2%	*35.6%*	49.3%	*11.6%*
Leverage (average net debt) **(1)**	29.0%	38.5%	*32.8%*	47.6%	*23.6%*

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The accompanying Group Management Report provides the definition and reconciliation of the alternative performance measures shown in this table (net debt and average net debt).

Group leverage, measured as net debt over equity attributable to equity holders of the Parent, increased in 2018 and 2019 on the back of business combinations, coupled with heavy investment in productive assets and a higher working capital requirement as a result of the higher cost of certain raw and auxiliary materials. In 2020 that trend changed thanks to strong earnings momentum.

In 2020 the Group also sold its dry pasta business in the US (notes 5 and 25) and agreed the sale of its Canadian dry pasta business, a transaction that closed in January 2021. Leverage therefore stands at a reasonable level and debt coverage is well below three times EBITDA-A from continuing operations (refer to the Group Management Report).

Financial risk management and use of financial instruments

The main financial instruments used by the Group are bank loans, bank overdraft facilities, equity instruments, derivative financial instruments, cash and short-term deposits. In addition, the Group has other financial assets and liabilities such as trade accounts receivable and payable.

These financial instruments expose the Group to market risks via variability in interest rates, in exchange rates and in the fair value of certain financial instruments. They also expose it to liquidity and credit risk.

The overriding objective of exchange rate risk management is to offset (at least partially) potential valuation losses on assets denominated in currencies other than the euro with savings, albeit smaller in magnitude, on liabilities denominated in the same currencies.

The financial instruments that are used to hedge this financial risk may or may not qualify for designation as accounting hedges (cash flow or fair value hedges, depending on the nature of the hedged item).

In order to manage the foreign currency and interest rate risks arising in the course of the Group's operations and, from time to time, potential movements in the prices of certain raw materials (gas), the Group uses derivative (mainly interest or exchange rate forward sale-purchase currency contracts and options over interest or exchange rates) and non-derivative (currency-denominated borrowings, forward currency contracts) financial instruments in order to minimize or ring-fence them.

Those hedges are arranged as a function of:

- Prevailing market conditions;
- Evolving management objectives; and
- The specific characteristics of the transactions giving rise to the financial risk being hedged.

The accounting policies used to measure those financial instruments are described in note 3 above. The Board of Directors and senior management team review and establish the risk management policies applying to each and every one of these risks. The Board has delegated the development and oversight of the enterprise risk management system in its Audit Committee and the Risk Committee.

Cash flow interest rate risk

This is the risk arising from borrowings, loans extended and cash and cash equivalent balances denominated in euros and/or foreign currencies and arranged at floating rates of interest, specifically the risk that the cash flows associated with interest payments/receipts will fluctuate because of changes in market interest rates.

The Group manages this risk by keeping a balanced portfolio of fixed and variable rate borrowings. The Group's policy is to minimize exposure to this risk, to which end it continually monitors market conditions with the support of external experts in order to arrange new instruments or change the terms of existing instruments in order to minimize exposure to variability in the cash flows or fair value of its financial instruments.

Management has performed sensitivity analysis with respect to the impact of 50 basis point fluctuations in interest rates on the Group's rate-sensitive financial assets and liabilities with an impact on earnings: the estimated impact on 2020 profit of such a change would be 4.6 million euros (3.5 million euros in 2019). The year-on-year increase is due to the increase in average debt levels as a result of the business combinations completed in recent years, in addition to heavy capital expenditure.

The main assumptions used to perform this sensitivity analysis are as follows:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of upward or downward movements in interest rates.
- The only input varied is the rate of interest, with all other variables held constant in the model.

EFFECT OF CHANGES IN INTEREST RATES

	2020				2019			
Income/(expense)	(0.50%)	(0.25%)	0.25%	0.50%	(0.50%)	(0.25%)	0.25%	0.50%
Profit before tax	4,571	2,286	(2,286)	(4,571)	3,495	1,747	(1,747)	(3,495)

Foreign currency risk

This the risk arising from exposure to the impact of movements in exchange rates on assets, liabilities, net investments in foreign operations and transactions conducted in currencies other than the euro. As a result of the Group's investments in the US, the carrying amounts of the Group's assets and liabilities are significantly exposed to changes in the USD / EUR exchange rate.

Britain's withdrawal from the European Union ('Brexit') has sparked significant uncertainty regarding the future of relations between the UK and the European Union, including in relation to the laws and regulations that will apply going forward. The uncertainty related with Brexit lasted for most of 2020, as the trade agreement negotiations, which went through significant ups and downs, lasted until 24 December 2020. The trade and cooperation agreement reached is deemed provisional. It provides a framework for trade relations but leaves numerous aspects of the future relationship between the EU and the UK up in the air.

Although the free trade agreement goes a long way to dissipating uncertainty, in 2020 the Ebro Group took measures to ensure the performance and profitability of its agreements to the extent possible. More specifically, those measures are articulated around ensuring the supply of raw materials by increasing buffer stocks, checking contract profitability by keeping close track of margins and potential cost overruns unrelated to the business and reducing the potential impact of volatility in the pound sterling.

Nevertheless, the Group does not expect any potential future disputes to have a material impact on its financial statements as its most significant activity in the UK market is the sale of rice and related products that are considered staples; it therefore believes that even if new tariffs are imposed on the UK by the European Union, it will be possible to source rice from other markets in which the Group has a presence; moreover, much of the rice sold in the UK market is basmati and long-grain rice sourced from India/Pakistan and the US, respectively. The Group's fixed productive assets in the UK account for 12.6% of the Group's total fixed productive assets, while the revenue generated in the UK market in 2020 represented around 10% of the Group total.

The Group is also exposed to foreign exchange rate risk on account of its transactions. That risk arises from the purchases and sales made by the business units in currencies other than the functional currency. In the case of significant transactions, the Group's policy is to use foreign exchange forward contracts to eliminate or minimize the related exchange rate risk.

Certain Group companies in the rice (Herba Spain, S&B Herba, Herba Ingredients and Herba Bangkok) and pasta segments (Panzani, Bertagni and Garofalo) write foreign currency future contracts and/or options in order to mitigate their transaction-related exposures. Those transactions are arranged to minimize currency risk but have not been designated as hedges for accounting purposes. The contracts outstanding at year-end:

CURRENCY	NOTIONAL AMOUNT (THOUSANDS)	
	2020	2019
USD	117,118	89,542
EUR	29,322	15,709
THB (Thailand)	200,000	187,000
CAD (Canadá)	-	1,500
AUD (Australia)	78	-

The Group is (net) long on US dollars; these contracts basically hedge raw material contracts benchmarked against the dollar entered into by Group subsidiaries that operate in a different local currency. The euro positions are held by Group companies with functional currencies other than the euro and which trade in euros, mainly UK companies.

Below is a sensitivity analysis, measured in terms of the impact on profit and loss, with respect to the Group's key exposures to exchange rate risk by currency and type of instrument. The instruments grouped under "Other financial instruments" are loans or cash positions denominated in the currency referenced that do not qualify as accounting hedges.

The sensitivity analysis provided below should be understood as the Group's maximum exposure at a given point in time; in reality, the Group always hedges business transactions denominated in a currency to which management wants to mitigate exposure; however, those transactions do not quality for hedge accounting on account of the complexity of matching flow timing.

The following assumptions were used to model the sensitivity of the Group's assets and liabilities to changes in exchange rates:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of fluctuations in exchange rates.
- Borrowings designated as effective hedges of net investments are excluded from this analysis.
- The only input varied is the rate of exchange, with all other variables held constant in the model.

EFFECT OF CHANGES IN THE THAI BAHT RELATIVE TO THE EURO								
	2020				2019			
Due to derivatives:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	(662)	(343)	370	771	(364)	(194)	222	477

EFFECT OF CHANGES IN THE STERLING RELATIVE TO THE EURO								
	2020				2019			
Due to derivatives:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	928	412	(412)	(928)	1,317	686	(686)	(1,317)
Due to other financial instruments:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	2,937	1,469	(1,469)	(2,937)	(3,605)	(1,802)	1,802	3,605

EFFECT OF CHANGES IN THE DOLLAR RELATIVE TO THE EURO, STERLING AND BAHT								
	2020				2019			
Due to derivatives:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	(5,111)	(2,698)	2,223	3,931	(3,854)	(1,643)	684	1,028
Due to other financial instruments:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	240	120	(120)	(240)	2,592	1,296	(1,296)	(2,592)

In addition to the exposure measured in terms of the impact on profit or loss, the next table illustrates the impact of movements in the EUR/USD exchange rate on the Group's net debt (excluding the derivatives shown in the table above). Until year-end 2020 a significant percentage of Group borrowings was denominated in US dollars; following the sale of the US dry pasta business, however, the dollar-denominated borrowings and liabilities have been restructured and were negligible at year-end; indeed, the Group had a net cash position in US dollars at December 31, 2020.

Impact on borrowings

CHANGES IN THE USD								
	2020				2019			
+ Borrowings / (–Borrowings)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Borrowings as per statement of financial position	1,084	542	(542)	(1,084)	(17,580)	(9,209)	9,209	17,580

Price risk in respect of other financial assets and liabilities

Certain of the Group's financial assets and liabilities expose it to price risk. The most significant exposure derives from the valuation of the put-call options over the shares of a series of companies (see below).

Liquidity risk

The Group's objective is to match its cash flow generation capabilities with its debt servicing and refinancing requirements. The Group aims to maintain a balance between continuity of funding and flexibility through the use of renewable credit facilities, bank loans with scope for grace periods to align them with the returns on the underlying assets and forward purchase contracts. In addition:

- the Group maintains significant liquidity at its subsidiaries in the US, Europe and the rest of the world.
- Management analyzes the availability of cash periodically in order to identify in a timely manner any shortfalls of liquidity requiring suitable financing.
- The Group also has the possibility of (i) securing financing from banks other than those it usually works with; and (ii) upsizing and extending its current financing lines beyond 12 months from the end of the reporting period.
- Lastly, the Group evaluates the concentration of its liquidity risk regularly with a view to refinancing its debt if necessary. It has concluded that its liquidity risk is not significantly concentrated.

Note 12.2 analyzes the Group's borrowings at year-end 2020 by maturity.

Credit (counterparty) risk

This is the risk that a counterparty will not meet its contractual obligations, generating a financial loss for the Group. This risk is mitigated by means of (i) careful selection of transactions and counterparty banks based on credit ratings and (ii) the negotiation of sufficient guarantees to mitigate this risk.

The Group has always taken a conservative approach to business transactions; it has local risk committees that continually review limits, open positions and automated system alerts. As a result, the Group's trade credit non-performance ratio has been historically low.

In addition, the sales and collections management departments work in a coordinated manner. Counterparties are selected on the basis of the credit ratings awarded by the credit insurance providers with which the Group works, these policies ultimately serving as guarantees. Lastly, the finance department analyzes expected credit risk as a function of counterparty credit scoring, as prescribed in IFRS 9.

The Group's high level of geographic diversification results in a low level of customer credit risk concentration.

12.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below breaks down the carrying amounts and fair values of Group's financial assets and liabilities at December 31, 2020 and 2019 (in thousands of euros) other than its accounts payable and receivable and its cash and cash equivalents, whose carrying amounts are deemed a reasonable approximation of their fair value.

FINANCIAL ASSETS	12-31-2020		12-31-2019	
	FAIR AMOUNT	CARRYING VALUE	FAIR AMOUNT	CARRYING VALUE
Loans to associates	1,122	1,122	0	0
Loans to third parties	3,855	3,855	22,517	22,517
Deposits and guarantees	4,921	4,921	3,810	3,810
Shares in non-group companies	1,074	1,074	1,118	1,118
Derivatives	1,611	1,611	714	714
	12,583	**12,583**	**28,159**	**28,159**

FINANCIAL LIABILITIES				
	12-31-2020		12-31-2019	
	FAIR AMOUNT	CARRYING VALUE	FAIR AMOUNT	CARRYING VALUE
Borrowings	890,369	897,045	996,459	1,000,810
Lease liabilities	79,951	79,951	89,705	89,705
Deposits and guarantees	782	782	97	97
Financial liabilities under vendor call options	190,924	190,924	165,431	165,431
Derivatives	2,732	2,732	1,040	1,040
	1,164,758	**1,171,434**	**1,252,732**	**1,257,083**

Financial assets and liabilities measured at fair value: fair value hierarchy

All of the financial instruments measured at fair value are classified into one of the following levels depending on the inputs used to value them:

- **Level 1.** Use of quoted prices in active markets of identical assets and liabilities (without any adjustment)
- **Level 2.** Use of directly or indirectly observable inputs (other than level 1 quoted prices)
- **Level 3.** Use of unobservable inputs

(000€)	12-31-2020	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets				
Equity instruments	**1,074**	–	1,074	–
Derivatives	**1,611**	–	1,611	–
Pasivos financieros				
Other financial liabilities	**190,924**	–	–	190,924
Derivatives	**2,732**	–	2,732	–

The Group does not hold any financial instruments whose fair value cannot be reliably measured. No instruments were transferred between the various fair value hierarchy levels in the course of the reporting period.

13. Liquid assets: cash and short-term deposits

The breakdown of this heading at year-end 2020 and 2019 (in thousands of euros):

ITEM	12-31-20	12-31-19
Cash on hand and at banks	209,087	160,839
Short-term deposits and cash equivalents	1,399	91,233
TOTAL	**210,486**	**252,072**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. The deposits earn interest at the applicable stipulated rates. The fair value of the Group's cash and cash equivalents was 210,486 thousand euros at December 31, 2020 (252,072 thousand euros at year-end 2019).

Throughout the year the Group companies invested their occasional cash surpluses in repos and equivalent securities in order to generate a return on these balances. Those investments are mainly denominated in euros, with a portion denominated in US dollars. The average annual return earned on those investments was around 0.25% in 2020 (2019: 0.50%).

14. Investments in associates

The movements under this heading in 2020 and 2019 (in thousands of euros) are shown below:

ASSOCIATE	BALANCE AT 12-31-19	ADDITIONS DUE TO INVESTMENTS	DECREASES DUE TO DISPOSALS	DIVIDENDS PAID	PROFIT (LOSS) FOR THE YEAR	TRANSLATION DIFFERENCES	OTHER MOVEMENTS	BALANCE AT 12-31-20
Riso Scotti, S.p.a.	32,696			0	2,418	0	0	35,114
Associates of Riviana Foods Inc.	9,512			(3,502)	3,030	(772)	0	8,268
Other companies	18	5	0	0	0	0	(18)	5
	42,226	**5**	**0**	**(3,502)**	**5,448**	**(772)**	**(18)**	**43,387**

ASSOCIATE	BALANCE AT 12-31-18	ADDITIONS DUE TO INVESTMENTS	DECREASES DUE TO DISPOSALS	DIVIDENDS PAID	PROFIT (LOSS) FOR THE YEAR	TRANSLATION DIFFERENCES	OTHER MOVEMENTS	BALANCE AT 12-31-19
Riso Scotti, S.p.a.	32,776			(1,400)	1,320	0	0	32,696
Associates of Riviana Foods Inc.	7,069			(1,608)	3,923	128	0	9,512
Other companies	122			0	0	0	(104)	18
	39,967	**0**	**0**	**(3,008)**	**5,243**	**128**	**(104)**	**42,226**

There were no significant movements under this heading in 2020 or 2019.

The associates of Riviana Foods, Inc. do not have material amounts of assets, income, borrowings or employees. The Ebro Foods Group has not extended guarantees of material amount to any of its associates.

The most significant figures for the Scotti Group, using estimated financial statements at December 31, 2020, are as follows (in thousands of euros):

(000€)	12-31-19	12-31-20
Trademarks, other intangible assets and goodwill	55,160	55,147
Property, plant and equipment	65,516	64,054
Other non-current assets	16,003	17,031
Current assets	77,262	74,196
Cash	16,765	31,623
Non-current, non-financial liabilities	(19,614)	(21,155)
Financial liabilities	(68,487)	(74,469)
Current, non-financial liabilities	(60,232)	(58,036)
Non-controlling interests	(633)	(606)
	81,740	**87,785**
Ownership interest acquired	40%	40%
	32,696	**35,114**
Revenue	221,500	244,500
Profit for the year	3,300	6,045
No. of employees	325	340

15. Goodwill

The movements under goodwill in 2020 and 2019 (in thousands of euros) are shown below:

SEGMENT	CGU OR GROUPS OF CGUS	12-31-19	ADDITIONS	DECREASES & OTHER	IMPAIRMENT LOSSES	TRANSLATION DIFFERENCES	12-31-20
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,324				(151)	1,173
Rice	Riceland (Hungary)	2,184					2,184
Rice	Steve & Brotherton (UK)	1,674				37	1,711
Rice	Mundiriz (Morocco)	243			(183)	(60)	0
Rice	Ingredients Group	11,157				41	11,198
Rice	SOS Business (Spain)	28,390					28,390
Rice	Ebro Frost (Germany)	14,606					14,606
Rice	Geovita (Italy)	22,894					22,894
Rice	Transimpex (Germany)	15,292					15,292
Rice	Tilda Group (UK)	83,910				(4,501)	79,409
Rice	Riviana Group (US)	349,714		(64,807)		(24,930)	259,977
Pasta	Riviana Group (Canada)	74,049		(36,808)	(34,921)	(2,320)	0
Pasta	Panzani Group (France)	432,569					432,569
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		1,230,205	**0**	**(101,615)**	**(35,104)**	**(31,884)**	**1,061,602**
TOTAL GROSS CARRYING AMOUNT		**1,252,636**	**0**	**(101,615)**		**(31,884)**	**1,119,137**
ACCUMULATED IMPAIRMENT LOSSES		**(22,431)**			**(35,104)**		**(57,535)**

SEGMENT	CGU OR GROUPS OF CGUS	12-31-18	ADDITIONS	DECREASES & OTHER	IMPAIRMENT LOSSES	TRANSLATION DIFFERENCES	12-31-19
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,263				61	1,324
Rice	Riceland (Hungary)	2,125				59	2,184
Rice	Steve & Brotherton (UK)	1,674					1,674
Rice	Mundiriz (Morocco)	419			(184)	8	243
Rice	Ingredients Group	11,157					11,157
Rice	SOS Business (Spain)	28,390					28,390
Rice	Ebro Frost (Germany)	14,606					14,606
Rice	Geovita (Italy)	26,394			(3,500)		22,894
Rice	Transimpex (Germany)	14,994	298				15,292
Rice	Tilda Group (UK)	0	78,920			4,990	83,910
Rice	Riviana Group (US)	343,449				6,265	349,714
Pasta	Riviana Group (Canada)	69,030				5,019	74,049
Pasta	Panzani Group (France)	449,110		(16,541)			432,569
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Jiloca, S.A. (Spain)	129		(129)			0
Other	Harinas Santa Rita (Spain)	6,051					6,051
		1,154,939	**79,218**	**(16,670)**	**(3,684)**	**16,402**	**1,230,205**
TOTAL GROSS CARRYING AMOUNT		**1,173,686**	**77,067**	**(16,670)**		**18,553**	**1,252,636**
ACCUMULATED IMPAIRMENT LOSSES		**(18,747)**			**(3,684)**		**(22,431)**

Durante 2020 y 2019 se produjeron varias combinaciones de negocio, Ver en Nota 5 los datos más relevantes correspondientes a estas combinaciones, Otras variaciones significativas en ambos años han sido por las variaciones en las diferencias de conversión de las sociedades dependientes en USA, Canadá y Reino Unido, principalmente, The Group undertook several business combinations in 2020 and 2019. Note 5 outlines those transactions in detail. Other significant movements in both reporting periods include changes due to exchange differences on the goodwill allocated mainly to the Group's US, Canadian and UK subsidiaries.

The decreases in 2020 relate to: (i) 64,807 thousand euros to the sale of the dry pasta business in the US; and (ii) 36,808 thousand euros to the reclassification of the Canadian dry pasta business to non-current assets held for sale (note 25).

The Ebro Group establishes its cash-generating units in accordance with the definition given in IAS 36 Asset impairment: "A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets". The Group accordingly defines its cash-generating units using geographical criteria and by legal entity as, in general, the legal entities located in each country are separate and their business is basically focused on one of the activities comprising the Group's business segments, i.e., rice or pasta.

The goodwill balances were generated by business combinations. Those assets were tested for impairment at year-end 2020 and 2019 (by an independent expert, Duff & Phelps); the resulting values were allocated to the cash-generating units or groups of cash-generating units indicated in the table above. Due to the extraordinary circumstances brought about by the COVID-19 pandemic, the Group updated the impairment tests performed at year-end 2019 during the first half of 2020. Then, during the second half, it conducted its full annual impairment tests.

In 2020 the Group observed that the pandemic implied an increase in applicable discount rates of between one and two percentage points virtually across the board and, therefore, a general decline in the resulting recoverable amounts, albeit without triggering the need to recognize any impairment losses on intangible assets, except as described below in relation to the fresh pasta business in Canada.

To test the assets for impairment, the Group calculated the value in use of each cash-generating unit (CGU) by discounting the associated cash flows, generally projected for a period of five years, and their terminal value, in turn calculated by projecting the last year's cash flows by a perpetuity growth rate.

The cash flow projections were based on historical information and the best estimates of the managers of each CGU, underpinned by their budgets and medium-term business plans. The resulting CGU fair values were additionally cross-checked using comparable multiples methodology. Note with respect to the projection exercise undertaken in recent years, the actual results have not yielded significant deviations necessitating material changes in the projections.

Although effectiveness of the new lease accounting standard, IFRS 16, from January 1, 2019 did not have a very significant impact on the Ebro Group, it did imply certain changes for impairment testing purposes from 2019. Specifically, it implied the following changes:

- The metrics used for cross-checking purposes were revised upwards on account of the recognition of right-of-use assets.
- The statement of profit or loss and financial position projections were also adjusted to eliminate lease expense, a concept that has been replaced by right-of-use asset depreciation and the finance cost corresponding to the new financial liability.
- The numbers factor in new cash outflows corresponding to the renewal of the lease agreements subject to the new standard and their impact during the projection time horizon and on the CGUs' terminal value.
- The discount rates used have been adjusted to reflect the new market situation, making sure that the comparable companies used use similar accounting policies.

The growth rates used to extrapolate the cash flow projections beyond the projection horizon and the pre- and after-tax discount rates applied to the cash flow projections for the most important CGUs in 2020 (2019) were:

SEGMENT	CGU	PRE-TAX RATE		POST-TAX RATE		GROWTH RATE, G	
		2019	2020	2019	2020	2019	2020
Rice	Frozen Foods (Germany and Denmark)	5.4%	6.1%	4.5%	5%	1.8%	1.8%
Rice	UK Business	6.4%	6.5%	5.5%	5.5%	1.7%	2.1%
Rice	Ingredients (Belgium and Netherlands)	5.6%	6.0%	4.5%	4.8%	1.8%	1.9%
Rice	SOS Business (Spain)	6.5%	7.5%	5.25%	6.0%	1.8%	1.9%
Rice	Geovita (Italy and France)	6.6%	7.9%	5.5%	6.3%	1.7%	1.7%
Rice	Transimpex (Germany)	5.4%	6.1%	4.5%	5%	1.8%	1.8%
Rice	Riviana Group (US)	6.9%	6.6%	5.75%	5.5%	2.2%	2.2%
Rice	Tilda Group (UK)	N/A	6.4%	N/A	5.5%	N/A	2.1%
Pasta	Riviana Group (Canada)	6.8%	6.3%	5.5%	5.3%	2%	2%
Pasta	Panzani Group (France)	6.1%	6.4%	5%	5.3%	1.8%	1.8%
Pasta	Garofalo (Italy and international)	8%	8.3%	6.5%	6.5%	1.7%	1.7%
Pasta	Bertagni (Italy)	7.3%	8.0%	6%	6.3%	1.7%	1.7%
Other	Harinas Santa Rita (Spain)	6.4%	7.4%	5.25%	6.0%	1.8%	1.9%

The key assumptions used to value each cash-generating unit (CGU) include: (i) the average rate of sales revenue growth modeled for the projection period; (ii) the compound average annual rate of growth in the EBITDA-A margin; (iii) the trend in working capital expressed as a number of days of sales; (iv) average annual capital expenditure, modeled as a percentage of projected EBITDA; (v) the discount rate; and (vi) the rate of growth in perpetuity (g).

The Group did not detect any indications that its intangible assets may have become impaired in 2020. Moreover, the results of its 2020 impairment tests were satisfactory, other than a charge recognized against the fresh pasta CGU in Canada:

- The business of the wholly-owned subsidiary, Cateli (Canada), was treated as a single CGU. Its core business is the sale of pasta in Canada and as such has been included in the Pasta Segment over the years. However, that pasta business in turn comprised dry and fresh pasta businesses. In October 2020, the Group agreed the sale of the dry pasta segment of the business (note 5) such that that CGU had to be 'broken up' for impairment testing purposes.
- The result of the impairment tests for the fresh pasta business in Canada indicated the need to recognize an impairment loss of 34,921 thousand euros in 2020, due to the weak performance of that business segment, coupled with the increase in discount rates due to the pandemic.

As for the assumptions used to calculate the recoverable amount of the various CGUs to which goodwill has been assigned, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to exceed their recoverable amounts. That assessment is underpinned by the sensitivity analysis performed with respect to the two inputs deemed key to the valuation results:

SEGMENT	CGU	CHANGE NECESSARY FOR THE RECOVERABLE AMOUNT TO FALL TO THE UNIT'S CARRYING AMOUNT	
		+ WACC (POINTS)	– G (POINTS)
Rice	Frozen Foods (Germany and Denmark)	a)	a)
Rice	UK Business (a)	a)	a)
Rice	Ingredients (Belgium and Netherlands)	1.5%	(0.5%)
Rice	SOS Business (Spain)	1.75%	(0.5%)
Rice	Geovita (Italy and France)	0.5%	(0.5%)
Rice	Transimpex (Germany)	a)	a)
Rice	Riviana Group (US)	a)	a)
Rice	Tilda Group	a)	a)
Pasta	Panzani Group (France)	1.75%	(0.5%)
Pasta	Garofalo (Italy and international)	a)	a)
Pasta	Bertagni (Italy)	1.75%	(0.5%)
Other	Harinas Santa Rita (Spain)	a)	a)

a) CGUs in which it would take an increase in the WACC of over 2 percentage points and, simultaneously, a reduction in the rate of growth in perpetuity of over 0.5 percentage points (with respect to the values indicated in the table above) for their recoverable amount to decrease to their carrying amount.

16. Inventories

The breakdown of inventories at year-end 2020 and 2019 (in thousands of euros):

ITEM	12-31-20	12-31-19
Goods held for resale	5,574	13,473
Raw materials	217,735	269,312
Consumables and replacement parts	11,974	11,389
Containers	34,660	36,884
Work in progress	34,285	31,140
Finished goods	224,602	226,224
By-products and waste	7,042	3,892
Prepayments to suppliers	50,014	34,712
TOTAL GROSS CARRYING AMOUNT OF INVENTORIES	**585,886**	**627,026**
Inventory impairment provision	(7,606)	(6,014)
TOTAL CARRYING AMOUNT OF INVENTORIES	**578,280**	**621,012**

At both reporting dates, the balance of prepayments to suppliers presented on the face of the consolidated statement of financial position mainly comprised payments made to rice growers and rice suppliers. In addition, the Group was contractually committed to the purchase of 34,879 thousand euros of rice from rice growers and cooperatives at year-end 2020 (43,450 thousand euros at year-end 2019). The Group was also contractually committed to raw material and packaging material purchases in the US, Canada, France, Spain and Italy totaling 173,633 thousand euros (year-end 2019: 134,514 thousand euros).

The net provision for inventory impairment recognized in 2020 was 6,645 thousand euros (2019: 3,525 thousand euros), while 4,522 thousand euros of previously recognized provisions were utilized (2019: 3,035 thousand euros); exchange losses on inventories amounted to 256 thousand euros (2019: gains of 172 thousand euros); reclassifications to non-current assets held for sale amounted to 275 thousand euros (2019: 0).

17. Share capital, reserves, earnings per share and dividends

17.1 CAPITAL AND RESERVES

Issued capital

The Parent's issued capital consisted of 153,865,392 fully subscribed and paid bearer shares with a par value of 0.60 euros each at both year-ends. The Company's shares are traded on the Spanish stock exchanges.

The shareholders with direct or indirect interests of more than 3% in the capital of Ebro Foods, S.A. at December 31, 2020 (2019), based on information furnished by the said shareholders to Spain's securities market regulator, the CNMV, and to Ebro Foods, S.A., are as follows:

- Grupo Tradifín, S.L., which directly holds 12,248,809 (12,248,809) shares, representing a 7.961% interest (7.961%).
- Hercalianz Investing Group, S.L., which directly holds 12,977,119 (12,248,809) shares, representing an 8.434% interest (7.961%).
- Sociedad Anónima Damm: indirect holder, via Corporación Económica Delta, S.A., of 17,980,610 (17,980,610) shares, representing an 11.686% (11.686%) interest.
- Sociedad Estatal de Participaciones Industriales: indirect holder, via Alimentos y Aceites, S.A., of 15,940,377 (15,940,377) shares, representing a 10.360% (10.360%) interest.
- Corporación Financiera Alba, S.A., which directly holds 21,546,807 (21,546,807) shares, representing a 14.004% (14.004%) interest.
- Empresas Comerciales e Industriales Valencianas, S.L., which directly holds 12,042,637 (12,042,637) shares, representing a 7.827% (7.827%) interest.
- Mr. José Ignacio Comenge Sánchez-Real, who directly holds 3,030 shares (3,030), representing a 0.002% interest (0.002%), and indirectly holds, through Mendibea 2002, S.L., 8,000,000 shares (7,891,633), representing a 5.199% interest (5.129%). Accordingly, this shareholder directly and indirectly holds 8,003,030 (7,894,663) shares in the Company, giving him a 5.201% (5.131%) interest.
- Artemis Investment Management, LLP, which indirectly holds a 3.420% interest (4.25%).

Share premium

As for the share premium, the Consolidated Text of the Spanish Corporate Enterprises Act permits the use of the share premium account balance to increase share capital and provides no specific limitation with respect to its availability. Virtually all of the share premium account was distributed in 2009 by means of the distribution of an in-kind special dividend paid in own shares.

Restricted reserves

Spanish enterprises that generate a profit are required to earmark 10% of net profit for the year to a legal reserve until such reserve is equivalent to 20% of share capital. The legal reserve cannot be distributed except in the event of dissolution but it can be used to offset losses insofar as other reserves are not available for this purpose, and to increase capital by the amount that exceeds 10% of capital after the increase. The Parent had fully endowed its legal reserve at both year-ends.

As for the restrictions on the reserves of the Group's subsidiaries, it is worth noting the existence of legal reserves at the Spanish subsidiaries and some of the international subsidiaries totaling approximately 24.8 million euros (24.7 million euros at year-end 2019) that are subject to the same legal reserve regime detailed above. The portion of such reserves arising on consolidation is included under retained earnings.

Consolidated retained earnings includes 38,531 thousand euros (year-end 2019: 38,531 thousand euros) corresponding to Herba Foods S.L.U. In addition, certain foreign subsidiaries have retained earnings which have not been distributed since consolidation within the Ebro Group. In both instances, the distribution of such retained earnings is contingent upon payment of the corresponding income tax or withholdings.

Note that the taxable event - income tax or withholdings - would accrue whenever such distribution is ratified, something not expected to occur in the short or medium term.

Translation differences - foreign exchange translation differences reserve

The foreign exchange translation differences reserve is used to recognize the exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to recognize hedges of net investments in these entities. The breakdown of translation differences at both year-ends by company (in thousands of euros) is provided below:

	12-31-20	12-31-19
Herba companies	(11,727)	(3,608)
RIVIANA Group (US)	10,464	89,692
Ebro Alimentación Mexico	(183)	(164)
Garofalo Group (Italy) - International business	(88)	(32)
Panzani Group (France) - International business	(85)	95
Tilda Group (UK, India & UAE)	775	18,136
TOTAL	**(844)**	**104,119**

Own shares

In 2020, the Parent had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 and that granted at the Annual General Meeting held on July 29, 2020 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2020, under the scope of the employee share plan, it bought back 44,884 shares, sold 12,500 and delivered 32,384 own shares to employees. The Company did not hold any own shares at December 31, 2020.

In 2019, the Parent similarly had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2019, it bought back 58,000 shares, sold 28,250 and, under the scope of the employee share plan, delivered 29,750 own shares to employees. The Company did not hold any own shares at December 31, 2019.

17.2 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for interest on non-cumulative redeemable and convertible preference shares, of which Ebro Foods, S.A. did not have any at either year-end) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (Ebro Foods, S.A. did not have any dilutive potential ordinary shares at either year-end).

The following table reflects the income (thousands of euros) and share data used in the basic and diluted EPS computations:

	12-31-20	12-31-19
Profit from continuing operations attributable to ordinary equity holders of the parent	126,606	109,763
Profit from discontinued operations attributable to ordinary equity holders of the parent	65,809	31,989
Profit attributable to ordinary equity holders of the parent	**192,415**	**141,752**
Interest on non-cumulative convertible and redeemable preference shares	0	0
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution (non-cumulative convertible and redeemable preference shares)	**192,415**	**141,752**

	2020	2019
	THOUSANDS	THOUSANDS
Weighted average number of ordinary shares for basic EPS (*)	153,865	153,865
Effects of dilution from:		
Share options	0	0
Redeemable preference shares	0	0
Weighted average number of ordinary shares adjusted for the effect of dilution	153,865	153,865

(*) Takes into account the weighted average effect of movements in own shares during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

17.3 DIVIDENDS

Ordinary dividend. Distribution of the dividends approved at the Annual General Meeting held on July 29, 2020 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2019 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2020 for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share on April 1, June 30 and October 1, 2020.

Extraordinary dividend. Distribution of the dividend approved at the Extraordinary General Meeting held on December 16, 2020, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 1.94 euros per share (before withholdings), for a total outlay of 298,499 thousand euros. That dividend was paid out in one go on December 28, 2020.

DIVIDENDS DECLARED, PAID AND PROPOSED (000€)	2020	2019
Dividends paid:		
Ordinary dividend paid in 2020: 0.57 euros (2019: 0.57 euros)	87,703	87,703
Extraordinary dividend paid in 2020: 1.94 euros (2019: 0)	298,499	0
	386,202	**87,703**
Proposed dividend subject to approval at the Annual General Meeting (not recognized as a liability at year-end)		
Dividend payable in 2021: 0.57 euros (2020: 0.57 euros)	87,703	87,703
	87,703	**87,703**

18. Deferred income

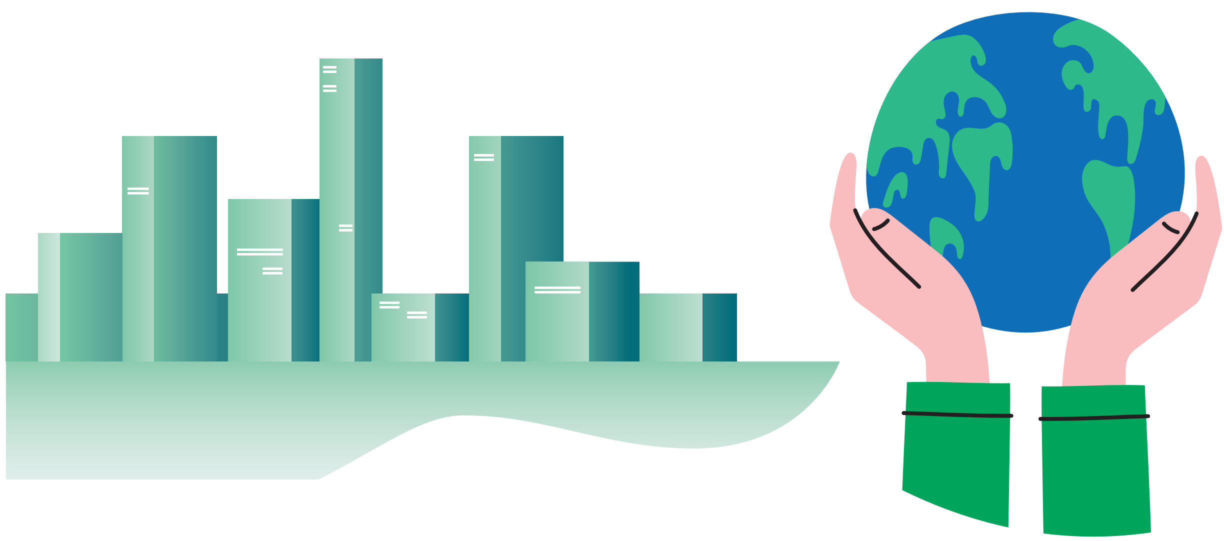
This heading essentially includes grants relating to assets, greenhouse gas emission allowances received (up until 2013) and other items of deferred income that are not individually material. The movements under this heading in 2020 and 2019 (thousands of euros):

	GOVERNMENT GRANTS		EMISSION ALLOWANCES		OTHER DEFERRED INCOME		TOTAL	
	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
OPENING BALANCE	**7,204**	**3,346**	**0**	**1**	**0**	**246**	**7,204**	**3,593**
Additions due to business combinations	0	0	0	0	0	0	0	0
Decreases due to disposals	0	(800)	0	0	0	0	0	(800)
Grants received	5,059	6,375	0	0	0	0	5,059	6,375
Additions due to emission allowances	0	0	0	0	0	0	0	0
Other increases/decreases	2	(1,244)	0	0	0	0	2	(1,244)
Translation differences	(3)	4	0	(1)	0	7	(3)	10
Reclassified to profit or loss from continuing operations	(825)	(477)	0	0	0	(253)	(825)	(730)
CLOSING BALANCE	**11,437**	**7,204**	**0**	**0**	**0**	**0**	**11,437**	**7,204**

The year-end balances mainly comprise grants relating to assets awarded to various Group companies in relation to certain fixed asset investment projects (to date these companies have satisfied all the conditions attached to their grant). The most significant increase in 2020 was a grant awarded to Garofalo (Italy) to help fund the expansion of its factory. The Group was awarded a 5 million euro grant for the construction of a new factory in La Rinconada, Seville (Spain) in 2019.

The breakdown of grants by maturity is as follows (thousands of euros):

GRANTS RELATING TO ASSETS				
	PENDING RECLASSIFICATION TO PROFIT OR LOSS			
	< 1 YEAR	2-5 YEARS	> 5 YEARS	TOTAL
Breakdown of closing balance by maturity	417	1,481	9,539	11,437



19. Provisions for pensions (post-employment benefits) and similar obligations

The reconciliation of the opening and closing balances under this heading (in thousands of euros) is as follows:

	12-31-20	12-31-19
	TOTAL	TOTAL
OPENING BALANCE	**47,010**	**43,156**
Translation differences	(1,141)	435
Business combinations	0	208
Disposals	0	(335)
Amounts utilized and benefits paid	(12,419)	(12,201)
Amounts transferred to other accounts	138	272
Transfers to liabilities of non-current assets held for sale	(1,068)	0
Surplus provisions and employee departures	(189)	0
Amount provided for in the year for actuarial changes	7,715	2,985
Amount provided for in the year for unwind of discount	863	744
Amount provided for in the year for employee benefits expense	12,068	9,549
Amount provided for in the year for other operating expenses	124	118
Amount provided for in the year in respect of discontinued operations	3,365	2,079
CLOSING BALANCE	**56,466**	**47,010**

The breakdown by type of post-employment commitment (in thousands of euros):

	12-31-20	12-31-19
Defined benefit obligations	26,310	21,288
Retirement bonuses and similar obligations	25,437	22,364
Senior management bonus schemes (note 23)	4,719	3,358
TOTAL	**56,466**	**47,010**

The types of commitments extended by company/CGU are summarized below:

	DEFINED CONTRIBUTION PENSION COMMITMENTS	DEFINED BENEFIT PENSION COMMITMENTS	OTHER DEFINED BENEFIT COMMITMENTS	RETIREMENT BONUSES	LONG-SERVICE BONUSES	TERMINATION OR RETIREMENT BENEFITS
Ebro Foods, S.A. (Spain)					Yes (a)	
Riviana Group (US & Canada)	Yes	Yes (b)	Yes (b)			
Panzani Group (France)				Yes (a)	Yes (a)	Yes (a)
Bertagni (Italy)						Yes (a)
Boost (Herba) (Belgium)	Yes (c) 2007	Yes (c) 2006				Yes (a)
Herba Bangkok and Ebro India						Yes (a)
Garofalo (Italy)						Yes (a)
Geovita (Herba) (Italy)						Yes (a)
Mundiriso (Herba) (Italy)						Yes (a)
S&B Group (Herba) (UK)	Yes (d)	Yes (d)				
Ebro Germany (Germany)		Yes (a)		Yes (a)		
Euryza (Herba) (Germany)		Yes (a)				
Transimpex (Herba) (Germany)		Yes (a)				
Lassie Group (Herba) (Netherlands)	Yes (e)	Yes (e)				
Herba Ricemills (Spain)				Yes (a)		

(a) Obligations not externalized. Managed and provided for in-house. Except for Garofalo (Italy), which has externalized a portion of its obligations.

(b) These obligations are managed externally. The administration, management and investment decision-making with respect to these assets is performed by a committee that is independent from the company's management.

(c) These became defined contribution obligations in 2007.

(d) Obligations to current employees were switched to a defined contribution benefit arrangement in 2007, while former employees continue to receive a defined benefit scheme.

(e) These became defined contribution obligations in 2014.

The next section outlines the most significant obligations on the basis of their relative materiality with respect to the overall obligation and/or because their specific circumstances warrant their individual disclosure.

19.1 RETIREMENT BONUSES AND SIMILAR OBLIGATIONS

The breakdown by company or business is as follows (in thousands of euros):

	12-31-20	12-31-19
Panzani France Group (Panzani)	19,347	18,240
Herba Rice Group (Herba)	2,478	2,324
Garofalo (Italy)	466	452
Riviana American Group (Riviana)	2,937	887
Ebro Group Germany (Germany)	0	189
Ebro Foods, S.A.	198	187
Other minor obligations	11	85
SUBTOTAL	**25,437**	**22,364**

19.1.1 Ebro Foods, S.A.

The balance at year-end 2020 in respect of Ebro Foods, S.A. totals 198 thousand euros (year-end 2019: 187 thousand euros) and corresponds to the provision for the potential obligation to provide long-service bonuses to some of its employees. The Group is not legally required to externalize this obligation. The expense recognized in this respect was 11 thousand euros in 2020 (2019: 22 thousand euros).

19.1.2 Panzani Group companies

The Panzani Group companies have obligations to their employees, mainly in respect of: (i) retirement bonuses (provisions of 15,379 and 14,283 thousand euros at year-end 2020 and 2019, respectively) and long-service bonuses (provisions of 1,031 and 1,041 thousand euros at year-end 2020 and 2019, respectively) and; (ii) since 2016, provisions for termination benefits (2,937 and 2,916 thousand euros, respectively).

Those provisions were recognized based on actuarial calculations performed internally. The related net expenditure recognized in 2020 amounted to 3,792 thousands euros (2019: 2,460 thousand euros); note that 1,556 thousand euros was charged directly in equity as actuarial losses (2019: 566 thousand euros charged directly against equity as actuarial losses).

These provisions are funded in-house, albeit not by specific assets. The interest rate applied in 2020 was 0.50% (0.75% in 2019).

19.1.3 Herba Group companies

The collective bargaining agreements applicable at the subsidiaries in Italy, Belgium, Thailand and India include termination benefit obligations (voluntary or otherwise) for their employees. Those provisions were recognized based on actuarial calculations performed internally in some instances and externally in others.

The related provision at year-end 2020 amounted to 2,478 thousand euros (2,279 thousand euros at year-end 2019). Expenditure in 2020 was 528 thousand euros (2019: 477 thousand euros).

In addition, some Herba Group subsidiaries (S&B Herba in the UK, Boost in Belgium, Danrice in Denmark, Ebro Group Netherlands and the Ingredients Group from 2014) have defined contribution pension plans for some of their employees under which they make an annual contribution based on a percentage of qualifying employees' salaries. Expenditure in 2020 was 1,788 thousand euros (2019: 1,647 thousand euros).

Lastly, in keeping with the rice sector's collective bargaining agreement, Herba Ricemills, S.L.U. has retirement bonus obligations that have been externalized under an insurance policy; the related provision at year end 2020 stood at zero (45 thousand euros at year-end 2019). Net expenditure in 2020 was 74 thousand euros (2019: 39 thousand euros).

19.1.4 Garofalo (Italy)

The applicable collective bargaining agreement includes termination benefit obligations (voluntary or otherwise) for employees. That obligation was externalized in 2008; the provision for the obligation funded internally and accrued until the date of externalization continues to be recognized through settlement. The provision is updated annually on the basis of external actuarial calculations. The related provision at year-end 2020 amounted to 466 thousand euros (452 thousand euros at year-end 2019). The discounting of this provision implied a finance cost of 3 thousand euros in 2020 (2019: 7 thousand euros), actuarial losses charged directly to equity of 11 thousand euros (26 thousand euros in 2019) and payments totaling 5 thousand euros (2019: 46 thousand euros). The expense recognized in 2020 in respect of the obligation externalized since 2008 amounted to 481 thousand euros (2019: 427 thousand euros).

19.1.5 Ebro Group Germany

This company's business was sold to third parties at the end of 2013 and all its employees' contracts were transferred to the buyer. Accordingly the provisions were set up and recognized for accounting purposes for the services accrued by those employees until December 31, 2013.

In addition to the defined benefit obligations detailed in note 19.2 below, those former employees had accrued other benefits until December 31, 2013 which were extinguished in 2020.

19.1.6 Riviana Foods, Inc.

In addition to the defined benefit obligations detailed in note 19.2 below, the Riviana Group companies offer their US employees voluntary contribution plans. Those companies match their employees' contributions. Total expenditure in connection with those plans was 3,831 thousand euros in 2020 (2019: 2,629 thousand euros).

19.2 PENSION AND OTHER DEFINED BENEFIT OBLIGATIONS

The breakdown by company:

(000€)	12-31-20			12-31-19		
	PENSION COMMITMENTS	OTHER COMMITMENTS	TOTAL	PENSION COMMITMENTS	OTHER COMMITMENTS	TOTAL
Riviana Group (US & Canada)	12,430	(3,461)	8,969	8,308	(2,694)	5,614
Boost (Herba) (Belgium)	359		359	351		351
S&B Group (Herba) (UK)	7,867		7,867	6,357		6,357
Ebro Germany (Germany)	2,109		2,109	2,273		2,273
Euryza (Herba) (Germany)	4,990		4,990	4,895		4,895
Transimpex (Germany)	2,016		2,016	1,798		1,798
	29,771	**(3,461)**	**26,310**	**23,982**	**(2,694)**	**21,288**

The reconciliation of the opening and closing balances included in the table above, broken down using geographic criteria, deemed the most appropriate and uniform criterion in terms of the underlying factors generating these obligations, in 2020 and 2019:

(000€)	TOTAL		EUROPE		US & CANADA	
	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Provisions for pensions - obligations						
Opening balance	81,120	73,258	28,559	24,953	52,561	48,305
Business combinations	0	0	0	0	0	0
Charge for the year	3,821	4,156	611	700	3,210	3,456
Actuarial changes	8,432	9,219	2,977	3,820	5,455	5,399
Benefits paid	(5,902)	(7,579)	(1,057)	(1,982)	(4,845)	(5,597)
Transfers between plans	0	298	0	298	0	0
Translation differences	(5,268)	1,769	(968)	770	(4,300)	999
CLOSING BALANCE	**82,203**	**81,121**	**30,122**	**28,559**	**52,081**	**52,562**
Provisions for pensions - plan assets						
Opening balance	(59,834)	(55,548)	(12,886)	(11,648)	(46,947)	(43,900)
Business combinations	0	0	0	0	0	0
Return on plan assets	(1,253)	(1,514)	(235)	(293)	(1,018)	(1,221)
Contributions by employer	(1,792)	(2,177)	(762)	(844)	(1,030)	(1,333)
Actuarial changes	(2,256)	(6,803)	(584)	(1,571)	(1,672)	(5,232)
Benefits paid	5,902	7,579	1,057	1,982	4,845	5,597
Transfers between plans	0	0	0	0	0	0
Translation differences	4,408	(1,370)	629	(511)	3,779	(858)
CLOSING BALANCE	**(54,825)**	**(59,833)**	**(12,781)**	**(12,885)**	**(42,043)**	**(46,947)**
CLOSING BALANCE	**27,378**	**21,288**	**17,341**	**15,674**	**10,038**	**5,615**
Reclassified to liabilities of non-current assets held for sale	(1,068)				(1,068)	
NET ASSET RECOGNIZED AT YEAR-END	**26,310**	**21,288**	**17,341**	**15,674**	**8,970**	**5,615**

NET ANNUAL COST BY COMPONENT

	TOTAL		EUROPE		US & CANADA	
	12-31-20	12-31-19	12-31-20	12-31-19	12-31-20	12-31-19
Current service cost	1,797	1,638	161	102	1,636	1,536
Borrowing costs	2,024	2,517	450	598	1,574	1,919
Expected return on plan assets	(1,253)	(1,514)	(235)	(293)	(1,018)	(1,221)
	2,568	**2,641**	**376**	**407**	**2,192**	**2,234**
Actuarial changes recognized directly in consolidated equity: (gains)/losses	6,176	2,416	2,393	2,249	3,783	167

ACTUARIAL ASSUMPTIONS

	12-31-20	12-31-19	12-31-20	12-31-19
Discount rate	0.10% al 1.30%	0.20% al 2.10%	2.66% al 2.93%	3.00 al 3.43%
Future salary increases	1.50% al 3.00%	1.50% al 3.00%	2.50% al 3.00%	3.00%
Expected return on plan assets	0.10% al 1.30%	0.20% al 2.10%	2.66% al 2.93%	3.00% al 3.43%

In general the obligations relate to pension plans for most of the employees of the Riviana Group in both the US and Canada and for certain employees of the European subsidiaries. At the S&B Group, these obligations now only correspond to former employees (the obligations in respect of current employees were transferred to defined contribution arrangements on January 1, 2006). The Riviana Group has not been adding new employees to this defined benefit scheme since February 2006; at the Canadian subsidiary (the dry pasta division), the pension plan was liquidated by settling the benefits accrued by employees with effect until December 31, 2009.

In the case of the Riviana Group, the other commitments relate to health insurance, prescription drug plans and life insurance provided to just some of their employees.

20. Other provisions

The movements under this heading in 2020 and 2019 (in thousands of euros) are shown below:

MOVEMENTS UNDER OTHER PROVISIONS

	12-31-20	12-31-19
OPENING BALANCE	**15,125**	**22,700**
Translation differences	(35)	11
Business combinations	0	(18)
Transfer to deferred taxes	0	(7,896)
Other transfers	81	(521)
Amounts utilized and payments	(1,845)	(1,853)
Additions with a charge to profit or loss	1,517	2,961
Unused amounts reversed with a credit to profit or loss	(754)	(259)
Disposals/derecognitions	0	0
CLOSING BALANCE	**14,089**	**15,125**

Within the movements recognized in 2019, it is worth highlighting the reclassification of 7,896 thousand euros of provisions recognized for tax assessments that are being contested to deferred tax liabilities (note 21).

An analysis by underlying concept and company/business (in thousands of euros):

BREAKDOWN OF OTHER PROVISIONS BY CONCEPT

	12-31-20	12-31-19
Lawsuits and disputes	13,356	14,130
Modernization and restructuring plan	183	397
Sundry other contingencies of insignificant amount	550	598
	14,089	**15,125**

	12-31-20	12-31-19
Ebro Foods, S.A.	11,240	11,240
Panzani Group	873	2,031
Herba Group	528	144
Riviana Group	183	397
Ebro Group Germany	550	598
Other	715	715
	14,089	**15,125**

20.1 LAWSUITS AND DISPUTES: PROVISIONS COVERING THE OUTCOME OF LAWSUITS RELATED TO THE SALES OF THE SUGAR AND DAIRY BUSINESSES

One of the provisioned items is the provision recognized to cover the outcome of lawsuits related to the sales of the sugar business (sold in 2009) and the dairy business (sold in 2010), specifically related to the reps and warranties extended to the buyers of these businesses, as an unfavorable ruling in these lawsuits has the effect of reducing the sale-purchase prices for these business. Additions to this provision (or reversals thereof) imply an adjustment to the sale price and are accordingly recognized as a reduction (or increase) in profit in the year in which they are recognized.

These lawsuits had been substantially resolved by year-end 2013, so that the related provision stood at zero. However, in the course of 2014 a number of smaller-sized disputes came to light. Management determined it was necessary to recognize a provision in respect of certain of these cases in light of the possible outflow of resources in the future.

In relation to the resolution issued by the Spanish anti-trust authority, the CNMC for its acronym in Spanish, on February 26, 2015, imposing a fine of 10,270 thousand euros on Puleva Food, S.L., its annulment by the National High Court on October 25, 2018 and the subsequent resumption of the disciplinary proceedings by the CNMC with retroactive effect on December 21, 2018, the CNMC issued a new disciplinary ruling on July 11, 2019. In that new ruling, the CNMC reiterated its original opinion of the underlying facts and levied a fine in the same amount against Puleva Food, S.L. Therefore, and notwithstanding the fact that the Group believes it has substantive arguments against this new ruling, the Company's directors believe that the provision recognized to cover this lawsuit should be maintained.

Elsewhere, in 2016, the Group recognized a provision of 2,500 thousand euros to cover the litigation risk associated with the tax assessments signed under protest in 2016 in the wake of an inspection of the Puleva Group in respect of certain years and concepts still under warranty to the buyer of the Group's former dairy business; the case was pending ruling at the reporting date.

20.2 STATUS OF OTHER LAWSUITS AND DISPUTES

In addition to the lawsuits outlined in section 20.1 above, at year-end 2020, the Group had recognized provisions for other lawsuits and disputes in the amount of 2,849 thousand euros (year-end 2019: 2,890 thousand euros).

The provisions relate to court proceedings underway and other claims; in the directors' opinion, after taking appropriate legal advice from its in-house and external counsel, the outcome of these legal claims will not give rise to any significant liabilities beyond the amounts provided at year-end.

The breakdown of the maximum liability under these legal claims (items 20.1 and 20.2 above) is shown below (in thousands of euros):

	12-31-20	12-31-19
Tax and customs assessments signed under protest	1,412	1,347
Judicial review contingencies	14,210	14,291
Other lawsuits	121	196
	15,743	**15,834**

21. Tax matters

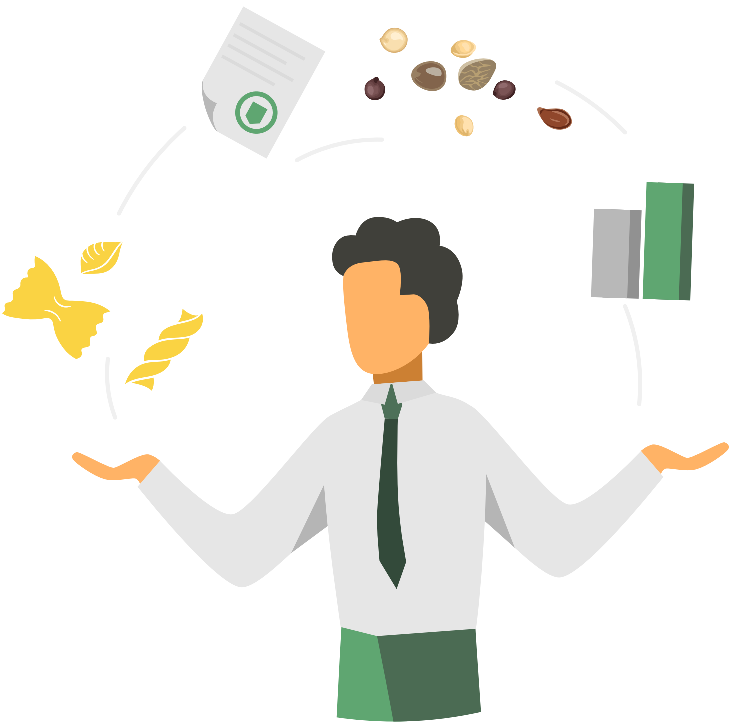
Year-end balances receivable from and payable to the tax authorities (in thousands of euros):

	RECEIVABLE		PAYABLE	
	12-31-20	12-31-19	12-31-20	12-31-19
VAT and personal income tax	42,751	33,779	(29,438)	(12,299)
Social security	47	3	(3,120)	(3,205)
Grants pending collection	5,000	5,000		
Other public authorities	728	42	(227)	(33)
TOTAL TAXES RECEIVABLE/PAYABLE	**48,526**	**38,824**	**(32,785)**	**(15,537)**
INCOME TAX - TAX PAYABLE/REFUNDABLE	**17,055**	**24,027**	**(49,875)**	**(8,685)**

Certain Group companies file consolidated tax returns in keeping with applicable tax and other legislation prevailing in each country. The companies that file under a consolidated tax regime are: most of the Spanish companies (Spanish tax group), the Riviana Group (US) together with its Canadian subsidiary, the Panzani Group (France) and the Group companies resident in Germany and the Netherlands for tax purposes.

The statutory corporate income tax rates vary from one country to another, the most significant (on account of their relative materiality) being the rates prevailing in: Spain: 25%; France: 32.02% (33.3% in 2019 and set to fall on a staggered basis to 25% by 2022); the US: 24%; Germany: 30%; the Netherlands: 25.5%; Italy: 24%; and the UK: 19%. The table provided later on in this note presents the impact of the national rates other than 25% (benchmark Spanish rate) under the dedicated line item, 'Impact of differing tax rates (taxable income)'.

Income tax expense for the year ended December 31, 2020 is quantified on the basis of the best estimate of the weighted average tax rate (effective rate) expected to apply in the current annual reporting period, adjusted for application of prevailing tax provisions. The consolidated average effective tax rate in 2020 was 27.66% (33.42% in 2019). The decrease in 2020 is attributable to several factors: enhanced utilization of tax credits (thanks to earnings growth in certain countries); the recognition in 2019 of the effects of several one-off assessments and restatements; and the reduction in the statutory rate in the odd country.



The breakdown of the tax expense accrued by the consolidated Group in 2020 and 2019 (in thousands of euros) is provided below:

	12-31-20		12-31-19	
	ACCOUNTING	TAX	ACCOUNTING	TAX
ACCOUNTING PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**194,695**	**194,695**	**177,682**	**177,682**
PROFIT/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS	**103,766**	**103,766**	**38,053**	**38,053**
PROFIT/(LOSS) BEFORE TAX RECOGNIZED IN EQUITY	**(7,715)**	**(7,715)**	**(2,985)**	**(2,985)**
	290,746	**290,746**	**212,750**	**212,750**
Permanent differences	39,316	39,316	(23,439)	(23,439)
Tax losses generated during the year	4,852	4,852	39,534	39,534
Utilization of individual tax losses	(6,266)	(6,266)	(4,084)	(4,084)
ACCOUNTING PROFIT ADJUSTED FOR PERMANENT DIFFERENCES	**328,648**	**328,648**	**224,761**	**224,761**
Temporary differences		97,853		(39,861)
Tax losses generated during the year		6,078		3,592
Utilization of tax losses		(220)		(1,565)
ADJUSTED TAXABLE PROFIT	**328,648**	**432,359**	**224,761**	**186,927**
Impact of differing tax rates (taxable income)	(16,165)	(30,123)	6,259	11,533
TAXABLE INCOME OF THE GROUP	**312,483**	**402,236**	**231,020**	**198,460**
Tax calculated at statutory rate of 25%	78,121	100,559	57,755	49,615
Tax credits utilized	0	0	0	0
TAX PAYABLE	**78,121**	**100,559**	**57,755**	**49,615**
Adjustments in respect of prior-year's income tax	(481)		686	
Restatement of net deferred taxes due to changes in tax rates	(1,682)		0	
Restatement of net deferred taxes	40		(1,222)	
Inspection assessments and fines	0	0	(649)	0
Equivalent tax charges	14,145	17,042	7,984	6,450
Adjustment in respect of prior year's tax payable		3,352		(2,084)
TOTAL TAX EXPENSE	**90,143**	**120,953**	**64,554**	**53,981**
TAX EXPENSE, CONTINUING OPERATIONS	**53,853**		**59,383**	
TAX EXPENSE, DISCONTINUED OPERATIONS	**37,957**		**6,064**	
TAX EXPENSE, RECOGNIZED DIRECTLY IN EQUITY	**(1,667)**		**(893)**	
	90,143		**64,554**	

STATEMENT OF PROFIT OR LOSS - INCOME TAX

	12-31-20	12-31-19
Current tax expense, continuing operations	49,524	43,153
Current tax expense, discontinued operations	51,035	6,462
Total deferred tax expense	(20,427)	8,937
Tax expense deferred in equity	(2,011)	(797)
Restatement of prior-year's income tax	(481)	686
Restatement of net deferred taxes	(1,642)	(1,222)
Equivalent tax charges	14,145	7,984
Inspection assessments and fines	0	(649)
	90,143	**64,554**

TAX EXPENSE, RECOGNIZED DIRECTLY IN EQUITY

	12-31-20	12-31-19
Change in fair value of financial assets	0	0
Change due to actuarial gains/(losses)	(1,667)	(893)
	(1,667)	**(893)**

Total expense for tax purposes less the withholdings and payments on account made during the year yields the amount of tax payable to / refundable by the tax authorities in respect of current income tax.

The most significant temporary differences in 2020 and 2019:

- An increase of 7,715 thousand euros (2019: 3,080 thousand euros) due to the tax effect of actuarial losses/gains on pension commitments, recognized directly in equity.
- An increase of 84,941 thousand euros due to the effects of the sale of the assets and liabilities of the dry pasta business in the US (note 5).
- A decrease of 18,731 thousand euros (18,731 thousand in 2019) due to the amortization for tax purposes of the goodwill arising on the acquisition of foreign companies.
- A decrease of 10,515 thousand euros (25,879 thousand euros in 2019) in relation to temporary differences at the Riviana Group (US), mainly due to the amortization for tax purposes of trademarks and other assets, the recognition in different periods for accounting versus tax purposes of items in provision and accrual accounts and the impairment of certain trademarks.
- An increase of 34,921 thousand euros related with the temporary difference arising in 2020 as a result of the impairment loss recognized on the goodwill allocated to the fresh pasta business in Canada (note 15). That goodwill is being amortized for tax purposes on a straight-line basis over a period of 15 years.
- A decrease of 4,647 thousand euros (1,423 thousand euros in 2019) in relation to temporary differences at the Herba Group, mainly due to the amortization for tax purposes of trademarks and other assets, accelerated depreciation regimes in Spain and the US and the recognition in different periods for accounting versus tax purposes of items in provision accounts.
- An increase of 39 thousand euros (decrease of 945 thousand euros in 2019) in relation to temporary differences at the Panzani Group, due mainly to movements under provisions, offset by property, plant and equipment depreciation charges.
- An increase of 5,278 thousand euros (4,801 thousand euros in 2019) in consolidation adjustments due to different accounting criteria applied in preparing the separate versus the consolidated annual financial statements.
- A net decrease of 1,148 thousand euros (2019: 764 thousand euros) mainly in relation to other companies, due to the origination and/or utilization for tax purposes of provisions recognized and/or reversed during the year, the recognition and/or reversal of impairment losses on non-financial assets and other contingencies canceled and financial assets that were/ were not eligible for deduction during the year.

The permanent differences correspond basically to:

- In 2020, an increase of 52,722 thousand euros due to the effects of the sale of the assets and liabilities of the dry pasta business in the US (note 5), corresponding essentially to the carrying amount of goodwill derecognized following the sale.
- In 2019, a decrease of 19,278 thousand euros corresponding to the gain obtained that year on the disposals of the Bio Foods and Jiloca businesses, which were exempt from corporate income tax.
- The remaining 13,406 thousand euros decrease (2019: 4,161 thousand euros) relates to amounts equivalent to tax that do not compute for income tax calculation purposes, the effect of expenses that are not deductible in determining tax profit, the deductibility for tax purposes of losses on non-current financial assets and the reversal of certain provisions that were not deductible for tax purposes when they were recognized in prior years.

The Group did not apply unused tax assets in 2020 or 2019 due to the lack of sufficient taxable income. Its tax credits mainly derive from new product development efforts, charitable donation deductions, deductions under double taxation treaties and tax relief on the reinvestment of gains generated by asset sales (still-unused credits generated prior to 2014).

Until and including 2014 it was possible in Spain to certify deductions in respect of reinvestments; those deductions were eliminated in 2015. Between 2013 and 2006, both inclusive, the Spanish tax group reinvested qualifying proceeds totaling 33.1, 5.0, 115.3, 57.3, 1.5, 16.2, 11.2 and 76.3 million euros, respectively. Those reinvestments satisfied all of the requirements for qualifying for the related tax relief.

The reconciliation of the opening and closing deferred tax balances (in thousands of euros) is provided below:

	12-31-2020			12-31-2019		
	ASSETS	LIABILITIES	NET	ASSETS	LIABILITIES	NET
OPENING BALANCE	**57,252**	**(292,826)**	**(235,574)**	**52,884**	**(238,328)**	**(185,444)**
Transfers	2,757	(2,769)	(12)	0	(7,896)	(7,896)
Translation differences	(2,643)	12,124	9,481	876	(2,522)	(1,646)
Business combinations	0	0	0	35	(27,266)	(27,231)
Disposals / derecognitions	0	0	0	7	2,543	2,550
Charged / credited in statement of profit or loss	3,328	17,100	20,428	4,666	(13,603)	(8,937)
Charged / credited to equity	1,413	598	2,011	690	107	797
Restatements	497	7,875	8,372	(1,906)	(5,861)	(7,767)
Reclassifications to non-current assets/liabilities held for sale	(608)	14,982	14,374	0	0	0
CLOSING BALANCE	**61,996**	**(242,916)**	**(180,920)**	**57,252**	**(292,826)**	**(235,574)**

Within the movements recognized in 2019, it is worth highlighting the reclassification of 7,896 thousand euros of provisions recognized for tax assessments signed under protest from “Other provisions” to deferred tax liabilities at year-end. Further information on the status of the provisioned tax assessments is provided later on in this note.

The breakdown of deferred taxes into their most significant components at both year-ends is provided in the next table:

	12-31-20		12-31-19	
	DEFERRED TAX		DEFERRED TAX	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	5,106	(70,730)	5,592	(81,645)
Investment properties	7,489	(76)	5,796	0
Goodwill	2,833	(91,335)	2,123	(100,089)
Other intangible assets	3,705	(68,514)	3,359	(100,445)
Inventories	9,984	(204)	4,404	(401)
Receivables and accruals (assets)	2,148	(33)	3,465	(881)
Pensions and similar obligations	13,405	(31)	11,277	(18)
Other non-current provisions	1,274	(600)	1,497	(668)
Payables and accruals (liabilities)	10,456	(1,291)	9,723	1,309
Unused tax credits and tax losses	5,596	0	10,006	0
Tax assessments	0	(7,896)	0	(7,896)
Accrual of tax credits	0	(2,206)	10	(2,092)
TOTAL	**61,996**	**(242,916)**	**57,252**	**(292,826)**

At year-end 2020, the Group companies had around 53 million euros of unused tax losses (70 million euros at year-end 2019), for which it has mostly not recognized the corresponding tax assets, which it can offset against taxable profit during periods ranging from four years to indefinitely.

The Spanish tax group has its books open to inspection from 2016 in respect of all applicable taxes. The other Group companies have their books open to inspection in respect of the taxes and years applicable under local tax legislation insofar as not already inspected, in most instances from 2015 or 2016. The directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations.

LAWSUITS AND DISPUTES: TAX ASSESSMENTS

The tax inspection of the Spanish tax group in respect of 2008 to 2011, both inclusive, concluded in May 2014. All of the assessments were paid (using financial criteria), including those being contested (albeit not the related fines). The assessments signed under protest have been appealed.

In addition, the Group signed assessments handed down in connection with the deduction accredited and applied as warranted in relation to the 2008 Volvo Ocean Race under protest. The amount contested, which applies from 2008 to 2010, totals 3,021 thousand euros. In that case, the liability was not initially provided for as the assessments had been appealed and the likelihood of winning the claim was deemed high due to the precedent set by High Court rulings in favor of other taxpayers that had brought identical cases.

However, in July 2017, the Supreme Court ruled against a taxpayer in a very similar case. Therefore, the risk that the outcome of the proceedings will not favor the tax group was reclassified from remote to probable as it is now expected to possibly entail an outflow of resources. As a result, in 2017, the Group recognized a provision of 3,928 thousand euros to cover this liability. The provision was recognized with a charge against corporate income tax expense in the 2017 statement of profit or loss.

There were no new developments in the lawsuits related with the tax assessments appealed in relation to the 2008-2011 inspection in 2019. On September 11, 2020, the High Court ruled against the Company's appeal. The Company has since appealed that High Court ruling before the Supreme Court and is currently awaiting a date for presenting its case.

Elsewhere, an inspection of the Spanish tax group for 2012 to 2015, both years included, finished in 2018; as a result, in 2018, the Company recognized 851 thousand euros of provisions in relation to preliminary assessments signed under protest. The definitive assessments for the years covered by that inspection were handed down in 2019 and the Company adjusted its provision accordingly, reducing it by 49 thousand euros.

All of the assessments were already recognized in 2018 for accounting purposes either for payment (those not contested) or as provisions (those contested). The assessments signed under protest have been appealed.

In addition, definitive assessments in the amount of 3,641 thousand euros have been signed under protest in relation to a specific concept with which the Ebro Group is in total disagreement. In this instance, the balance has not been provided for as the assessments have been appealed and the likelihood of winning the claim is deemed very high due to the fact that there are solid arguments and precedent following prior inspections, prompting the directors to classify the probability of an outflow of resources as remote.

There were no new developments in the lawsuits related with the tax assessments appealed in relation to the 2012-2015 inspection in 2020.

22. Commitments and contingencies

COMMITMENTS UNDER LEASES THAT HAVE NOT BEEN CAPITALIZED (EXEMPT LOW-VALUE AND SHORT-TERM LEASES) – GROUP AS LESSEE

Note 10 provides the minimum future expenses (payments) payable under leases that have not been capitalized due to qualification as low-value or short-term leases.

OPERATING LEASE COMMITMENTS - GROUP AS LESSOR

The Group has leased several properties within its investment property portfolio. Those non-cancelable leases have remaining terms of between three and five years. All leases include a clause to enable revision, generally upwards, of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancelable operating leases at year-end (in thousands of euros) are as follows:

	12-31-20	12-31-19
Within one year	862	716
After one year but not more than five years	45	66
More than five years	0	8
TOTAL	**907**	**790**

CAPITAL COMMITMENTS

Capital expenditure contracted for (machinery purchases and upgrades) at the end of the reporting period but not yet incurred totaled 32,208 thousand euros (18,400 thousand euros at year-end 2019). In addition, the Group was committed at year-end to the sale of the assets and liabilities of its dry pasta business in Canada (notes 5 and 25).

INVENTORY COMMITMENTS

Refer to the disclosures provided in note 16.

LEGAL CLAIMS AND DISPUTE GUARANTEES

Refer to the disclosures provided in notes 20 and 21.

GUARANTEES

The guarantees provided in the form of bank guarantees at the end of each reporting period (in thousands of euros):

	12-31-20	12-31-19
Bank guarantees: Provided to courts and other bodies in relation to claims and tax deferrals (notes 20 & 21)1)	20,207	10,305
Bank guarantees: provided to Spain's Agricultural Guarantee Fund (FEGA), customs authorities and third parties to guarantee fulfilment of obligations arising in the ordinary course of business	65,782	28,558
Other bank guarantees	468	224
TOTAL	**86,457**	**39,087**

Lastly, the Garofalo Group's credit facilities, with a drawdown limit of 40 million euros, are secured by a mortgage over its factory and site in Italy (note 12).

INVESTMENT COMMITMENTS

As detailed in note 12.2, the Group has closed a number of business combinations in recent years in which it has acquired the majority of the target companies' voting rights and, by extension, control. In structuring some of those transactions it granted the NCI holders certain put options over their shares, as detailed in the table below.

BUSINESS ACQUIRED	ACQUISITION DATE	% ACQUIRED	% NCI	TYPE
Ingredients Group	Settled in 2020	100%	-	Note 1
Transimpex m.b.H.	01/10/2017	100%	-	Note 1
Pastificio Lucio Garofalo Spa	18/06/2014	52%	48%	Note 2
Santa Rita Harinas, S.L.	13/07/2016	52%	48%	Note 2
Geovita Group	01/08/2017	52%	48%	Note 2
Bertagni 1882, S.p.A.	01/04/2018	70%	30%	Note 2

Note 1

- **Ingredients Group:** The option over the 20% of the Ingredients Group held by the only non-Group shareholder was exercised in September 2020. The Group paid 10.1 million euros for that 20% interest; that sum was not materially different from the amount at which the financial liability was recognized up until the settlement date. The terms of that commitment were the same as those of the Transimpex option (below).
- **Transimpex:** the Group is obliged to acquire the NCI holdings (45%), paying a fixed price, in the event of the death, disability or abandonment of the NCI holder. That fixed price is grossed up by the corresponding percentage interest in any profits that have not been distributed on the date of the purchase of the NCI holder shares. In that instance, therefore, it is understood that the Group has deferred payment for 100% of the shares, such that the NCI shares are recognized as if they had already been acquired at the time of the business combination and any changes in the recognized liability payable to the NCI holders are recognized in profit or loss.

Note 2

The price of the put options written over the NCI shares is calculated on the basis of average earnings over a series of years. The accounting policy applied by the Group to recognize those put options, for which it has concluded that IAS 32 does not apply as the Group has not acquired the voting and dividend rights attached to 100% of the target companies' shares (including those held by NCI holders), is described in note 3.a.

With respect to the contractual terms and conditions of the above business combinations, note that:

- They do not impose any restrictions on the NCI holders' voting rights or dividend entitlements.
- They do not entail purchased NCI call options with the same exercise date as the written NCI put options, even though the call and put option price-setting features may be similar.
- The exercise prices for the NCI holders' put options are established on the basis of average earnings reported by the companies acquired over a series of years and are not, therefore, set at a fixed amount (other than the Transimpex and Ingredients Group acquisitions).

In light of the above, with the exception of the Transimpex and Ingredients Group transactions (the latter settled in 2020), the written NCI put options are not considered contingent consideration requiring measurement under IAS 32 but rather require recognition under IFRS 10, as the options do not give the buyers present access to the returns associated with the NCI holders' shares.

The summary of the outstanding commitments assumed by entity:

- **Transimpex** - In September 2017, through its wholly-owned German subsidiary, Ebro Foods Germany, Gmbh., the Ebro Group acquired 55% of Germany's Transimpex, mbH., also committing to acquire the outstanding 45%.

  The total investment for 100% of Transimpex amounted to 23,622 thousand euros, of which 9,361 thousand euros was paid for in 2017. The Group has committed to pay the outstanding 14,261 thousand euros three years from the close, by September 30, 2020, from which date (and with no time limit) the sellers are free to exercise their put option at the amount of the agreed deferred consideration plus 45% of retained earnings since January 1, 2018.

  Transimpex has therefore been fully consolidated in light of this control arrangement; in parallel the Ebro Group has recognized the estimated cost of the option over the remaining 45% as a non-current financial liability (valued in accordance with the method described in note 1 of the table above).

- **Grupo Garofalo** - The Ebro Group acquired 52% of Italy's Pasta Garofalo on June 18, 2014. The Group acquired a 52% interest for 63,455 thousand euros, paying 58,255 thousand euros in 2014 and the remaining 5,200 thousand euros in 2015. The Group took effective control of the Garofalo Group on June 30, 2014, which was also the date of its first-time consolidation.

  In addition, the Group has arranged two options with the other shareholder over the remaining 48%: it wrote a put option (exercisable until December 31, 2029 following an amendment of the terms in 2019) and purchased a call option (exercisable from January 1 to December 31, 2030, as amended in 2019). The acquisition price in the event the options are exercised will be determined as a function of the targets' average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above).

- **Santa Rita Harinas** - The Ebro Group acquired 52% of Santa Rita Harinas, S.L. for 4,778 thousand euros in July 2016. The Group took effective control of Santa Rita Harinas, S.L. on July 13, 2016, which was also the date of its first-time consolidation.

  - In addition, the Group has arranged two options with the other shareholder over the remaining 48%, writing a put option (exercisable from August 2019 with no expiry date) and purchasing a call option (exercisable from August 2026 with no expiry date) over the NCI holder's shares. The acquisition price in the event the options are exercised will be determined as a function of the targets' average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above).

- **Geovita** - In July 2017, the Ebro Group acquired a 52% interest in the Geovita Group of Italy, whose parent company is Geovita Functional Ingredients, S.r.l., also undertaking to acquire the remaining 48%. It invested 16,500 thousand euros for that 52% shareholding, which it paid for in 2017. The Group took effective control of the Geovita Group on August 1, 2017, which was also the date of its first-time consolidation.

  In addition, the Group has arranged a call option of the remaining 48% (exercisable by the other shareholder over a 10-year period from July 2021). The price of this option will be determined as a function of the Geovita Group's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above in page 96).

- **Bertagni Group** - On March 29, 2018, the Group acquired 70% of Italy's Bertagni 1882, S.p.A ("Bertagni") through the Panzani Group and Pastificio Lucio Garofalo, S.p.A. The Group's investment totaled 96.5 million euros. The date on which the Group took effective control of this business - and the date of its first-time consolidation - was April 1, 2018.

  In addition, there is a put option over the remaining 30% (exercisable by the other shareholders over a 10-year period from April 2022). The acquisition price in the event this option is exercised will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above in page 96).

The Group's investment commitments with respect to these companies and the expected timeline of the potential future payments are summarized below:

(000€)	TOTAL	GROUP 1	GROUP 2
COMMITMENTS AT JANUARY 1, 2020	**165,431**	**26,114**	**139,317**
Dividends paid in 2020	(9,592)	(1,700)	(7,892)
Share of profit in 2020 **(a)**	11,528		11,528
Share of other income/expenses recognized in equity	(52)		(52)
Expenses/losses related to derivatives and financial instruments (note 7.3)	3,650	3,650	
Settlement (payment) of options	(10,095)	(10,095)	0
Change in fair value in 2020 **(a)**	30,054		30,054
COMMITMENTS AT DECEMBER 31, 2020	**190,924**	**17,969**	**172,955**
Estimated payment schedule			
Potential payments in 2021	5,000		
Potential payments in 2022	116,783		
Potential payments in 2023	69,141		
	190,924		

Group 1: Ingredients Group and Transimpex
Group 2: Garofalo Group, Santa Rita Harinas, Geovita and Bertagni Group
(a) The non-controlling interests' shares in these companies' earnings is recognized in the consolidated statement of profit or loss under "Group profit for the year - Attributable to non-controlling interests" and the impacts of the subsequent remeasurement of the NCI puts are recognized against retained earnings in the consolidated statement of changes in equity within "Other movements".

▶ 23. Related-party transactions

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Group has not extended or received other guarantees in respect of accounts receivable from or payable to its related parties.

The Group did not record any impairment of receivables relating to amounts owed by related parties in either reporting period. That assessment is undertaken each financial year by examining the financial situation of the related party and the market in which it operates.

23.1 TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS (OR PARTIES RELATED THERETO) OF EBRO FOODS, S.A. (EXCLUDING DIRECTORS)

Note 17 itemizes the shareholders with significant interests in Ebro Foods, S.A. (parent of the Ebro Foods Group) in 2020.

A summary of the transactions, excluding dividends, between any Ebro Foods Group company and those significant shareholders (unless they are directors, whose transactions are disclosed separately in note 23.2) is provided below (in thousands of euros):

SIGNIFICANT SHAREHOLDER	EBRO FOODS GROUP COMPANY	NATURE OF THE RELATIONSHIP	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Sociedad Anónima DAMM (Estrella de Levante, S.A.)	Herba Ricemills, SLU	Contractual	Sale of goods (finished and in-progress)	1,131	1,267
Sociedad Anónima DAMM (Cía Cervecera Damm, SA.)	Herba Ricemills, SLU	Contractual	Sale of goods (finished and in-progress)	3,724	5,020

23.2 TRANSACTIONS WITH DIRECTORS AND EXECUTIVES (OR PARTIES RELATED THERETO) OF EBRO FOODS, S.A.

A summary of the transactions entered into, other than dividends and remuneration, with the directors and executives of Ebro Foods, S.A. and their related parties is provided below (in thousands of euros):

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Antonio Hernández Callejas	Relative	Luis Hernández González	Ebro Foods, SA	Lease (expense)	42	42
Antonio Hernández Callejas	Company	Cardenal Ilundain 4, SL.	Ebro Foods, SA	Sale of goods (finished and in-progress)	0	2
Antonio Hernández Callejas	Company	Hergón 96, SL.	Ebro Foods, SA	Sale of goods (finished and in-progress)	0	1
Antonio Hernández Callejas	Company	Hacienda Las Casetas, SL.	Ebro Foods, SA	Sale of goods (finished and in-progress)	0	2
Antonio Hernández Callejas	---	---	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1	0
Grupo Tradifín, S.L. Hercalianz Investing Group, S.L.	Company	Instituto Hispánico del Arroz, S.A. (Fitoplacton Marino, SL)	Arotz Foods, SAU	Sale of goods (finished and in-progress)	8	9
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, S.A.	Herba Ricemills, SLU	Lease (expense)	143	393
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	474	504
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	0	51
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	199	33
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Arrozeiras Mundiarroz, SA	Purchase of goods (finished and in-progress)	405	375
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	154	99
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	199	33
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	50

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ricemills, SLU	R&D transfers and license agreements	340	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ricemills, SLU	Purchase of services	34	70
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ingredients BV	Purchase of services	5	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	S&B Herba Foods, Ltd	Purchase of services	2	3
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA	Herba Ricemills, SLU	Rendering of services	6	1
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	131	139
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	0	45
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	199	41
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Tilda, Ltd.	Purchase of goods (finished and in-progress)	22	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	199	41
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	153	139
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	45
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Herba Ingredients, BV	Purchase of services	6	2
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (El Cobujón, SL)	Herba Ricemills, SLU	Rendering of services	5	1
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	235	16
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	34	108

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	235	16
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	34	108
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Herba Ingredients BV	Purchase of services	5	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	S&B Herba Foods, Ltd	Purchase of services	1	4
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Australian Commodities, SL)	Herba Ricemills, SLU	Rendering of services	5	2
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	10,753	1,681
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	0	60
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	70	118
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Tilda, Ltd.	Purchase of goods (finished and in-progress)	22	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	159	46
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	59
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	70	118
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, S.L.)	S&B Herba Foods, Ltd	Purchase of services	0	6
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, S.L.)	Herba Ingredients, BV	Purchase of services	5	0

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, SL)	Herba Ricemills, SLU	Purchase of services	110	46
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Norte, S.L.)	Herba Ricemills, SLU	Rendering of services	5	3
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Dehesa Casudis, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	503	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	106	33
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	34	130
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	126	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	225	28
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	34	129
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	S&B Herba Foods, Ltd	Purchase of services	2	2
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Herba Ingredients, BV	Purchase of services	6	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Islasur, SA)	Herba Ricemills, SLU	Rendering of services	5	1
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	131	28
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	0	129
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	116	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	108

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	101	92
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	145	28
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	21
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	S&B Herba Foods, Ltd	Purchase of services	2	3
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Herba Ingredients BV	Purchase of services	6	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Pesquería Isla Mayor, SL)	Herba Ricemills, SLU	Rendering of services	5	1
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Agropecuaria Isla Mayor, SL)	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1	1
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Hispamark Real State, SL)	Herba Ricemills, SLU	Lease (expense)	247	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Hispamark Real State, SL)	Herba Ricemills, SLU	Purchase of services	32	0
Grupo Tradifín, SL Hercalianz Investing Group, SL	Company	Instituto Hispánico del Arroz, SA (Zudirroz, SL)	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	498	0
Grupo Tradifín, S.L.	Company	Cabher 96, SL	Herba Ricemills, SLU	Purchase of goods (finished and in-progress)	135	113
Grupo Tradifín, S.L.	Company	Real Club de Golf de Sevilla, SL	Herba Ricemills, SLU	Purchase of services	0	18

23.3 OTHER TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS AND DIRECTORS/EXECUTIVES: DIVIDENDS RECEIVED FROM EBRO FOODS, S.A.

Against the backdrop of the general dividend policy of Ebro Foods, S.A., the following amounts were paid in 2020 (2019) (in thousands of euros):

- Dividends paid to significant shareholders (excluding directors): 58,543 (13,499)
- Dividends paid to directors (and persons related thereto) and executives: 213,717 (46,951)

23.4 TRANSACTIONS UNDERTAKEN WITH OTHER EBRO GROUP COMPANIES THAT ARE NOT ELIMINATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND WHOSE PURPOSE OR TERMS FALL OUTSIDE THE GROUP'S ORDINARY COURSE OF BUSINESS OR OTHER THAN ON AN ARM'S LENGTH BASIS

There were no related-party transactions of this type in either reporting period.

23.5 TRANSACTIONS WITH OTHER RELATED PARTIES

The note summarizes the transactions performed in 2020 and 2019 between the Ebro Group and "Other related parties" (in thousands of euros):

NAME OR COMPANY NAME OF DIRECTOR	REL'SHIP	NAME OR COMPANY NAME OF THE RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019 AMOUNT
Félix Hernández Callejas	Company	Hernández Barrera Servicios, SA	Herba Ricemills, S.L.U.	Rendering of services	2	3
Félix Hernández Callejas	Company	Hernández Barrera Servicios, S.A.	Herba Ricemills, S.L.U.	Rendering of services	300	297
Félix Hernández Callejas	---	---	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1	0

Note that one of the directors of Hernández Barrera Servicios, S.A. is Félix Hernández Callejas, who is the natural person who represents Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.

23.6 OTHER DISCLOSURES

Ebro Foods, S.A. holds a 40% shareholding in Riso Scotti S.p.A. The investment in this associate is accounted for using the equity method.

Riso Scotti S.p.A. is an Italian company whose corporate purpose is analogous to that of Ebro Foods, S.A.

Mr. Antonio Hernández Callejas, Chairman of Ebro Foods, S.A., is a director of Riso Scotti, S.p.A.

The next table itemizes the transactions entered into between Ebro Group companies and Riso Scotti (an associate that is not fully consolidated by the Ebro Group) in 2020 and 2019 (in thousands of euros):

EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2020 AMOUNT	2019AMOUNT
Ebro Foods, S.A.	Services rendered (income)	3	3
Ebro Foods, S.A.	Dividends received	0	1,400
Arotz Foods, S.A.	Purchase of goods (finished and in-progress)	0	39
Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	347	283
Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	250	83
Mundiriso, S.R.L.	Purchase of goods (finished and in-progress)	918	302
Mundiriso, S.R.L.	Sale of goods (finished and in-progress)	1,328	1,054
Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	81	54
Geovita Functional Ingredients, S.R.L.	Purchase of goods (finished and in-progress)	283	132
Geovita Functional Ingredients, S.R.L.	Sale of goods (finished and in-progress)	661	301
Riceland Magyarorszag, KFT	Purchase of goods (finished and in-progress)	0	66
Herba Bangkok, S.L.	Sale of goods (finished and in-progress)	1,342	1

23.7 FIDUCIARY DUTIES: CONFLICTS OF INTEREST AND NON-COMPETE DUTY

All of the directors, including in the case of the legal person directors their natural person representatives, have informed the Company that neither they nor any of their related parties found themselves party to any of the direct or indirect conflicts of interest itemized in article 229 of Spain's Corporate Enterprises Act.

In addition, the directors, and where relevant the natural persons representing them on the Board of Directors of Ebro Foods, S.A., itemized below have informed the Company of the following relationships with entities that carry on an analogous business activity to that constituting Ebro Foods, S.A.'s core business:

- Grupo Tradifín, S.L. holds (i) a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive; and (ii) a 100% interest in Cabher 96, S.L., an entity of which it is the sole director.
- Ms. Blanca Hernández Rodríguez (the natural person who represents Grupo Tradifín, S.L. on the Board of Directors of Ebro Foods, S.A.) holds indirect interests in Instituto Hispánico del Arroz, S.A. and Cabher 96, S.L. through her 33.25% direct shareholding in Grupo Tradifín, S.L., an entity of which she is the chairwoman and chief executive: specifically, indirect shareholdings of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Cabher 96, S.L. She does not hold any positions or duties at the latter two entities.
- Hercalianz Investing Group, S.L. holds a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive.
- Mr. Félix Hernández Callejas (the natural person who represents Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.) holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through his direct shareholding of 28.668% in Hercalianz Investing Group, S.L. He is the vice-chairman and chief executive of Instituto Hispánico del Arroz, S.A.

→ Mr. Antonio Hernández Callejas holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through the 28.668% interest he holds directly in Hercalianz Investing Group, S.L. Antonio Hernández Callejas does not hold any position at Instituto Hispánico del Arroz, S.A.

The directors of Ebro Foods, S.A. (or their natural person representatives, as warranted) did not perform any transactions with the Company outside of the ordinary course of its business or other than on an arm's length basis in either reporting period.

The directors have not informed the Parent of any direct or indirect potential conflicts of interest between them or their related parties and the Company other than those disclosed in this note.

23.8 DIRECTOR AND EXECUTIVE REMUNERATION

Director remuneration

The remuneration accrued by the members of the Board of Directors of Ebro Foods, S.A. totaled 6,898 thousand euros in 2020 (2019: 5,687 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2020	2019
Type of remuneration		
Attendance fees	322	327
Fixed remuneration received in their capacity as directors	2,850	2,728
TOTAL DIRECTOR REMUNERATION	**3,172**	**3,055**
Wages, salaries and professional fees	3,726	2,632
Termination and other benefits	0	0
TOTAL EXECUTIVE DIRECTOR REMUNERATION	**3,726**	**2,632**
TOTAL REMUNERATION	**6,898**	**5,687**
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

Article 22 of the Bylaws stipulates that "*The overall remuneration received by the members of the Board of Directors in their capacity as such (i.e., in exchange for their supervisory and other non-executive duties) shall consist of: (i) a fixed annual sum; and (ii) fees for attending the meetings of the Board and its committees. Both the fixed annual sum assigned to the Board of Directors as a whole and the amount of the attendance fees shall be determined by the Company's shareholders in general meeting and remain in effect until such time as their modification is approved.*

It shall be up to the Board of Directors to distribute the fixed sum determined at the Annual General Meeting in accordance with the positions discharged by each, their membership of the Board's various committees and other objective circumstances the Board of Directors deems opportune to its members each year. It shall be similarly up to the Board of Directors to determine the frequency of such payments.../..."

With respect to the remuneration of the directors in their capacity as such, at a meeting held on February 25, 2021, the Board of Directors resolved, at the recommendation of its Nomination and Remuneration Committee:

(i) to submit a motion for the payment of the pre-tax sum of 2,850 thousand euros of fixed remuneration in respect of 2020 at the upcoming 2021 Annual General Meeting; and

(ii) to leave pre-tax attendance fees at 1,600 euros per meeting of the Board of Directors and 800 euros per meeting of its various committees.

The individual breakdown of director remuneration for 2020 (in thousands of euros) is provided below:

DIRECTOR	FIXED REMUNERATION	ATTENDANCE FEES	FIXED REMUNERATION FOR PERFORMANCE OF EXECUTIVE DUTIES	VARIABLE REMUNERATION FOR PERFORMANCE OF EXECUTIVE DUTIES	TOTAL
Hernández Callejas, Antonio	403	28	1,255	2,471	**4,157**
Carceller Arce, Demetrio	374	27	0	0	**401**
Alimentos y Aceites, S.A.	125	19	0	0	**144**
Barreiro Pérez-Pardo, Belén	158	23	0	0	**181**
Carceller Arce, María	125	19	0	0	**144**
Castelló Clemente, Fernando	197	28	0	0	**225**
Comenge Sánchez-Real, José Ignacio	152	20	0	0	**172**
Corporación Financiera Alba, S.A.	234	24	0	0	**258**
Costa García, Mercedes	198	28	0	0	**226**
Empresas Comerciales e Industriales Valencianas, S.L.	125	19	0	0	**144**
Fernández Alonso, Javier	130	10	0	0	**140**
Grupo Tradifín, S.L.	192	28	0	0	**220**
Hercalianz Investing Group, S.L. (*)	152	20	0	0	**172**
Zorrero Camas, Pedro Antonio	285	27	0	0	**312**
TOTAL	**2,850**	**320**	**1,255**	**2,471**	**(**) 6,896**

(*) Hercalianz Investing Group, S.L. has never performed either executive or management duties at Ebro Foods, S.A. or at any subsidiary and therefore has not received any remuneration in this respect. It is categorized as an executive director based on the fact that the natural person representing this entity on the Board of Directors of Ebro Foods, S.A. is an executive and director of several Group subsidiaries.

(**) Total director remuneration in 2020 amounted to 6,897,656 euros, before tax, which, rounded to thousands of euros comes out at 6,898 thousand. That sum differs from the total provided in the table above as a result of the rounding, to the nearest thousandth, of each director's individual remuneration.

Note, additionally, the following with respect to director remuneration:

- The amounts shown include attendance fees earned by the Chairman of the Board of Directors of Ebro Foods, S.A., Mr. Antonio Hernández Callejas, in his capacity as director of a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in the amount of 5,000 euros (before tax) in both reporting periods.
- In addition to the amounts shown, the Chairman of the Board of Directors received the pre-tax sum of 5,200 euros (in both reporting periods) in the form of attendance fees for performance of his duties as director of the Group's associate, Riso Scotti, S.p.A..
- Of the total variable remuneration earned by the Chairman of the Board of Directors for performance of his executive duties in 2020, 596 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2016-2018 Business Plan in respect of 2018, a figure representing 50% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2018 financial statements and paid in 2020.
- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2020, the 2020 financial statements recognize a provision of 1,058 thousand euros in respect of the provisional estimate of the amount corresponding to 2020 under the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Plan, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2022.

Those bonus schemes are not tied to Ebro Foods' share price performance nor do they entitle their beneficiaries to the receipt of shares or any rights over such shares.

Elsewhere, none of the members of the Board of Directors benefits from complementary life insurance or pension cover. Moreover, the Company has neither extended any form of credit or advances to the members of its Board of Directors nor assumed any obligations on their behalf under guarantees.

Officer remuneration

A total of 11 people were considered officers of Ebro Foods, S.A. at year-end 2020 (year-end 2019: 10); in 2020 those executives accrued total remuneration (fixed wages and salaries and annual bonuses) of 2,453 thousand euros (2019: 2,226 thousand euros).

In terms of the disclosures corresponding to officer remuneration provided in this section, note that the amounts shown include the remuneration and dividends received by the officers of Ebro Foods, S.A., "officers" understood to mean the Chief Operating Officer (COO), who is the most senior executive of the Ebro Group after the Executive Chairman, and the professionals in charge of the main departments of Ebro Foods, S.A., irrespective of whether they have a special senior management employment agreement with the Company.

Elsewhere, the professionals in charge of the Ebro Group's main business units (other than the Chairman of the Board and COO of the Group) numbered five at year-end 2020 and 2019. Their total aggregate remuneration in 2020 was 1,936 thousand euros, 1,050 thousand US dollars and 546 thousand Canadian dollars (1,800 thousand euros, 847 thousand US dollars and 505 thousand Canadian dollars in 2019), corresponding to fixed wages and salaries and annual bonuses.

Eleven Ebro Group officers (other than the Chairman of the Board of Directors) were covered by the Deferred Annual Bonus Scheme at December 31, 2020 (11 at year-end 2019). Total aggregate remuneration effectively collected under that scheme in 2020 (corresponding to that accrued in 2018) amounted to 812 thousand euros and 305 thousand US dollars, a figure representing up to 50% of the bonuses earned during the three-year term of the 2016-2018 Scheme and which had been provided for in the 2018 financial statements.

In addition, the Group provisioned 883 thousand euros and 523 thousand US dollars in its 2020 financial statements for the remuneration accrued by these same Ebro Group officers (excluding the Chairman of the Board of Directors) under the Deferred Annual Bonus Scheme corresponding to that year. That sum is payable, under the rules of the Scheme, in 2022.

Note lastly for the record that Ebro Foods, S.A. has taken out director and officer liability insurance cover; those policies cover all of its subsidiaries up to an annual claims cap of 45 million euros. The policies cost 113 thousand euros in 2020 (56 thousand euros in 2019), are effective until April 30, 2021 and are currently in the process of being renewed.

24. Environmental disclosures

The productive processes used at the Group's various factories, in both the rice and the pasta divisions, are relatively simple agricultural food processes that do not have a major impact on the environment and entail minimum risk of accidental contamination. The most significant environmental aspects pertaining to the Group can be categorized as follows:

- **Air emissions:** essentially the emission of particles related to the manipulation of cereals (rice and wheat).

- **Greenhouse gas emissions (GHGs):** the Group's GHG emissions derive from its energy consumption, use of fossil fuels, renewable sources of energy and electricity. The fuel most widely used is natural gas.
- **Productive processes:** essentially mechanical and hydrothermal, these processes require the use of very few chemical products, and in very small amounts. Most of these products are used to clean equipment and sanitize raw materials and are relatively safe for the environment.
- **Water consumption:** the Group uses relatively little water in its manufacturing processes (most of its products are dry products), so that the volume of wastewater produced is also small. Moreover, the wastewater generated is relatively uncontaminated as the water consumed is used basically to produce vapor, as a refrigerant or as an ingredient in finished products.
- **Waste generation and management:** the Group generates minimum amounts of waste, including both non-hazardous (mainly ingredient and auxiliary material packaging) and hazardous (maintenance operations) waste.

To minimize its environmental footprint, the Group builds environmental protection into its business development and deploys the tools, measures and resources needed to guarantee protection at its subsidiaries. More specifically, the Group's environmental policy is articulated around three lines of initiative:

- Ensuring that its companies comply with applicable environmental legislation in carrying out their business activities by means of the rollout of in-house management systems and monitoring of prevailing legislation in this arena.
- Minimizing the environmental impact of its business operations by searching for eco-efficient solutions and continually rolling out initiatives designed to reduce its emissions and waste generation and to optimize consumption of water, energy and packaging materials.
- Suitably and safely managing all its waste, fostering recycling and reuse. Using recycled and/or environmentally-friendly raw materials whenever possible.
- Rolling out environmental training and awareness programs for Group employees.

All of the Group companies have arranged civil liability insurance that covers third-party damage caused by a sudden and unintentional spill. Management believes that this policy adequately covers any potential risk in this respect. To date the Group has not been party to any material environmental-related claims; moreover, it can claim a positive record on the basis of the results of audits and inspections and the lack of any pleas in respect of its integrated environmental permit processes, etc.

In terms of compliance with the packaging and packaging waste reduction, recycling and recovery objectives laid down in Spanish Law 11/97, of April 24, 1997, the Group's Spanish subsidiary Herba is a member of Ecoembalajes España, S.A. (Ecoembes), whose mission is to design and develop systems oriented towards collecting, sorting and recovering used packaging and packaging waste. Ecoembes uses the concept known as the Green Dot (the symbol featured on the packaging) to certify that the product's packager has paid a certain amount of money for each item of packaging it places on the market.

In tandem, both the European rice subsidiaries and Ebro Foods' head offices have entered into agreements with entities akin to Ecoembes for the destruction of paper and other materials. Those agreements allow them not only to comply with data protection legislation but also to guarantee the sustainable management of this documentation through recycling commitments.

Likewise, framed by its commitment to making its packaging recyclable and, more specifically, its search for more sustainable solutions for its flexible containers, since 2019 the Group has been a member of CEFLEX (https://ceflex.eu/), a European consortium of companies and associations representing the entire flexible packaging value chain that are collaborating to further enhance the performance of flexible packaging in the circular economy by designing and advancing better system solutions.

In order to define emission-cutting targets aligned with the recommendations made by the scientific community, in 2020 the Group developed a GHG inventorying system for all Ebro Group companies that is ISO 14064-1:2019 certified.

The Group is also working actively on researching and promoting environmentally-sustainable farming practices for use in the production of its main agricultural raw materials: rice, durum wheat and tomatoes. That work is taking the form of in-house initiatives and ad-hoc collaborations with stakeholders and sector associations.

Specifically in relation to the work underway with sustainable durum wheat and tomato farming, the Group's French subsidiary Panzani is implementing a program called Nature which aims to transform the farming practices of the suppliers comprising its supply chain with the aim ensuring its raw materials are free of traces of pesticides by 2025.

As for rice, the Group continued to engage with other stakeholders on the execution of projects designed to enhance environmental sustainability and preserve biodiversity in the various producer regions. The flagship projects in this effort:

→ Thailand: Sustainable Aromatic Rice Initiative - Thailand (SARI-T):

  This is a joint initiative in collaboration with Mars Food, GIZ and the Thai Rice Department aimed at improving the livelihood of 1,200 rice farmers in the Roi Et province by helping them grow Hom Mali, a high-quality fragrant rice, in a sustainable manner. The project entails numerous interventions: it educates rice farmers on the SRP standard and farming technologies, provides them with new skills and access to top quality seeds; it also promotes gender equality by involving women in food safety and quality.

  The program completed its third year producing rice in 2020.

→ Spain: Oryzonte Program - carried out in the marshlands of the Guadalquivir River in Seville together with Mars Food and Danone.

  Started up in 2018, the project seeks to make rice-growing in the province of Seville (Andalusia, Spain) more sustainable by focusing on three core aspects: water, GHG emissions and biodiversity.

  – In terms of the water aspect, the program has evaluated the scope for different practices for reducing the use of water in rice paddies in the region of Seville. More specifically, Oryzonte worked with a rice irrigation community organization to monitor salinity in different parts of the water circuit with the aim of designing specific actions to enhance water and salinity management over the coming years.

    Elsewhere, in cooperation with the sustainable farming arm of Spain's national council for scientific research, CSIC, Oryzonte has developed a water and salinity model to assess: 1) the scope for implementing practices tested in the field at the estate level; and 2) the importance of working with water user associations to improve water management in the region.

  – On the GHG management front, the project took samples and analyzed GHG emissions in the rice fields under different water management models, during both planting and fallow seasons. That work has enabled verification that the implementation of specific practices aligned with the Intergovernmental Panel on Climate Change (IPCC) Guidelines, such as alternative humidifying and drying techniques, can deliver GHG emission reductions across the Seville rice paddies. Note that the GHG emissions were measured by IRTA, the institute of food technology and research.

– Biodiversity-wise, following an initial assessment of the potential measures for enhancing biodiversity in the region, the project managers decided to install vertical structures and nests for bats and birds of prey of special interest, such as the barn owl and the kestrel. Four birds of prey tagging events were also undertaken with representatives from different conservationist organizations. The goal of those initiatives is to foster the presence of birds of prey and bats that are already represented in the region and do not harm rice crops.

→ India: in 2020, Ebro India continued to work on three farmer training and technical assistance programs which cover the process from sowing to harvesting.

– EKTA is a program for the provision of training to farmers for use in their everyday activities, teaching them about new farming practices and the optimal use of pesticides and fertilizers and helping them to reduce costs and attain higher crop yields.

– Control Farming: one of the biggest challenges in India lies with compliance with the maximum residue levels permitted in the European Union. Through the Control Farming program Ebro is working in close collaboration with Indian farmers to closely monitor the practices employed from sowing to harvesting, educating them on the correct use of pesticides and fungicides in terms of quantity, quality and timing.

– Organic Farming: we are working with around 830 farmers on the production of organic rice, both basmati and other varieties.

Note lastly, that, in order to tackle the challenges posed by climate change and stay on top of the legislation being passed in this arena, the Ebro Group is part of the Forética Climate Change Cluster (www.foretica.org). Within that cluster, a group of large enterprises is working together to lead the strategic positioning of climate change within organizational management, debate and exchange opinions and good practices, participate in the global debate and provide input for the decisions taken at the government level.

25. Non-current assets held for sale and profit/(loss) after tax from discontinued operations

As disclosed in note 5, under prevailing accounting regulations, specifically IFRS 5, the assets and liabilities of the dry pasta business in Canada has been reclassified in the consolidated statement of financial position at December 31, 2020 to 'Non-current assets held for sale' and 'Liabilities associated with non-current assets held for sale', respectively. In addition, at year-end 2020, the Group reclassified the remaining assets and liabilities of the dry pasta business in the US (other than the Garofalo business; specifically the Ronzoni trademark and the factories in Winchester and Fresno) to non-current assets held for sale, given the expectation that those assets will also be sold in 2021.

Likewise, in the consolidated statement of profit or loss for the years ended December 31, 2020 and 2019, the income and expenses of the above-listed businesses, as well as the part of the US dray pasta business that was sold in December 2020 (note 5) have been reclassified to 'Profit after tax from discontinued operations'.

Lastly, in September 2019, the Group exited the BIO Group (refer to the 2019 consolidated financial statements); accordingly, the consolidated statement of profit or loss for the year ended December 31, 2019, included the income and expenses of the BIO business, which had been reclassified to 'Profit after tax from discontinued operations':

The breakdown of the corresponding income, expenses, assets and liabilities is provided in the following tables:

DISCONTINUED OPERATIONS (000€)	12-31-20	12-31-19		
	PASTA ENA 12 MONTHS	TOTAL	PASTA ENA 12 MONTHS	BIO 9 MONTHS
Revenue	339,614	329,041	302,917	26,124
Change in inventories	0	(25)	0	(25)
Own work capitalized	0	13	0	13
Other operating income	0	47	0	47
	339,614	**329,076**	**302,917**	**26,159**
Raw materials and consumables used and other expenses	(155,890)	(161,882)	(147,632)	(14,250)
Employee benefits expense	(44,049)	(46,413)	(41,543)	(4,870)
Depreciation and amortization	(12,014)	(12,886)	(11,616)	(1,270)
External services	(68,872)	(81,823)	(77,171)	(4,652)
Other operating expenses	(9,815)	(3,756)	(3,656)	(100)
	(290,640)	**(306,760)**	**(281,618)**	**(25,142)**
OPERATING PROFIT	**48,974**	**22,316**	**21,299**	**1,017**
NET FINANCE INCOME/(COST)	**30**	**(820)**	**(503)**	**(317)**
PROFIT/(LOSS) BEFORE TAX	**49,004**	**21,496**	**20,796**	**700**
Income tax	(11,738)	(5,285)	(4,850)	(435)
PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	**37,266**	**16,211**	**15,946**	**265**
Pre-tax gain on the sale of the business	54,762	16,557	n/a	16,557
Income tax effect of the gain generated by the sale	(26,219)	(779)	n/a	(779)
TOTAL PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	**65,809**	**31,989**	**15,946**	**16,043**

NORTH AMERICAN PASTA BUSINESS (000€)	12-31-20		
	ASSETS	LIABILITIES	
NON-CURRENT ASSETS	**123,437**	**16,078**	**NON-CURRENT LIABILITIES**
Intangible assets	49,586	1,068	Provisions for pensions and similar obligations
Property, plant and equipment	36,435	28	Financial liabilities
Deferred tax assets	608	14,982	Deferred tax liabilities
Goodwill	36,808		
CURRENT ASSETS	**18,537**	**1,395**	**CURRENT LIABILITIES**
Inventories	18,537	85	Financial liabilities
Other current assets	0	1,310	Other current liabilities
	141,974	**17,473**	

26. Fees paid to auditors

External services in the consolidated statement of profit or loss include the fees paid to the auditors of the consolidated financial statements. The fees paid for account auditing and other services to the Company's auditor, Ernst & Young, S.L., and entities related to the latter by means of control, joint ownership or joint management, in 2020 and 2019 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2020 amounted to 2,205 (2019: 2,001) thousand euros; those corresponding to other assurance services amounted to 88 (2017: 108) thousand euros.
- The fees for tax advisory and and/other services totaled 187 (2018: 245) thousand euros.

27. Other disclosures

DISCLOSURES REQUIRED UNDER ARTICLE 42 BIS OF REGULATION 1065/2007 OF JULY 27, 2017

For the purposes of compliance with the obligation stipulated in article 42 bis of Regulation 1065/2007, of July 27, 2007, enacting the general regulations governing tax management and inspections and establishing common procedural rules in respect of tax matters, and in keeping with the terms of article 4.b of the said article, there follows a list of the accounts with foreign financial institutions held by non-resident subsidiaries:

Disclosures for Ebro Foods, S.A.:

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2020 (EUROS)	AVERAGE BALANCE 4Q20 (EUROS)	% INTEREST	CURRENCY
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Rome	Italy	apr.-13	247,704.84	1,453,762.18	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	aug.-06	16,772.65	16,772.65	100%	USD
Ebro Riviana Guatemala SL	Other	INDLGTGCXXX	0011100015	Banco Industrial Guatemala	Guatemala City	Guatemala	aug.	349.61	350.42	100%	GTQ
	Other	INDLGTGCXXX	0000683771	Banco Industrial Guatemala	Guatemala City	Guatemala	aug.-06	5,393.46	7,887.85	100%	USD
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	aug.-11	270,057.17	279,377.17	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	aug.-11	23,733.00	23,733.00	100%	USD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2020 (EUROS)	AVERAGE BALANCE 4Q20 (EUROS)	% INTEREST	CURRENCY
Mundiriz	Other	BMCEMAMCXXX	011735000001210006070 9.11	BMCE Bank	Larache	Morocco	2001	15,632,650.80	12,129,585.14	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	459,343.81	203,942.71	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	1,244.43	1,244.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	450,209.23	340,302.69	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	mar.-18	1,313,859.08	1,522,966.78	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	01173500000121000068 19.79	BMCE Bank	Larache	Morocco	2007	129,674.12	1,926,903.16	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	011735000001210006072 8.51	BMCE Bank	Larache	Morocco	2002	180,259.20	194,382.75	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	febr.-17	744,611.13	771,029.96	100%	MAD
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	oct.-12	1,437.30	6,492.69	100%	EGP
	IBAN	CITIEGCX	EG460043000200000000101445119	CITIBANK	Cairo	Egypt	oct.-12	0.00	0.00	100%	EUR
	IBAN	CITIEGCX	EG740043000200000000101445003	CITIBANK	Cairo	Egypt	oct.-12	0.00	0.00	100%	USD
	IBAN	BCBIEGCX	EG940034001200000000010006217	Attijariwafa Bank Egypt	Cairo	Egypt	oct.-12	848.86	1,588.86	100%	EGP

Disclosures for other Group companies:

Refer to the Appendix following note 28.

AVERAGE PAYMENT PERIOD

As required under the Spanish Corporate Enterprises Act, it is hereby noted that the average payment period of the companies domiciled in Spain was 23 days in 2020 and 2019. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

	2020	2019
Days		
Average supplier payment term	23.0	30.2
Paid transactions ratio	22.5	29.9
Outstanding transactions ratio	35.5	39.2
Amount (000€)		
Total payments made	369,824	313,733
Total payments outstanding	15,090	13,923

28. Events after the reporting period

There have been no significant events or developments between the end of the reporting period and the date of authorizing the accompanying financial statements for issue. The only development worth noting, as already disclosed in note 5, relates to the sale of the dry pasta business in Canada, which closed on January 29, 2021, once the various closing conditions had been met. The agreed sale price has therefore been collected and the business delivered to the buyer.

In addition, on March 24, 2021, the Board of Directors approved an offer from a third party for the sale of the Ronzoni brand and the Ronzoni Winchester dry pulp plant in the United States (non-current assets held for sale) as of December 31, 2020 of the discontinued sale as of December 31, 2020 of the discontinued dry pasta business - see Note 25). The price of these assets, for the purposes of the potential transaction, has been set at USD 95 million U.S. dollars (subject to any working capital adjustment). The signing of the agreement with the potential buyer is expected to take place in the next few days. The closing of the transaction would generate a net capital gain (after tax) in the Consolidated Financial Statements accounts of the Ebro Group for the year 2021, which is estimated at 25 million euros. The execution of the transaction would be subject to certain closing conditions and other formalities customary in this type of transaction.

No other significant subsequent events have occurred.

APPENDIX: DISCLOSURES REQUIRED UNDER ARTICLE 42 BIS OF REGULATION 1065/2007 OF JULY 27, 2017

(extension of note 27)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Herba Ricemills, S.L.U.	IBAN	CITIGB2L	GB42 CITI 1850 0811 2932 65	CITIBANK NA	London	United Kingdom	12-5-06	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB20 CITI 1850 0811 2932 73	CITIBANK NA	London	United Kingdom	12-5-06	0.00	0.00	100%	USD
Herba Foods	IBAN	CITIGB2L	GB26 CITI 1850 0811 2301 15	CITIBANK NA	London	United Kingdom	18-5-06	710,400.49	775,781.93	100%	GBP
	IBAN	CITIGB2L	GB04 CITI 1850 0811 2301 23	CITIBANK NA	London	United Kingdom	18-5-06	34,779.28	38,890.64	100%	USD
	IBAN	CITIGB2L	GB48 CITI 1850 0811 2301 07	CITIBANK NA	London	United Kingdom	18-5-06	(320,611.73)	(348,491.01)	100%	EUR
Agromeruan	IBAN	BMCEMAMC	0117350000012100006819.79	BMCE	Larache	Morocco	2007	129,674.12	1,926,903.16	100%	MAD
Anglo Australian Rice LTD	IBAN	BARCGB22	GB93BARC20510130115193	BARCLAYS BANK	Liverpool	United Kingdom	1-11-86	14,225.00	14,225.00	100%	GBP
	IBAN	BARCGB22	GB54BARC20510159121999	BARCLAYS BANK	Liverpool	United Kingdom	1-8-01	0.00	0.00	100%	EUR
Arrozeiras Mundiarroz, S.A.	IBAN	CITIPTPX	PT50016900010003181600936	CITIBANK Internacional, plc	Lisbon	Portugal	24-7-06	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500811257226	CITIBANK NA	London	United Kingdom	26-7-06	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB40CITI18500811247905	CITIBANK NA	London	United Kingdom	26-7-06	0.00	0.00	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754000839	NovoBanco (ex-Banco Espírito Santo)	Coruche	Portugal	14-2-94	158,378.73	64,825.88	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754110158	NovoBanco (ex-Banco Espírito Santo)	Coruche	Portugal	15-12-97	0.00	0.00	100%	USD
	IBAN	BBVAPTPL	PT50001900000020004690004	Banco Bilbao Vizcaya Argentaria (Portugal)	Lisbon	Portugal	18-2-92	172.66	211.66	100%	EUR
	IBAN	BBVAPTPL	PT50001900000024000185188	Banco Bilbao Vizcaya Argentaria (Portugal)	Lisbon	Portugal	8-2-94	0.00	0.00	100%	USD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Bertolini Import und Export, GMBH	IBAN	COBADEFF	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	1-1-13	478,542.40	180,005.72	100%	EUR
Boost Nutrition, C.V.	IBAN	CITIBEBX	BE53570128815553	CITIBANK NA	Brussels	Belgium	15-6-06	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB72CITI18500811229966	CITIBANK NA	London	UK	14-6-06	0.00	0.00	100%	USD
	IBAN	GKCCBEBB	BE73552273580060	Belfius bank	Antwerp	Belgium	2-5-96	544,860.88	305,839.88	100%	EUR
	IBAN	GKCCBEBB	BE73552273580060 USD	Belfius bank	Antwerp	Belgium	2-5-96	0.00	0.00	100%	USD
Ebro Foods GMBH (formerly Birkel Teigwaren, GMBH)	IBAN	COBADEFF	DE05200400000623709300	Commerzbank	Hamburg	Germany	1-7-11	65,678.25	196,542.01	100%	EUR
Ebro Rice Handling, BVBA	IBAN	CITIBEBX	BE75570130425551	CITIBANK NA	Brussels	Belgium	14-4-08	0.00	0.00	100%	EUR
EF Alimentación, S de RL de CV	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	Aug 7, 2011	11,060.66	11,399.38	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	Aug 7, 2011	19,340.72	19,340.72	100%	USD
Ebrofrost Denmark A/S (antigua Danrice)	IBAN	CITIGB2L	GB79CITI18500811230034	CITIBANK NA	London	United Kingdom	26-7-06	(5,615,701.88)	(1,957,541.00)	100%	EUR
	IBAN	CITIGB2L	GB79CITI18500813428915	CITIBANK NA	London	United Kingdom	23-4-13	108,830.63	53,629.51	100%	USD
	IBAN	JYBADKKK	DK5650600001063204	Jyske Bank A/S	Odense	Denmark	1-1-14	(2,875,738.90)	1,000,000.00	100%	DKK
	IBAN	JYBADKKK	DK3450600001063212	Jyske Bank A/S	Odense	Denmark	1-1-14	273,221.20	68,305.30	100%	EUR
Ebrofrost Germany, GmBH (antigua Keck Spezialitäten)	IBAN	BYLADEM1GZK	DE83720518400000161315	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	June 1, 2013	1,575,635.20	1,354,669.92	100%	EUR
Ebrofrost Holding GmbH	IBAN	BYLADEM1GZK	DE49720518400040319345	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	1-6-13	409,644.93	398,888.10	100%	EUR
Ebrofrost UK Limited	IBAN	BYLADEM1GZK	DE28720518400005600028	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	17-6-15	184.52	184.52	100%	GBP
	IBAN	BYLADEM1GZK	DE27720518400040428187	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	16-10-15	85,461.23	179,446.42	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Ebro India Private Limited	IBAN	HDFCINBB	50200001041939	HDFC Bank LTd	TARAORI	India	24-5-13	240,294.83	243,133.93	100%	INR
	IBAN	CITIINBX	521059001	Citibank	New Delhi	India	18-9-13	37,319.21	37,951.05	100%	INR
	IBAN	CITIINBX	521059028	Citibank	New Delhi	India	18-9-13	(4,015,168.41)	(1,338,389.47)	100%	USD
	IBAN	BOFA0ND6216	24871013	Bank of America	New Delhi	India	24-8-14	137,383.56	138,915.56	100%	INR
	IBAN	BOFA0ND6216	Loan	Bank of America	New Delhi	India	24-8-14	(3,732,710.74)	(1,016.93)	100%	USD
	Other	BOFA0ND6216	Loan	Bank of America	New Delhi	India	6-5-17	(1,003,792.10)	(334,597.37)	100%	USD
	IBAN	BNPAINBBDEL	0906511493200162	BNP PARIBAS	New Delhi	India	28-10-15	90,332.62	90,411.76	100%	INR
	IBAN	BNPAINBBDEL	refer PCFC Loan Sheet	BNP PARIBAS	New Delhi	India	28-10-15	(531,360.91)	(1,129.93)	100%	INR
	IBAN	BNPAINBBDEL	refer PCFC Loan Sheet	BNP PARIBAS	New Delhi	India	28-10-15	(489,131.65)	(1,129.93)	100%	INR
	IBAN	INDB0000073	259996544504	IndusInd Bank	Karnal	India	14-3-17	22,513.59	22,559.45	100%	INR
	IBAN	UCBA0002323	23230210001110	UCO Bank	Karnal	India	6-5-17	20,999.56	21,042.39	100%	INR
	IBAN	HSBC0110005	054708284001	HSBC	New Delhi	India	20-11-18	761,318.17	761,647.27	100%	INR
	Other	HSBC0110005	Loan	HSBC	New Delhi	India	20-11-18	(66,431.26)	0.00	100%	INR
	Other	HSBC0110005	Loan	HSBC	New Delhi	India	20-11-18	(11,101,124.72)	0.00	100%	USD
	Other	CRLY0000002	02006017100000	Credit Agricole	New Delhi	India	21-12-19	88,874.64	89,029.91	100%	USD
	Other	CHASOINBX02	5622411725	JP Morgan	New Delhi	India	26-6-20	2,371,959.64	2,372,192.56	100%	INR
	Other	MHCBINBBXXX	Refer WCDL Sheet	Mizuho	New Delhi	India	16-10-20	(1,672,986.84)	(557,662.28)	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	2-1-20	(535,386.37)	(790.95)	200%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	10-12-20	(270,911.02)	(790.95)	300%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	2-11-20	(4,362,727.40)	(790.95)	400%	INR
	Other	CHASOINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	23-7-20	(5,569,722.51)	(602.63)	500%	INR
	Other	CHASOINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	29-7-20	(4,496,433.65)	(602.63)	600%	INR
	Other	CHASOINBX02	Refer WCDL Sheet	JP Morgan	New Delhi	India	26-11-20	(557,662.28)	(185,887.43)	700%	INR
Ebrosur, SRL	CBU	BSCHARBA	034753/2	Banco Santander Rio SA	Buenos Aires	Argentina	15-6-16	(35,469.01)	(41,265.43)	100%	ARG
	CBU	BSCHARBA	034754/9	Banco Santander Rio SA	Buenos aires	Argentina	15-6-16	(392.62)	(392.62)	100%	USD
Euryza GMBH	IBAN	COBADEHHXXX	DE04200400000621702000	Commerzbank AG	Hamburg	Germany	2000	(172,001.32)	(46,167.53)	100%	EUR
	IBAN	CITIDEFFXXX	DE83502109000214587009	Citigroup	Frankfurt	Germany	1-2-07	0.00	0.00	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Euro Rice Flour, B.V.	IBAN	ABNANL2A	NL15ABNA0240369394	ABN AMRO Bank NV	Amsterdam	Netherlands	11-3-10	93,220.08	3,433.,67	100%	EUR
Fentus 61 GmbH	IBAN	COBADEFFXXX	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	1-2-17	9,140.58	10,098.30	100%	EUR
Herba Bangkok, S.L.	Other	CITITHBX	5-126385-015	CITIBANK NA	Bangkok	Thailand	11-6-08	6,924,532.18	3,019,530.60	100%	THB
	Other	CITITHBX	0-126385-005	CITIBANK NA	Bangkok	Thailand	11-6-08	0.00	0.00	100%	THB
	Other	CITITHBX	5-126385-104	CITIBANK NA	Bangkok	Thailand	25-9-15	359,636.32	748,106.19	100%	USD
	Other	CITITHBX	N/A	CITIBANK NA	Bangkok	Thailand	11-6-08	329,000,000.00	233,000,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83	BNP Paribas Bank	Bangkok	Thailand	2-10-06	285,787.92	95,536.00	100%	THB
	Other	BNPATHBK	00010 000632 000 09	BNP Paribas Bank	Bangkok	Thailand	2-10-06	50,000.00	50,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83 USD	BNP Paribas Bank	Bangkok	Thailand	25-6-13	0.00	0.00	100%	USD
	Other	BNPATHBK	N/A	BNP Paribas Bank	Bangkok	Thailand	2-10-06	0.00	0.00	100%	THB
	Other	BOFATH2X	33243 017	Bank of America	Bangkok	Thailand	3-8-16	118,737.87	440,600.89	100%	THB
	Other	BOFATH2X	33243 025 USD	Bank of America	Bangkok	Thailand	3-8-16	232,990.69	1,088,988.44	100%	USD
	Other	BOFATH2X	N/A	Bank of America	Bangkok	Thailand	3-8-16	15,000,000.00	73,000,000.00	100%	THB
	Other	KRTHTHBK	092-0-03203-6	Krungthai Bank PCL.	MEA Ploenchit	Thailand	25-8-06	1,077,901.38	718,133.12	100%	THB
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	2-10-12	1,437.30	6,492.69	100%	EGP
	IBAN	CITIEGCX	EG460043000200000000101445119	CITIBANK	Cairo	Egypt	2-10-12	0.00	0.00	100%	EUR
	IBAN	CITIEGCX	EG740043000200000000101445003	CITIBANK	Cairo	Egypt	2-10-12	0.00	0.00	100%	USD
	IBAN	BCBIEGCX	EG940034001200000000010006217	Attijariwafa Bank Egypt	Cairo	Egypt	31-12-06	848.86	1,588.86	100%	EGP
Herba Cambodia Co, Ltd	Other	ABAAKHPP	000206556	Advanced Bank of Asia Ltd	Phnom Penh	Cambodia	11-7-16	115,011.68	134,681.19	100%	USD
	Other	ABAAKHPP	000373587	Advanced Bank of Asia Ltd	Phnom Penh	Cambodia	2-2-18	2,001,231.07	2,031,115.24	100%	KMR
Herba Germany GMBH	IBAN	COBADEHHXXX	DE96200400000622005700	Commerzbank AG	Hamburg	Germany	2005	(20.97)	(8.19)	100%	EUR
	IBAN	CITIDEFFXXX	DE60502109000214588005	Citigroup	Frankfurt	Germany	14-6-06	0.00	0.00	100%	EUR

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Herba Ingredients Belgium B, BV	IBAN	KREDBEBB	BE29735042745864	KBC Bank NV	Brussels	Belgium	6-4-16	3,342,304.74	135,032.98	100%	EUR
Herba Ingredients Belgium C, BV	IBAN	KREDBEBB	BE11 7380 1830 6548	KBC Bank NV	Brussels	Belgium	30-6-06	2,329,383.81	109,247.72	100%	EUR
Herba Ingredients Belgium F, BV	IBAN	KREDBEBB	BE55736064832844	KBC Bank NV	Brussels	Belgium	2-12-19	125,430.44	64,768.65	100%	EUR
Herba Ingredients, B.V.	IBAN	CITINL2X	NL08CITI0266059171	CITIBANK NA	Amsterdam	Netherlands	10-1-13	(46,595.18)	(222,011.71)	100%	EUR
	IBAN	CITIGB2L	GB84CITI18500813594416	CITIBANK NA	London	United Kingdom	10-1-13	0.00	(1,299.78)	100%	USD
	IBAN	CITIGB2L	GB82CITI18500810232335	CITIBANK NA	London	United Kingdom	13-12-18	0.00	3,801.27	100%	GBP
	IBAN	KREDBEBB	BE19731041645812	KBC Bank NV	Brussels	Belgium	22-1-16	26,404.01	16,375.77	100%	EUR
Herba Ingredients SC, BV	IBAN	KREDBEBB	BE56 7380 0432 3188	KBC Bank NV	Brussels	Belgium	19-10-01	333,344.38	64,000.24	100%	EUR
Herba Ingredients Netherlands, BV	IBAN	CITINL2X	NL45CITI0266065295	Citibank	Amsterdam	Netherlands	14-2-12	0.00	(4,564.51)	100%	EUR
Herba Ricemills Rom, SRL	IBAN	CITIROBU	RO63CITI0000000724691005	CITIBANK Citibank Europe plc, Dublin - Romania Branch	Bucharest	Ireland, Romania Branch	17-7-07	392,961.85	408,805.77	100%	RON
	IBAN	CITIROBU	RO41CITI0000000724691013	CITIBANK Citibank Europe plc, Dublin - Romania Branch	Bucharest	Ireland, Romania Branch	17-7-07	15,638.51	172,836.41	100%	EUR
International Pulse Ingredients Company, BV	IBAN	ABNANL2A	NL37ABNA0240369386	ABN AMRO Bank NV	Amsterdam	Netherlands	11-3-10	19,771.67	3,206.71	100%	EUR
Joseph Heap Property	IBAN	BARCGB22	GB52BARC20510170619930	BARCLAYS BANK	Liverpool	United Kingdom	1-2-04	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB41BARC20510170416428	BARCLAYS BANK	Liverpool	United Kingdom	1-11-86	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB70BARC20510187433877	BARCLAYS BANK	Liverpool	United Kingdom	1-5-00	0.00	0.00	100%	EUR
Katania Magrheb, SARL	IBAN	CNCAMAMR	011 735000001210001356226	BMCE	Larache	Morocco	10-2-17	744,611.13	771,029.96	100%	MAD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
La Loma Alimentos, S.A.	CBU	SCBLUS33XXX	000 - 000336637	Banco Santander Rio SA	Buenos Aires	Argentina	23-07-2013	36.55	134.38	100%	ARG
	CBU	BSCHARBA	000-00035161/0	Banco Santander Rio SA	Buenos Aires	Argentina	20-01-2017	546.08	630.43	100%	ARG
	CBU	BSCHARBA	000-036430/6	Banco Santander Rio SA	Buenos Aires	Argentina	03-05-2018	0.00	0.00	100%	USD
	CBU	BSCHARBA	000-036429/0	Banco Santander Rio SA	Buenos Aires	Argentina	3-5-18	0.00	0.00	100%	USD
	CBU	BERAARBAXXX	42006614643	Nuevo Banco de Entre Ríos	Entre Rios	Argentina	22-05-2002	24,227.12	18,991.16	100%	ARG
	CBU	BFRPARBAXXX	068-000848/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-18	1,410.02	1,462.75	100%	USD
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-18	67,029.94	67,521.81	100%	ARG
	CBU	BFRPARBAXXX	068/314545/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-18	1.83	1.96	100%	ARG
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S.A. - securities account	Concordia	Argentina	24-10-18	87,747.32	110,301.58	100%	ARG
	IBAN	BBVAESMM	ES3801826204582012463035	BANCO FRANCES Cta ESPAÑA	Seville (SUC 6204)	Spain	13-11-19	414,812.92	307,411.79	100%	USD
	COMITENTE	N/A	20339	Fondo Comun de Inversion QUINQUELA PESOS CLASE B	Comision Nacional de Valores	Argentina	27-11-20	58,711.22	97,703.06	100%	ARG
	PREFUNDING	BBVAESMM	ES3801826204582012463035	BBVA Banco Francés S. A.	Buenos Aires	Argentina	13-11-19	(3,154,888.65)	(3,081,193.24)	100%	USD
Lassie Nederland, BV	IBAN	CITINL2X	NL37CITI0266064566	Citibank	Amsterdam	Netherlands	18-1-12	(2,641.10)	(2,641.10)	100%	EUR
	IBAN	CITIGB2L	GB83CITI18500814059840	Citibank	London	United Kingdom	31-12-14	0.00	0.00	100%	USD
	IBAN	RABONL2U	NL25RABO0310990335	Rabobank	Utrecht	Netherlands	11-7-16	423.30	435.47	100%	USD
Mediterranean Food Labels, BV	IBAN	CITINL2X	NL59CITI0266064558	Citibank	Amsterdam	Netherlands	17-1-12	0.00	0.00	100%	EUR

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Mundi Riso, S.R.L.	IBAN	CITIITMX	IT12D0356601600000122474011	CITIBANK NA	Milan	Italy	27-6-06	0.00	(198.39)	100%	EUR
	IBAN	CITIGB2L	GB22CITI18500811257250	CITIBANK NA	London	United Kingdom	14-6-06	0.00	0.00	100%	USD
	IBAN	BAPPIT21I87	IT32Q0503410000000000005783	BANCA POPOLAE DI NOVARA	Vercelli	Italy	27-3-96	25,899.32	140,876.12	100%	EUR
	IBAN	BAPPIT21I87	IT76U0503410000USD100003375	BANCO BPM S.P.A.	Vercelli	Italy	26-1-17	437.89	451.80	100%	USD
Mundi Riz, S.A.	IBAN	BMCEMAMC	0117350000012100060709.11	BMCE	Larache	Morocco	2001	15,632,650.80	12,129,585.14	100%	MAD
	IBAN	BCMAMAMC	007.735.0004359000000131.93	AWB	Larache	Morocco	2002	459,343.81	203,942.71	100%	MAD
	IBAN	BMCEMAMC	011 735 0000 01 66600 60709 27	BMCE	Larache	Morocco	2009	1,244.43	1,244.43	100%	MAD
	IBAN	BMCEMAMC	011 735 000 501 66500 12519 30	BMCE	Larache	Morocco	2015	450,209.23	340,302.69	100%	EUR
	IBAN	CDMAMAMC	021 735 0000 080 030 167465 07	CDM	Larache	Morocco	1-3-18	1,313,859.08	1,522,966.78	100%	MAD
Neofarms Bio, S.A.	CBU	BFRPARBAXXX	0170068826000000084796	BBVA Banco Francés S. A.	Concordia	Argentina	Oct. 24, 2018	23.25	24.12	60%	USD
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S. A.	Concordia	Argentina	Oct. 24, 2018	9,474.97	47,192.55	60%	ARG
	CBU	BFRPARBAXXX	0170068820000031454250	BBVA Banco Francés S. A.	Concordia	Argentina	Oct. 24, 2018	3.91	4.20	60%	ARG
	CBU	BFRPARBAXXX	0170068821000000000296	BBVA Banco Francés S. A.	Concordia	Argentina	14-1-19	1,329.21	1,342.88	60%	EUROS
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S.A. - securities account	Concordia	Argentina	Oct. 24, 2018	61,024.52	84,100.06	60%	ARG
	IBAN	BBVAESMM	ES5701826204542012468030	BANCO FRANCES Cta ESPAÑA	Seville (SUC 6204)	Spain	24-3-20	251,833.59	146,382.25	60%	USD
	PREFUNDING	BBVAESMM	ES5701826204542012468030	BBVA Banco Francés S. A.	Concordia	Argentina	24-3-20	(2,062,179.82)	(2,064,768.40)	60%	USD
N&C Boost, NV	IBAN	GKCCBEBB	BE49552273940071	Belfius bank	Antwerp	Belgium	2-5-96	1,286,467.33	1,099,732.23	100%	EUR
	IBAN	GKCCBEBB	BE12055950094292	Belfius bank	Antwerp	Belgium	2-5-96	0.00	0.00	100%	EUR
Reiskontor Handels, GMBH	IBAN	COBADEHHXXX	DE04200400000621701200	Commerzbank AG	Hamburg	Germany	2001	24,930.35	23,893.72	100%	EUR

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Rice&Cereals Consultancy, BV	IBAN	KREDBEBB	BE28 7381 0728 1820	KBC	Sint Kruis	Belgium		70,014.49	58,625.77	100%	EUR
Riceland Magyarorszag	IBAN	CITIHUHX	HU96 10800007 54873009 00000000	Citibank	Budapest	Hungary	13-4-06	8,366.23	85,869.80	100%	HUF
	IBAN	CITIHUHX	HU19 10800007 74873025 00000000	Citibank	Budapest	Hungary	26-4-06	1,369.38	1,369.38	100%	HUF
	IBAN	CITIHUHX	HU09 10800007 64873017 00000000	Citibank	Budapest	Hungary	13-4-06	0.00	0.00	100%	EUR
Risella OY	IBAN	CITIFIHX	FI9571307001700049	Citibank Int. Plc Finland Branch	Helsinki	Finland	23-5-06	0.00	0.00	100%	EUR
Rivera del Arroz, S.A.	IBAN	BMCEMAMC	011735000001210006072851	BMCE	Larache	Morocco	2002	180,259.20	194,382.75	100%	MAD
SBS Commodities, BV	IBAN	ABNANL2A	NL34ABNA0240369440	ABN AMRO Bank NV	Amsterdam	Netherlands	11-3-10	21,586.22	1,615.52	100%	EUR
Suntra Rice BV	IBAN	ABNANL2A	NL56ABNA0240369432	ABN AMRO Bank NV	Amsterdam	The Netherlands	11-3-10	21,489.82	1,775.65	100%	EUR
S&B Herba Foods, Ltd.	IBAN	CITIGB2L	GB04CITI18500811230026	CITIBANK NA	London	United Kingdom	6-2-06	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB06CITI18500811229990	CITIBANK NA	London	United Kingdom	6-6-12	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB18CITI18500811247913	CITIBANK NA	London	United Kingdom	6-2-06	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB66BARC20000020118044	BARCLAYS BANK	London	United Kingdom	1-4-92	209,997.00	107,027.00	100%	GBP
	IBAN	BARCGB22	GB42BARC20000085332255	BARCLAYS BANK	London	United Kingdom	1-10-98	54,476.00	18,159.00	100%	EUR
	IBAN	BARCGB22	GB85BARC20000055842899	BARCLAYS BANK	London	United Kingdom	1-12-92	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB19BARC20000086447199	BARCLAYS BANK	London	United Kingdom	1-4-92	0.00	0.00	100%	USD
TAG Nahrungsmittel, GMBH	IBAN	COBADEFFXXX	DE12200400000623705100	Commerzbank	Hamburg	Germany	1-8-11	866.17	4,012.41	100%	EUR
TBA Suntra Beheer B.V.	IBAN	ABNANL2A	NL25ABNA0240369408	ABN AMRO Bank NV	Amsterdam	Netherlands	11-3-10	1,341.57	1,814.80	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC, 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
TBA Suntra B.V.	IBAN	ABNANL2A	NL59ABNA0240369378	ABN AMRO Bank NV	Amsterdam	Netherlands	11-3-10	13,178.80	8,008.66	100%	EUR
	IBAN	ABNANL2A	NL11ABNA0242125360	ABN AMRO Bank NV	Amsterdam	Netherlands	1-4-11	4,685.71	4,837.33	100%	USD
	IBAN	CITINL2X	NL62CITI0266064698	CITIBANK NA	Amsterdam	Netherlands	21-2-12	0.00	(2,416,84)	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500813090817	CITIBANK NA	London	United Kingdom	21-2-12	0.00	0.00	100%	USD
	IBAN	KREDBEBB	BE09 7381 0728 5557	KBC Bank NV	Brussels	Belgium	11-10-99	0.00	0.00	100%	EUR
Transimpex Warenhandelsgesell-Schaft, GmbH	IBAN	COBADEFFXXX	DE70 5454 0033 0703 0075 00	Commerzbank AG	Ludwigshafen	Germany	1-10-17	768,755.81	616,540.39	100%	EUR
	IBAN	SOLDAES1HDB	DE47 6725 0020 0009 1217 22	Sparkasse	Heidelberg	Germany	1-7-08	456,237.90	307,153.29	100%	EUR
	IBAN	COBADEFF545	DE14 5454 0033 0209 9901 00	Comerzbank AG	Ludwigshafen	Germany	1-3-06	163,570.02	267,216.26	100%	EUR
	IBAN	GENODE61MA2	DE11 6709 0000 0015 1800 05	VR Bank Rhein-Neckar eG	Mannheim	Germany	1-3-96	6,114.19	24,380.62	100%	EUR
	IBAN	HYVEDEMM489	DE40 6702 0190 0007 0683 28	Hypo Vereinsbank	Mannheim	Germany	1-6-99	1,565,227.64	1,036,678.96	100%	EUR
	IBAN	HYVEDEMMXXX	DE03 7002 0270 0874 3304 42	Hypo Vereinsbank	Mannheim	Germany	1-10-99	736,233.46	465,033.28	100%	USD
	IBAN	HYVEDEMM489	DE05 6702 0190 0023 0897 69	Hypo Vereinsbank	Mannheim	Germany	1-10-14	(41.88)	1,869.53	100%	USD
Vogan, LTD	IBAN	BARCGB22	GB23BARC20748190929786	BARCLAYS BANK	Sandy	United Kingdom	1-6-87	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB87BARC20748172495433	BARCLAYS BANK	St Neots	United Kingdom	1-1-01	0.00	0.00	100%	EUR

MANAGEMENT INFORMATION AND BUSINESS PERFORMANCE

1. Company situation

ORGANIZATIONAL STRUCTURE AND BUSINESS MODEL

The Ebro Foods Group ("Ebro Foods", the "Group" or the "Ebro Group") is Spain's largest food group, the world's largest rice producer and its second-biggest producer of dry and fresh pasta. Through its network of 30 subsidiaries, it has a commanding presence in the main rice and pasta markets in Europe, North America and Southeast Asia, as well as a growing presence in other countries.

The Ebro Group's core mission is to research, create, produce and market value-adding food products that, in addition to satisfying its customers' nutritional needs, enhance their well-being and health, all of which framed by a transparent, efficient and sustainable business model.

The Group's model is multi-company, multi-country and multi-brand. Its culture is accordingly characterized by decentralization, giving each subsidiary autonomy in certain managerial areas such as sales and marketing, logistics, procurement, human resources and environmental management; each company's business focus is nuanced by country specifics in terms of idiosyncratic customs, culture, legislative context, etc. At the helm is the Parent, Ebro Foods, S.A., which is endowed with a light and dynamic structure and tasked with defining overall Group structure and management guidelines. Decision-making is spearheaded by the Parent's Board of Directors.

The Ebro Foods Group structures its management around business areas that combine business activities and their geographic location. The core business areas are:

a. **Rice business:** the production and distribution of rice and its culinary derivatives and accompaniments. It consists of industrial and branding activities; the Group pursues a multi-brand model. Its geographic footprint extends to Europe, the Mediterranean basin, the Southern Cone and Southeast Asia (via the Herba Group companies) and North and Central America, the Caribbean and Middle East (via the Riviana Group).
b. **Pasta business:** the production and marketing of dry and fresh pasta, sauces, semolina products, their culinary derivatives and accompaniments, carried out primarily by the Panzani Group (France, French-speaking markets and Italy, through the fresh pasta specialist, Bertagni) and the Garofalo Group (Italy and the rest of world).
c. **Health and organic food:** the activities carried out in the bio and organic health food areas.

As noted above, decision-making is spearheaded by the Board of Directors of the Group Parent (Ebro Foods, S.A.), which is ultimately responsible for defining the Group's general strategy and management guidelines. The Board of Directors delegates certain tasks in its Executive Committee, including, notably, oversight of delivery of the strategic and corporate development guidelines.

The Management Committee (on which the heads of the various business areas sit) is tasked with monitoring and preparing the managerial decisions taken by the various business areas. The Annual Corporate Governance Report contains detailed information about the Group's governance structure.

Production of the products sold by the Group relies heavily on the use of rice and durum wheat, although new grains such as pulses, quinoa and other 'ancient grains' are gradually being added to the mix.

Rice is the most widely-consumed grain in the world; however, as some of the world's largest producers consume more of this grain than they produce (China, Philippines and Indonesia), the global rice trade is smaller than that of other grains and cereals. The sources of the rice sold by Ebro vary depending on the type of grain and quality/abundance of rice harvests. Supply sources can be grouped into three major regions which produce different varieties of rice: the US, southern Europe and South East Asia; these sources have been boosted by the addition to the Group of La Loma Alimentos, S.A. in Argentina, an acquisition designed to reduce seasonality in the procurement of certain varieties and generate a significant source of organic rice.

Pasta is produced from a type of wheat that is high in protein called durum wheat. Durum wheat is produced in a far smaller geographic expanse and has a much smaller market than other varieties of wheat, essentially those used to make flour. Ebro mainly sources its durum wheat in the US, Canada and southern Europe (France, Spain and Italy).

It purchases this raw material from farmers, cooperatives and milling companies. Then at the Group's facilities it is milled and/or transformed as necessary. The productive processes differ depending on the product's end use and range from cleaning, milling, polishing and basic extrusion to more complex processes such as pre-cooking, cooking and freezing.

The Group's direct customers are: (i) the leading food retailers; (ii) the major food multinationals (which use our products as the basis for their prepared products); and (iii) a plethora of hospitality businesses. Despite the fact that they are not usually direct customers, consumers nevertheless play a prominent role in how the Group positions its business.

The Ebro Group operates a portfolio of more than 64 brands which it sells in 81 countries. It has a manufacturing and sales presence in 15 of those markets. In the remaining 66 it has a sales presence only. Its manufacturing operations encompass a total of 83 facilities, including factories, offices and warehouses.

LIST OF COUNTRIES WITH A SALES AND MANUFACTURING PRESENCE				
Germany	Canada	US	India	Portugal
Belgium	Denmark	France	Italy	UK
Cambodia	Spain	Netherlands	Morocco	Thailand

LIST OF COUNTRIES WITH A SALES PRESENCE ONLY				
Angola	Ivory Coast	Reunion Island	Mozambique	South Africa
Saudi Arabia	Curacao	Iceland	Nigeria	Sweden
Algeria	United Arab Emirates	Israel	Oman	Switzerland
Austria	Slovakia	Jamaica	Panama	Taiwan
Bahamas	Estonia	Japan	Peru	Trinidad and Tobago
Bahrain	Finland	Jordan	Poland	Tunisia
Barbados	Gabon	Kuwait	Qatar	Turkey
Belize	Ghana	Lebanon	Republic of Congo	Ukraine
Benín	Greece	Libya	Czech Republic	Yemen
Brazil	Guinea	Lithuania	Romania	Djibouti
Cambodia	Haiti	Madagascar	Russia	
Chile	Hungary	Mauritius	Saint Martin	
Colombia	Indonesia	Mauritania	Saint Lucia	
South Korea	Ireland	Mexico	Senegal	

Note 6 of the consolidated financial statements (Segment reporting) overviews the key activities, brands and market shares of each business area.

STRATEGY AND VALUE CREATION

The Group's strategic objective is to be a benchmark player in the rice, pasta and healthy grains markets and in other cross-cutting segments of relevance to all areas defined as 'meal solutions'. Framed by this strategy, the Group's strategic objectives include:

- Building strong positioning in its core markets, keeping the door open to the introduction of related products.
- Cementing its position as a benchmark business group across its various businesses, leading the markets in which the Group identifies potential.
- Spearheading innovation in the geographies in which it is present.
- Positioning the Group as a responsible firm committed to social well-being, environmental equilibrium and economic progress.

In order to execute and fine-tune its strategy, the Group is pursuing a series of general lines of initiative and leveraging growth drivers in order to add value to the business and further the organization's commitment to sustainable development.

Governing principles

- Fostering ethical management based on good governance practices and fair play.
- Complying with prevailing legislation, at all times taking a preventive approach. We strive to minimize risks, not only economic risks but also social and environmental risks, including tax risks.
- Generating returns on our investments while guaranteeing the operational and financial solidity of our business activities. Nurturing our profitability as one of the bases for the ongoing sustainability of the organization and the multiple stakeholders that engage directly and indirectly with it.
- Generating a labor relations framework that is propitious to learning and personal and professional development, respects the equal opportunities principle and promotes diversity and a safe and healthy workplace.
- Rejecting any form of abuse or violation of the fundamental and universal rights, in keeping with international law and practices.

- → Promoting a mutually beneficial relationship with the communities in which the Group is present, which means being sensitive to their culture, context and needs.
- → Satisfying and anticipating the needs of our customers and of our end consumers by offering a broad portfolio of products under the premise of healthy and differentiated food options.
- → Articulating the organization's processes, activities and decisions not only around profit generation but also environmental and community protection, responsible use of our natural resources and the preservation of biodiversity.
- → Communicating responsibly, accurately and transparently with our stakeholders by establishing stable communication channels and providing them with thorough, accurate and relevant information about the Group's activities in a timely and transparent manner.

To achieve its strategic growth and sustainable leadership objectives and ensure compliance with the above guiding principles, the Group is pursuing the following lines of initiative:

1. Search for organic and M&A-led growth in markets with high consumption levels and/or high growth potential.
    - → New markets and product categories with a strategic focus on new fresh products and new and more value-added ingredient ranges.
    - → Development of products that offer a fuller culinary experience by adding new formats, flavors and meal solutions
    - → Leadership in mature markets by focusing strategically on product quality-based differentiation. Expansion and leadership of the premium category by leveraging the huge potential implicit in our flagship brands.
    - → Expanded geographic footprint and rounding out of the product/country matrix:
        - – Search for business opportunities in mature markets with business profiles similar to that of Spain and in niche markets that enable the Group take a qualitative step forward in its strategy of shifting away from its generalist positioning to positioning as a multi-specialist (individual solutions).
        - – Expanded presence in new business segments in existing markets and in high-growth markets.

2. Product differentiation and innovation. The product development strategy is structured around two articulating lines of initiative:
    - → Research and development (R&D): proprietary R&D centers. The organization's investment policy is designed to foster the crystallization of new ideas and consumer needs into tangible solutions for its customers and end consumers.
    - → The Group aims to have the leading brands in their respective segments, underpinned by the required advertising budgets.

3. Low risk exposure. The Ebro Group's attitude towards shifts in its consumer and financial markets is marked by a strong commitment to continuous adaptation and long-term sustainability. To this end it seeks: (i) balanced sources of recurring income (markets, currencies); (ii) low leverage in order to withstand episodes of financial turbulence; (iii) new sources of supply; and (iv) the establishment of long-term relationships with its stakeholders (customers, suppliers, governments, employees, society).

4. Implementation of sustainability criteria throughout the entire supply chain ('from the fields to the table'), framed by a master sustainability plan dubbed Heading for 2030 which is articulated around:

   - People. Development of plans and measures that improve our professionals' wellbeing at work by committing strategically to continuous learning and career development in order to retain talent and seeking out novel ways of achieving work-life balance, diversity and occupational health and safety. Support for initiatives that contribute to socio-economic progress and help reduce inequalities in our business communities.
   - Health and wellbeing. Our contribution is what we do as a business: offering healthy, natural and enjoyable food solutions that facilitate our lifestyles. The R&D Department's work is guided by these aims. The way we engage with consumers encourages healthy habits and creative ways of eating thanks to recipes, blogs and advertising campaigns.
   - Our planet. We strive to make sure the Group's operations have a low impact on the environment; we are working to mitigate and adapt for the effects of climate change and to ensure our raw materials are sustainably farmed. We are cooperating on initiatives targeted at farming practices, the elimination or reduction of non-degradable materials, energy efficiency, reduced water consumption in farming and factories and the verification of processes external to the value chain.

2. Business performance and results

GENERAL BACKDROP

In 2020, the economy was marked by the pandemic induced by the COVID-19 virus, which emerged in China in December 2019 and by mid-April 2020 had engulfed nearly every country in the planet. Its rapid spread, mortality rate and the need for widespread lockdowns in order to contain it unleashed an economic crisis without precedent in terms of the speed of its onset and the velocity with which the world's authorities reacted, injecting massive amounts of liquidity into the system and providing the companies and professionals affected with direct and indirect assistance. The world's economies performed to the drum beat of the coronavirus and its successive waves throughout the year, with some countries relatively free of the virus by the second quarter (China), while others, including the US, Europe and South America, experiencing cycles marked by reopenings and closures of businesses and borders.

The impact on GDP has been uneven. The US economy contracted by 3.5%. The European economy was hit harder (Germany: -5%; Spain: -11%). China even registered slight growth (+2.2%), proving the exception among the widespread shrinkage (global GDP: -4.3%). The economy began to recover somewhat from the second quarter, albeit curtailed by the new waves of contagion in the euro economies, where the countries that are more dependent on services and tourism, such as Spain, have been hit harder.

As a result of the emergency unleashed by the pandemic, the other concerns that had been clouding the global economic outlook, such as Brexit (where a last-minute trade deal was struck), tensions with North Korea and growing protectionism faded to the background, with some seeming to get resolved via partial agreements or the election of a new US president.

The outlook remains uncertain and highly dependent on what happens with the pandemic and the effectiveness of the vaccine drive. Current baseline scenario forecasts point to global GDP growth of 4% in 2021, underpinned by broad and effective vaccination in the developed countries and the maintenance of very lax monetary policies with a significant impact on global debt.

CONSUMER TRENDS

The crisis implied a sudden pause in international trade of goods and services, with the former faring better than the latter and the services requiring closer interpersonal contact suffering a tremendous impact. The various waves of the coronavirus and the successive lockdowns drove considerable growth in household consumption at the expense of other channels such as the food service channel, which was hit hard by long-running closure orders. During the first phase of the pandemic, consumers were wholly preoccupied with filling their pantries with basic products, paying little attention to product differentiation. As the pandemic dragged on and the fear of stockouts dissipated, they began to buy higher value-added products (supplanting the leisure time previously spent at restaurants) and consume in more normal quantities.

The pandemic also accelerated the change, so often heralded, in certain consumer patterns: online shopping registered exponential growth, generating new consumption experiences, and neighborhood supermarkets became the clearcut choice for physical shopping.

The general trends pivot around:

Personalization of the consumer experience, sustainability, health and pleasure

Consumer decision-making power has increased. Consumers have more information at their fingertips, more comparison tools and they are willing to pay to feel identified with products that satisfy their desires. This is translating into:

a. Demand for quality products, ease of preparation and immediate satisfaction of their desires.

b. Preference for natural, healthy and organic foods. Closely related to this sentiment is the growth in the consumption of fresh products and the importance being given to small producers and start-ups that make the consumer feel closer to nature.

c. Search for products that form part of the circular economy, are seen as sustainable and involve stakeholders in their design, production and sale.

d. Consumers want a wider range of choices. The higher-quality private-label brands have been making inroads in virtually every social strata and segment of the population.

Social changes

a. Population ageing, older people with more say. The 'baby boomers' have transformed this segment of the population, which currently has greater purchasing power and aspirations and needs (exercise and health) that are different from those traditionally associated with this age group.

b. Reduction in the number of household members and constant growth in single-person households; new formats and product and service personalization.

c. The new generations are paying more attention to their surroundings, sustainability and the environment.

d. Increased mobility and migration in many developed countries, which is introducing new tastes and ways of cooking.

New channels and services

a. Online shopping and connectivity (possibility of shopping with traditional players that can offer user-friendly service, short delivery times, etc.).

b. Growth in the use of neighborhood supermarkets, where consumers shop more frequently, and specifically the use of convenience stores (24-7, alliances with petrol stations and other places of transit).

c. Consolidation of new players (online players such as Amazon) in the retail market driven by emerging trends in the use of new technology.

d. New ways of cooking and eating (ordering in, vending machines, snacking instead of sitting down to eat, etc.).

At the time of writing, consumers are worried about the economic crisis and tired of the persistent abnormal health situation. In that scenario, brands have a prominent role to play by offering consumers the confidence, safety and peace of mind they are craving. We are also witnessing an intensification of competition, marked by price wars among the retailers and intense promotional activity in a bid to boost share of mind.

All those changes imply challenges for the retail sector and food producers: it is vital to elevate the point of sale, whether physical or digital, to the heart of strategy. Correct visibility and assortment are key success factors. Advertising investments are shifting to digital media, which now account for over 50% of the Group's campaigns and are characterized by their agility and the ability to generate constant consumer feedback in the run-up to product launches, shortening development times and enabling rapid responses. Lastly, the commitment to end-to-end sustainability is fundamental: Convenience + Health + Sustainability are the drivers of the innovation pursued.

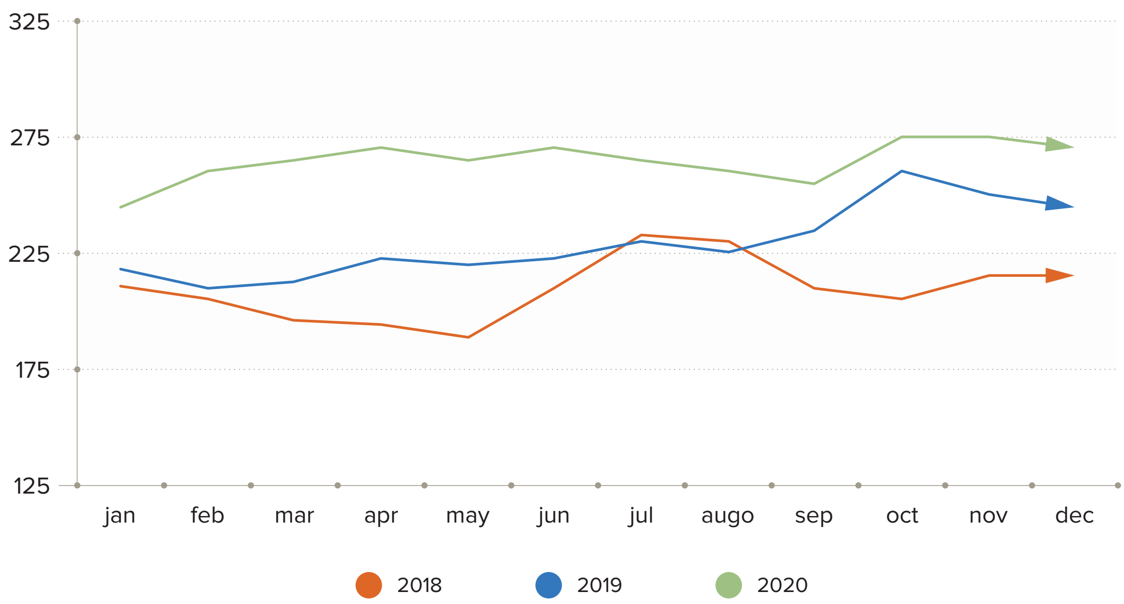
COMMODITY MARKETS

Commodity prices were, inevitably, marked by the path taken by the pandemic. Oil prices corrected by an average of 34% per barrel year-on-year, driven by a sharp contraction in demand, stemmed only by the production cuts agreed by the OPEC and the gradual improvement in activity from the northern-hemisphere summer on. Other commodities such as metals suffered a similar fate due to the drop in demand due at the onset of the pandemic, followed by a strong rebound in prices in the last third of the year, so that on average prices were largely flat year-on-year.

In contrast, food products registered average price increases of 4% as demand for staple goods rose during the first few months of the pandemic; there were even episodes of hoarding and short-term stockouts at the beginning.

Following the price increases observed during the second half of 2019, durum wheat prices remained high, underpinned mainly by sustained demand throughout the pandemic, coupled with the fact that the French harvest was 27% smaller than the 2015-19 average (due to a smaller sown area and a lower than average yield).

DURUM WHEAT PRICES, €/MT



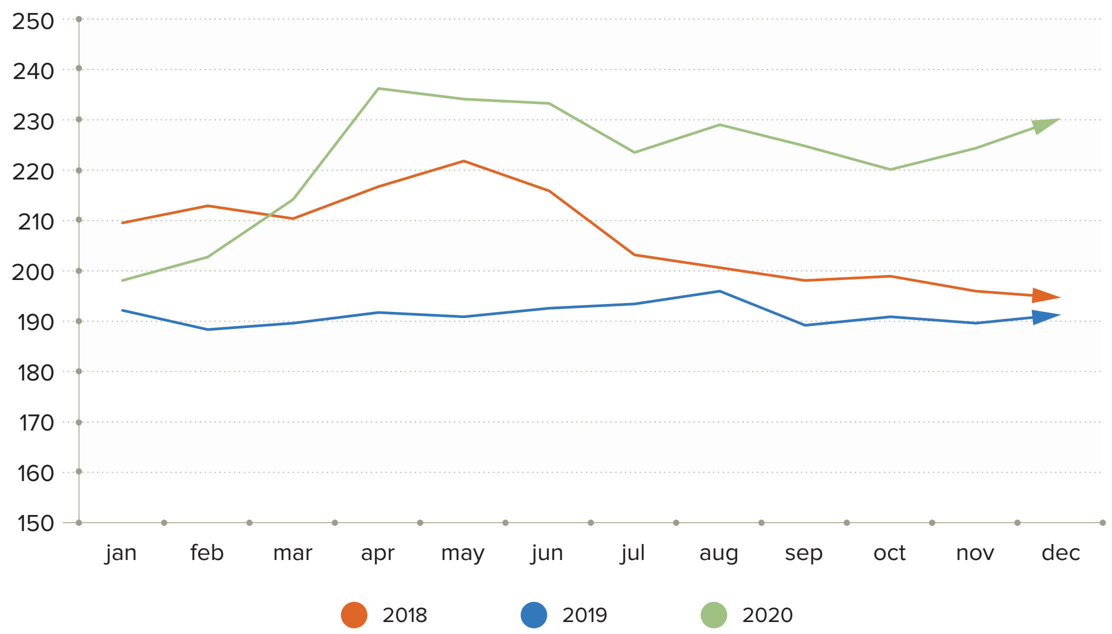
Source: Terre.net and Ebro data

The 2019/20 rice harvest was again strong. According to data published by the Food and Agriculture Organization (FAO), production was an estimated 501 million tonnes of white rice equivalent, which is approximately 1% below the previous harvest.

However prices trended higher due to initial uncertainty about the availability and ability to transport rice due to the pandemic; fears in Thailand and Vietnam over potentially reduced water supply during the second harvest; and the devaluation of the dollar, the currency to which all prices are benchmarked.

The chart below depicts the trend in the IPO international rice price index for the last three years, showing an average for the most popular varieties of this grain.

IPO RICE PRICE INDEX



The price rally was widespread, with price trends in some of the world's largest exporting nations, including Thailand, Vietnam and Myanmar, having knock-on effects on global prices. The aromatic varieties were the only exception: their prices were stable or even slightly lower year-on-year.

COVID-19

As detailed in the section addressing the business environment, 2020 was marked by the pandemic that broke out in the first quarter. Although the Ebro Group escaped the adverse effects the crisis has had on other activities, management of the extraordinary circumstances has required a considerable effort.

The Group reacted swiftly to the initial shock, establishing safety measures in the workplace, concentrating production in the products in highest demand, establishing quotas on the basis of prior-year orders where capacity was overwhelmed and paring back promotions valueless in the new environment.

For months, strong consumption meant high factory capacity utilization levels, driving productivity and performance gains. In general, the dry products benefitted very significantly in terms of volumes ordered, with fresh products faring less well. The significant and sudden shifts in consumption patterns - in terms of the products sought and the manner of consumption - implied a major production and logistics management challenge.

Generally speaking, the Group has been protected by the fact that its business is concentrated in consumer staples with low unit prices. The pandemic has increased home eating at the expense of the food service channel in which the Group has a relatively smaller presence.

Uncertainty has become yet another variable to be managed until there is an effective treatment for the virus. That uncertainty is affecting, among many other aspects, planning, the returns on certain marketing initiatives, the execution timeframe for certain investments and capital markets expectations.

The Group has taken many measures to mitigate the risks. The most visible are those related with workplace safety which in total accounted for direct expenditure of 15.5 million euros in 2020. Other measures rolled out include commercial changes to adapt supply to market needs; a massive logistics and productive effort; changes in systems related with remote working set-ups; measures to facilitate work-life balance in an ever-changing pandemic scenario, etc. In short, the Group has had to go to lengths to adapt and manage a shifting playing field.

GROUP EARNINGS PERFORMANCE

The Group's key financial indicators are presented below:

PROFIT AND LOSS	2018	2019	*2019/2018*	2020	*2020/2019*	CAGR 2018-2020
Revenue	2,297,882	2,510,381	*9.2%*	2,897,589	*15.4%*	***12.3%***
Advertising	(72,931)	(77,564)	*(6.4%)*	(88,605)	*14.2%*	***10.2%***
EBITDA-A	277,901	306,617	*10.3%*	364,224	*18.8%*	***14.5%***
EBIT-A	199,619	206,592	*3.5%*	252,022	*22.0%*	***12.4%***
Operating profit	196,796	191,142	*(2.9%)*	242,623	*26.9%*	***11.0%***
Profit for the year from continuing operations	133,283	118,299	*(11.2%)*	140,842	*19.1%*	***2.8%***
Profit after tax for from discontinued operations	16,028	31,989	*99.6%*	65,809	*105.7%*	***102.6%***
Profit attributable to equity holders of parent	141,589	141,752	*0.1%*	192,415	*35.7%*	***16.6%***

	12-31-18	12-31-19	*2019/2018*	12-31-20	*2020/2019*
Average working capital	588,403	643,139	*(9.3%)*	643,970	*(0.1%)*
Average capital employed	1,805,986	2,080,166	*(15.2%)*	2,191,813	*(5.4%)*
ROCE-A **(1)**	12.3	11.1		14.2	
Capex **(2)**	138,930	148,705	*7.0%*	117,600	*(20.,9%)*
Average headcount	7,153	7,522	*5.2%*	7,664	*1.9%*

STATEMENT OF FINANCIAL POSITION	12-31-18	12-31-19	*2019/2018*	12-31-20	*2020/2019*
Equity	2,162,334	2,262,203	*4.6%*	1,927,351	*(14.8%)*
Net debt	704,621	999,849	*(41.9%)*	950,870	*4.9%*
Average net debt	627,350	871,658	*(38.9%)*	917,583	*(5.3%)*
Leverage **(3)**	29.0%	38.5%		47.6%	
Total assets	3,834,069	4,381,004	*14.3%*	4,035,662	*(7.9%)*

STOCK MARKET DATA	12-31-18	12-31-19	*2019/2018*	12-31-20	*2020/2019*
Number of shares	153,865,392	153,865,392	*0.0%*	153,865,392	*0.0%*
Market capitalisation at year-end	2,683,412	2,968,063	*10.6%*	2,914,211	*(1.8%)*
Earnings per share (EPS)	0.92	0.92	*0.1%*	1.25	*35.7%*
Dividend per share (DPS)	0.57	0.57	*0.0%*	2.51	*340.4%*
Underlying carrying amount per share	14.05	14.70	*4.6%*	12.53	*(14.8%)*

(1) ROCE-A = Average profit after D&A but before tax for the last 12 months (excluding extraordinary/non-recurring items) divided by average capital employed
(2) Capex = Cash outflows for investment purposes
(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The Group's 2020 earnings, specifically those from discontinued activities, reflect the sale of the dry pasta assets in the US and Canada, as described in detail in notes 5 and 25 of the accompanying consolidated financial statements.

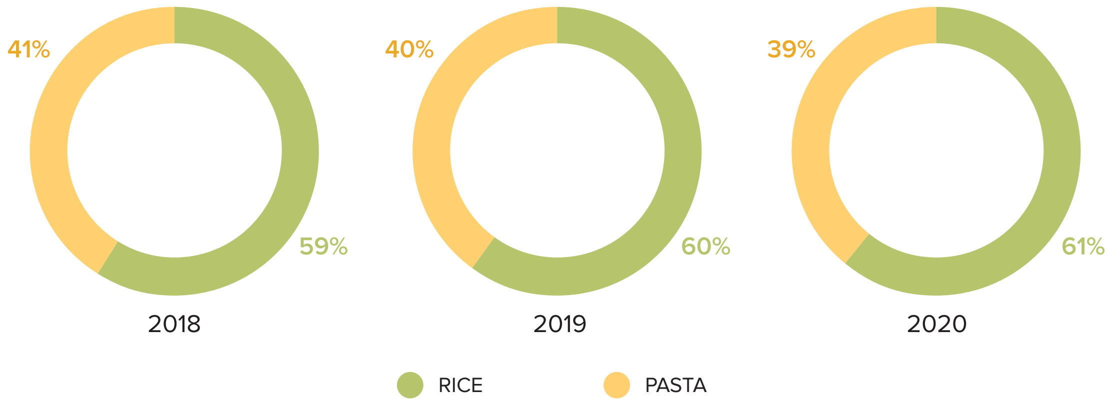
In keeping with the International Financial Reporting Standards, the results of the dry pasta business until the sale of that business closed and the net gain recognized on that sale have been presented within discontinued activities on the consolidated statement of profit or loss for the current and prior reporting periods. Likewise, the assets and liabilities associated with that business have been presented under a specific line item on the consolidated statement of financial position.

The information provided in this report reflects that development, unless expressly stated otherwise.

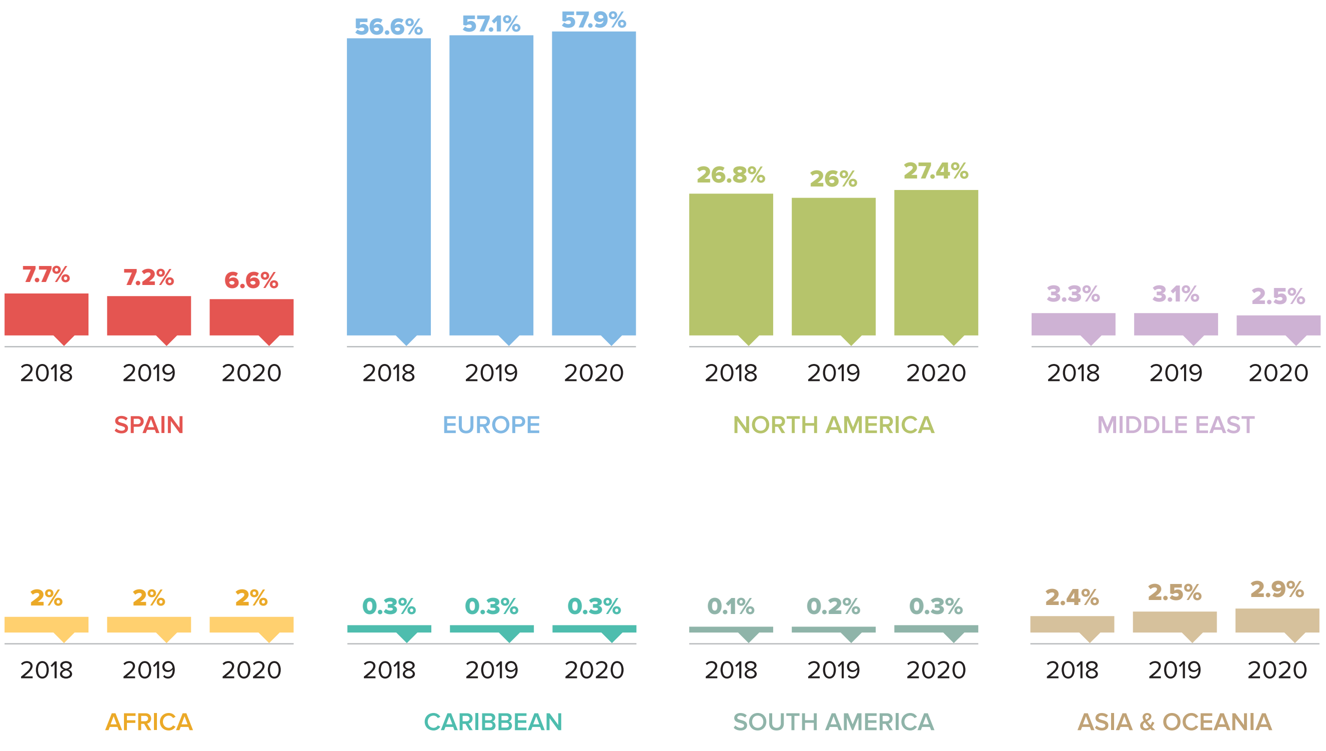
Group **revenue** was 15.4% higher year-on-year. Of that growth, the consolidation of the Tilda Group for the full year accounted for additional revenue of approximately 110 million euros. In March and during the start of the second quarter, sales sustained considerable growth, fueled by consumers' fear that certain staple products would become scarce on account of the pandemic. That impact varied depending on when the first wave hit the various countries and the surge in demand was also uneven (in some cases demand doubled that of a normal month). From June the situation began to revert: buffer stocks piled up were consumed during the summer and the situation by the end of the year was fairly normal.

The breakdown of revenue and the year-on-year trend by business line and geographic market is as follows:

BUSINESS SEGMENTS



GEOGRAPHIC MARKET



The contribution by the European businesses to Group revenue increased slightly as a result of recent acquisitions in the region (Tilda, Bertagni). Meanwhile, the weight commanded by the rice business increased to 61% of the total (like-for-like figures, i.e. with the North American dry pasta business classified as a discontinued activity in both reporting periods).

EBITDA-A registered growth of 18.8% and the margin also widened compared to previous years. EBITDA-A, at 364.2 million euros, includes 3 million euros of negative exchange rate effects. The contribution by the Tilda Group for the full year added 24 million euros to EBITDA-A, while the direct costs derived from the pandemic amounted to 15 million euros.

Profitability increased on the back of higher sales volumes, high factory capacity utilization, the scaling pack of promotional activity during the worst of the pandemic and the strong growth at the Group's newest acquisitions: Bertagni and Tilda.

That earnings momentum took place in an environment of raw material price increases: the pandemic enabled the Group to absorb the steady increases in farm-gate rice and durum wheat prices.

Profit before tax increased by 9.6%, which is less than the growth in EBITDA-A due to the 35 million-euro impairment loss recognized against the goodwill allocated to the fresh pasta business in Canada (refer to note 15 of the accompanying consolidated financial statements) and a slight increase in finance costs on the back of higher average borrowings.

Profit after tax from discontinued operations includes the net profit of the activities classified as discontinued and in 2020 and 2019 the gains recognized on the sale of the dry pasta business in North America and of the Bio business, respectively, as explained in the accompanying consolidated financial statements.

The **ROCE-A** increased significantly, to 14.25%, underpinned by the Group's earnings momentum.

STATEMENT OF FINANCIAL POSITION, NET DEBT AND CAPITAL EMPLOYED METRICS

The movements in debt and capital employed (for the definitions, refer to the APMs at end of the Management Report) are mainly attributable to:

a. The first-time consolidation of Bertagni and La Loma, which increased assets by a net 143 million euros in 2018, and of the Tilda Group in 2019, which boosted assets by 292 million euros.
b. Significant growth in capex in recent years.
c. The impact of the trend in the US dollar rate on the dollar balances of the subsidiaries exposed to this currency (the exchange rate went from €/$1.14 at year-end 2018 to 1.12 at year-end 2019 and 1.23 at year-end 2020).
d. The initial application of IFRS 16 Leases in 2019, prompting the recognition of right-of-use assets and financial liabilities of 88 and 90 million euros, respectively (refer to note 10 of the consolidated financial statements).
e. The sale in 2020 of the dry pasta business in the US and the payment of an extraordinary dividend in the amount of 298.5 million euros.

In order to properly understand the Group's working capital requirement and how it is funded, it is important to analyze the factor with the biggest impact on these headings: the volume and measurement of Group inventories. Inventory volumes are sharply cyclical, moving in tandem with rice and wheat harvests (particularly the rice harvest for which the inventory cycle is longest). More specifically, inventory volumes are at their lowest at the end of the rice season (end of summer) and at their highest at the end of each year and start of the next, after the various purchase contracts have been arranged for the new season.

That cyclicality makes it advisable to use 13-month moving averages to calculate certain alternative performance measures (APMs).

RICE BUSINESS

PROFIT AND LOSS (000€)						
	2018	2019	*2019/2018*	2020	*2020/2019*	TAMI 2020-2018
Revenue	1,412,702	1,566,239	*10.9%*	1,817,679	*16.1%*	***13.4%***
Advertising	(26,969)	(33,010)	*(22.4%)*	(36,789)	*11.4%*	***16.8%***
As a % of revenue	*(1.9%)*	*(2.1%)*		*(2.0%)*		
EBITDA-A	162,065	192,264	*18.6%*	235,809	*22.6%*	***20.6%***
As a % of revenue	*11,5%*	*12,3%*		*13,0%*		
EBIT-A	123,990	143,061	*15.4%*	178,503	*24.8%*	***20.0%***
As a % of revenue	*8.8%*	*9.1%*		*9.8%*		
Capex	64,583	75,160	*16.4%*	69,345	*(7.7%)*	***3.6%***

Prices in most source markets increased during the year, with long-grain rice prices in Southeast Asia (Vietnam, Thailand, Myanmar) rising in particular, due to fears of a water scarcity at the start of the year. The prices of the varieties grown in Spain also increased due to the now endemic salinity problem in the Guadalquivir basin.

In the US, long-grain prices rose ahead of the harvest due to a smaller sown area and the effects on yield of Hurricane Laura, among others.

US HARVEST PRICES					
$/CWT	20/21 (*)	19/20	18/19	17/18	16/17
Average price	13.68	13.5	12.6	12.9	10.4
Long grain	12.39	12	10.8	11.5	9.64
Medium grain	17.33	17.8	18.5	16.2	12.9

SOURCE: USDA

Revenue in the rice business experienced strong growth (+16.1%). The Tilda Group was included for the full year for the first time, adding approximately 110 million euros to revenue. Huge demand during the initial months of the pandemic meant that orders at some of our subsidiaries doubled year-on-year, obliging them to prioritize the best-selling products and even cap orders as a function of historical orders and demand forecasts. That situation was handled successfully, making the very most of existing capacity and honoring the commitments assumed on time and without significant stockouts (despite issues in certain products at some points of the supply chain).

Sales increased in nearly all rice categories and distribution channels, with the exception of the food service channel, which suffered the effects of the closure of the hospitality sector for long spells of time on account of the pandemic. The Group is relatively less exposed to that channel than other distribution channels so that, other than the subsidiaries that produce frozen rice products and, only partially, those that make ingredients and niche products for the food service channel, all experienced considerable sales growth.

The growth trend in microwaveable rice continued, albeit curbed by the hoarding of more basic products in some countries. In Spain, for example, this product category registered growth of 2%, which is well below the growth posted by SOS-branded short-grain rice (volumes: +15%), a traditional product that benefitted from the surge in home-cooked meals. However, in the US, microwaveable rice products registered volume growth of 27%.

EBITDA-A increased by 22.6% year-on-year, with the Tilda Group contributing a significant 30 million euros. The negative impact of exchange rates was virtually all concentrated in this segment (3 million), given the discontinuation of the dry pasta business in North America.

Despite the tensions provoked by the pandemic, the restructuring of the factory in Freeport in prior years and the investments made at the factory in Memphis enabled uninterrupted service levels. EBITDA-A in this market registered double-digit growth with margins staying flat.

The breakdown of the contribution by the non-US rice business to the unit's EBITDA-A, excluding the Tilda Group, which generates most of its profits in the UK, was as follows:

	2018	%	2019	%	2020	%
Spain	30,902	34.8%	25,471	28.7%	29,202	28.3%
Europe	47,779	53.8%	52,520	59.3%	58,934	57.2%
Other	10,143	11.4%	10,644	12.0%	14,916	14.5%
TOTAL EBITDA-A	**88,824**	**100.0%**	**88,635**	**100.0%**	**103,052**	**100.0%**

Similar geographic breakdown as in 2019, with the European business making a slightly smaller contribution as it is the region where the Group's food service businesses are concentrated.

The brilliant contribution by the Tilda Group in its first full year in the Group came about against a challenging backdrop, as the trade agreement post-Brexit didn't take shape until the end of the year, while the pandemic stoked demand for traditional grains (which in the UK includes the basmati rice in which Tilda specializes) over microwaveable formats, which account for roughly 30% of sales by value. Tilda also brings strong profitability (margin: 18% of revenue) and offers huge potential in the premium aromatic rice segment, having integrated its logistics and sales platforms within those of the Group.

The pattern in **operating profit** was similar to that in EBITDA-A, expect for a slight increase in depreciation charges on the back of the sizeable investments made in the past few years.

Capital expenditure remained high, evidencing the strategic commitment to the highest-growth segments (microwaveable formats) and productivity improvements (packaging, warehousing and logistics); however, the pandemic had the effect of slowing down the work at the new microwaveable cup factory in Spain, which is due completion in 2021.

PASTA BUSINESS

PROFIT AND LOSS (000€)						
	2018	2019	*2019/2018*	2020	*2020/2019*	TAMI 2020-2018
Revenue	949,905	1,009,007	*6.2%*	1,162,471	*15.2%*	***10.6%***
Advertising	(46,605)	(46,490)	*0.2%*	(53,176)	*14.4%*	***6.8%***
As a % of revenue	*(4.9%)*	*(4.6%)*		*(4.6%)*		
EBITDA-A	123,589	126,307	*2.2%*	142,708	*13.0%*	***7.5%***
As a % of revenue	*13.0%*	*12.5%*		*12.3%*		
EBIT-A	84,020	76,984	*(8.4%)*	89,330	*16.0%*	***3.1%***
As a % of revenue	*8.8%*	*7.6%*		*7.7%*		
Capex	73,946	71,772	*(2.9%)*	47,474	*(33.9%)*	***(19.9%)***

The big news this year was the decision to exit the dry pasta business in North America, as described in notes 5 and 25 of the accompanying consolidated financial statements. The price agreed for the businesses sold imply valuation multiples equivalent to over 10 times EBITDA-A in a normal year. The exit decision fits with the Group's leadership strategy and the concentration of its efforts in high-growth products such as premium dry pasta products, market-leading brands and fresh pasta products. As already noted, all of the figures provided in this Management Report, unless expressly stated to the contrary, treat that business as a discontinued business.

Durum wheat prices sustained widespread increases, particularly ahead of the summer, marked by expectations for smaller harvests in Spain and France, due to lower sown areas and yields. After the summer, the market stabilized, helped by a strong harvest in Canada.

Revenue in the pasta business increased by 15.2%, fueled by the surge in demand at the onset of the pandemic. The Group's recent acquisitions continue to perform very well: Bertagni posted double-digit growth despite the fact that the pandemic did not have a significant impact on the fresh products it sells (shorter shelf life, initial frantic search for non-perishable essentials).

By market:

a. In France, the brand segments sustained double-digit growth, except for fresh pasta, where volumes grew by 5.9%. Panzani's share of the dry pasta market dipped slightly to 35.5%, but its share of the fresh pasta market increased to 45.1% (source: Nielsen 52-week tracker).
b. Garofalo registered continued growth in sales by value and volume. Its main brand recorded growth and increased its share (by volume) of the Italian premium pasta segment to 5.8% from 5.5% (Nielsen 52-week tracker). In Spain it continued to grow: sales volumes surged 43%, well above the market's overall growth (9.6%), with the brand already cementing itself as a benchmark in the premium pasta segment.
c. Bertagni also extended its double-digit growth (+22% by value), posting revenue of 124 million euros and consolidating its customer portfolio, which includes the most important retail chains in Europe and North America.
d. Fresh pasta in Canada. Market growth of 14.3% by volume and 11.7% by value. Olivieri lifted its leadership to a market share of 49.7% by volume and over 50% by value (Nielsen 52-week tracker).

EBITDA-A registered sharp growth (13% for the year; CAGR: 7.5%), driven above all by the contributions by Bertagni and Garofalo, of 25 and 29 million euros, respectively.

The French pasta business did better in all segments except for the Roland Monterrat subsidiary, whose core business is the production and sale of sandwiches, a segment that was particularly hard hit by the effects of the pandemic. The growth in volumes, the reallocation of promotional activities and a productivity plan amply offset the growth in raw material prices, which had the effect of increasing costs by 17 million euros, mostly due to the higher cost of French durum wheat.

The Canadian fresh pasta business moved out of loss-making territory, thanks to a tremendous effort to boost volumes and eke out productivity gains. It is worth highlighting the strong performance of the new gnocchi products, which continue to register sales growth, outperforming the other categories. Nevertheless, having agreed the sale of the dry pasta business in Canada, prompting its classification as a discontinued activity, the Group recognized a 35 million euro impairment loss on Olivieri's fresh pasta assets.

Both Bertagni and Garofalo had an exceptional year. Both companies are strongly committed to growth in the US market, which already accounts for a significant percentage of their sales mixes (31% and 26%, respectively); indeed, they are a crucial part of the growth strategy for that market now that the dry pasta assets have been sold.

The trend in **operating profit** was largely similar to that in EBITDA-A.

Capex declined year-on-year, as the 2019 figures included the one-time acquisition of a logistics warehouse in France. The work underway to expand the Garofalo facilities continues. In 2020, the fresh pasta factory in Avio was fully refurbished, work set to finalize in 2021, enabling Bertagni to increase its productive capacity.

3. Liquidity and financing

The Group's finance department strives to configure a capital structure that permits credit ratio stability while providing business flexibility in the short and long term.

The finance structure is articulated around long-term borrowings that fund the major investments. The rest of the Group's financing is arranged on a short-term basis and takes the form of credit facilities that cover shifting working capital requirements. All that financing is arranged in accordance with the Group's short- and long-term growth plans, which are crystallized in its annual budgets, budget revisions and multi-year business plans.

The breakdown of the Group's financial liabilities and the capital requirements embedded in certain long-term loan agreements are detailed in note 12 of the consolidated financial statements.

INVESTMENTS I DISPOSALS

Acquisition-led growth (asset and business acquisitions)

The Group did not conclude any acquisitions in 2020. The main investment closed in 2019 was the acquisition of 100% of the companies and assets comprising the Tilda business worldwide from Hain Celestial for 292 million euros.

The most significant disposal concluded in 2020 was the exit from the dry pasta business in North America. The sale of some of the US business's assets to the investment fund Treehouse Foods Inc. for 242.5 million US dollars was closed and collected before the end of the year, while the sale of the Canadian assets to Barilla Spa. for 165 million Canadian dollars was pending completion at year-end (it ultimately closed on January 29, 2021).

Organic growth

The Group underpins its pursuit of growth and innovation with a capex policy that in recent years has entailed the overhaul of its instant rice and fresh pasta productive capacity and a significant effort to expand the market for its frozen cereal and rice products. Capex (cash outflows) during the past three years:

YEAR	AMOUNT (000€)
2018	138,930
2019	148,705
2020	117,600

Financial position

The Group's borrowing position remains satisfactory. Leverage has increased in recent years as a result of the Group's growth and its consolidation as a leader in its business segments.

NET DEBT (000€)					
	2018	2019	*2019/2018*	2020	*2020/2019*
Equity	2,162,334	2,262,203	*4.6%*	1,927,351	*(14.8%)*
Net debt	704,621	999,849	*41.9%*	950,870	*(4.9%)*
Average net debt	627,350	871,658	*38,9%*	917,583	*5.3%*
Leverage	32.6%	44.2%	*35.6%*	49.3%	*11.6%*
Leverage (average net debt) **(1)**	29.0%	38.5%	*32.8%*	47.6%	*23.6%*
EBITDA-A	277,901	306,617	*10.3%*	364,224	*18.8%*
Coverage	2.54	3.26		2.61	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The disposals concluded (partially collected at year-end) and the considerable growth in cash flows from operations during the year are not reflected in the Group's borrowings due to the payment of an extraordinary in the amount of 298.5 million euros.

Note that 191 million euros of borrowings relate to the recognition for accounting purposes of the put options over the outstanding interests in the Bertagni Group, Garofalo, Geovita, Santa Rita Harinas and Transimpex. For accounting purposes, those unexercised options are recognized as an increase in Group borrowings. The changes in borrowings (without factoring in the net debt assumed pursuant to acquisitions, that recognized in the process of accounting for the above put options, changes in the fair value of certain financial assets/liabilities and the impact of exchange rate movements) were shaped by the following sources and uses of cash:

FREE CASH FLOW (000€)

	2018	2019	*2019/2018*	2020	*2020/2019*
Cash from operating activities	211,708	250,458	*18.3%*	369,863	*47.7%*
Cash used in investing activities	(216,872)	(356,692)	*64.5%*	104,998	*(129.4%)*
Cash used in share-based transactions	(96,165)	(99,187)	*3.1%*	(398,019)	*301.3%*
FREE CASH FLOW	**(101,329)**	**(205,421)**		**76,842**	

Cash from operations increased in 2020 thanks to the growth in EBITDA and control over working capital.

The other major movements correspond to:

- Investing activities. Movements deriving from capex (as detailed above) and the sale and purchase of businesses and non-core assets (properties). In 2019, those outflows included payment for the acquisition of Tilda and in 2018, payment for the purchase of Bertagni. Proceeds from investing activities in 2020 included the collection of the North American dry pasta sale price.
- Share-based transactions. Distribution of dividends, including that paid to minority shareholders. In 2020 there were two dividends, the above-mentioned extraordinary dividend and the ordinary dividend (in the same amount as previous years).

4. Risk management targets and policies and use of financial instruments

The Risk Control and Management Policy is a core component of the corporate policies approved by the Board of Directors. It establishes the basic principles and general framework governing control and management of the business risks, including tax-related risks and the framework for internal control over financial reporting, faced by the Company and its Group companies.

That general framework is crystalized in a standardized enterprise risk control and management system which is inspired by the conceptual framework embodied in the Internal Control Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"); it is, accordingly, based on a business risk mapping process designed to identify, assess and score the Group's ability to manage its various risks, prioritizing them in terms of impact and probability of occurrence. The universe of risks is categorized into four main groups: compliance, operational, strategic and financial/reporting.

The risk categorization process assesses, dynamically, both inherent risks and residual risk after application of the internal controls and protocols put in place to mitigate them.

Within those controls, it is worth highlighting the existence of preventative measures, the adequate segregation of duties, well-defined clearance limits and specific policies and procedures.

The enterprise risk model is qualitative and quantitative: the impact of the identified risks on the Group's results can be measured, based on defined risk tolerance thresholds at the corporate level. A description of the risk management model and the risks that materialized during the reporting period can be found in the Annual Corporate Governance Report which is an integral part of this Management Report.

The key risks included in the Group's risk map were reviewed in 2020. As a result of that exercise, three new risk factors were added: climate change risks; risks related with cybersecurity; and social media reputational risk. That reassessment also detected an increase in perceived food safety related risks.

The Group's ongoing risk management effort in 2020 was very much marked by the work related with the pandemic induced by COVID-19 and its multiple internal facets (supply chain, workplace safety, remote-working security) and external ramifications (changing consumer habits, surge in demand, etc.).

The main risks addressed in the model are:

OPERATIONAL RISKS:

→ **Food safety.** Given the nature of its business, food safety matters are a critical issue to which the Group pays the utmost attention; those issues are governed by a host of regulations and laws in the numerous countries in which its products are made and sold.

  The Group's policy is underpinned by compliance with prevailing legislation and a pledge to upholding stringent food quality and safety standards.

  The food safety programs are based on oversight of protocols designed to ensure identification of certain critical points (called Hazard Analysis and Critical Control Points or HACCP) in order to minimize residual risk.

  The main control points are grouped as follows:

  – Physical points: controls to detect alien materials or the presence of metals.

  – Chemical points: detection of chemical substances or the presence of allergens.

  – Biological points: detection of the presence of salmonella and other pathogens.

  Most of our food handling processes have obtained certification under either the IFS (International Food Safety), SQF (Safe Quality Food) or the BRC (British Retail Consortium) food safety standards recognized by the Global Food Safety Initiative, as well as other local or product-specific standards (e.g., Kosher, Halal or gluten-free food).

  The Group companies have also defined, developed and implemented a quality, environmental and food safety model which has been certified in accordance with the UNE-EN-ISO 9001 (food safety management systems), UNE-EN-ISO 14001 (environmental management) and ISO 22000 (food safety management) standards.

→ **Raw material supply risk.** The availability of raw materials in sufficient quantities and of the quality needed to satisfy the Group's commitments to its customers and continue to underpin brand positioning is a key business success factor.

  To mitigate that risk, the Group has opted to strategically diversify and lock in supply sources by means of: (i) agreements from season to season with some of the leading raw material suppliers (of rice and wheat durum); and (ii) the opening of subsidiaries or sales offices in some of the main rice exporting nations (e.g. India, Pakistan, Thailand and Cambodia) and countercyclical markets (Argentina).

- **Risk associated with commodity price volatility.** Unexpected changes in raw material supply prices can have a material adverse impact on the profitability of the Group's business via its manufacturing operations and it brand retailing efforts. This risk is concentrated in the prices of the various varieties of rice and durum wheat, although the Group is also exposed to variability in the prices of packaging materials and oil derivatives.

  This risk is managed via:

  a. Early identification of potential supply problems or gluts in certain grains or varieties which could expose stocks to price variability. The buyer departments track the markets continually and issue alerts to the managers of the various businesses to enable them to manage the related risks.

  b. The Group locks in volumes at fixed medium-term prices when the market is propitious to these kinds of agreements and sales transactions can be negotiated that will generate stable margins throughout the corresponding periods.

  c. It also attempts to reduce the number of intermediaries in the markets for local or exotic varieties, compressing the value chain.

  d. Lastly, the Group strategically differentiates its finished products and this helps it pass volatility in raw material costs efficiently on to the end consumer.

- **Customer concentration risk.** This risk factor affects the industrial and retail segments alike (although in the latter instance the end consumer of the products made by the Group are the individuals who eat its foods, the retailers are concentrating - boosting their buying bargaining power - year after year).

  This concentration phenomenon can result in less favorable sales terms and conditions, heightened credit risk and even the loss of certain sales.

  The Group's geographic diversification helps to mitigate this risk factor as its customers vary by country and for now the retailers' attempts at international expansion have met with limited success.

  In parallel, each subgroup has a sales risk committee which allocates risk tolerance thresholds and a strategy for enforcing these thresholds. These levels in turn reflect overall business strategy.

- **The risk of falling behind on technology development.** One of the Group's most important tools when it comes to tackling the competition is to differentiate and update its products, a strategy underpinned by constant technological innovation and an unwavering effort to adapt its range to consumer demands and wishes.

  As described further on in this report, the Group's R&D strategy is a cornerstone of its business strategy. Its R&D departments work in close collaboration with the sales & marketing departments to mitigate this risk.

- **Cybersecurity.** This risk factor has been separated from the rest of the technology-related risks for the first time in 2020. The exponential growth in internet access exposes enterprises and users to attacks of different kinds: identify theft, malware, website attacks, zero-day attacks etc. In 2019, the Group conducted a security audit and rolled out an action plan which includes: (i) the provision of continuous staff training on these threats; (ii) the definition of appropriate network infrastructure (firewalls, WiFi access controls, network electronics, browsing permissions and the design of connected industrial networks); (iii) the correct definition of user points (anti-virus, mobile device management systems, permissions, updates); and (iv) data management and safekeeping programs (back-ups, use of the cloud, shared information, etc.). Moreover, in 2020 those actions focused in particular on the threats associated with remote working arrangements during the various lockdowns caused by the pandemic.

RISKS RELATED TO THE ENVIRONMENT AND STRATEGY:

- **Environmental and natural risks.** The effects of droughts and floods in the rice- and wheat-growing countries from which the Group sources its raw materials can cause availability issues and price volatility. These natural risks can also affect consumers in affected areas and could even affect the Group's assets in these markets.

  Once again the key to mitigating these risks is to diversify raw material sourcing, as well as the markets the Group's products are targeted at. In addition, the Group has articulated a flexible manufacturing structure with facilities on four continents, minimizing the impact of potential local problems.

- **Climate change.** The effects of climate change pose a grave threat to the food industry. The rise in greenhouse gas emissions is damaging the environment and with it, its natural resources and biodiversity.

  Although this risk factor has been classified within the Group's operational risks, its impacts are multiple, affecting the four dimensions defined in the risk map (operational, financial/reporting, compliance and strategic). It has potential strategic impacts due to changes in consumer habits as well as the possible need to make specific investments to mitigate its effects.

  The industry has a key role to play in tackling climate change on account of its direct dependence and impact on natural resources like land and water and its contribution to economic activity and society at large. In particular, the effects of droughts, floods and adverse meteorological phenomena in the countries from which the Group sources its raw materials can cause availability issues and price volatility.

  The Group is therefore committing to sustainable production and consumption, efficient use of resources, energy sustainability, the reduction of food waste, eco-design and sustainable and efficient logistics operations. In short, it is a matter of helping deliver the international commitments assumed in the COP 21 Summit in Paris in 2016.

  Against that backdrop, in December 2018, the Group approved a sustainability plan (dubbed *Heading* for 2030) in which it sets down a series of actions and challenges related with the environment and supply chain, including initiatives designed to rationalize the use of water and energy, enhance waste management, streamline and reuse packaging materials, measure (carbon footprint) and reduce emissions, assess suppliers using sustainability criteria and provide support for sustainable farming.

- **Competition risk.** The Group does most of its business in developed and mature markets in which it competes with other multinational enterprises and a good number of local players. In addition, in these markets the retailers have developed their own private label brands which exert extra pressure on the Group's products.

  This risk is managed by means of:

  a. Comprehensive analysis of competitor moves and the fine-tuning of pricing and promotional policy in response to the prevailing market situation.

  b. Product differentiation by innovating on formats, range and quality, all with a clear-cut customer focus.

  c. Repositioning in potential high growth potential categories by means of organic business development or acquisitions that fit with the Group's strategy.

- **Reputation risk.** The risk associated with a potential shift in opinion crystalizing in a negative perception of the Group, its brands or its products by customers, shareholders, suppliers, market analysts or other stakeholders with a potential adverse effect on the Group's ability to maintain its customary relations (commercial, financial, labor, etc.) with these stakeholders.

  To tackle this risk, the Group has established an internal Code of Conduct designed to guarantee ethical and responsible conduct throughout the organization by all its staff and the professionals or institutions it engages with in the course of its business activities.

Its brands, along with its people, constitute the Group's most valuable intangible asset, and are accordingly subjected to constant assessment in which different management, marketing, food health and safety, compliance and IP protection considerations converge.

- **Social media exposure.** Having reviewed the risk map in 2020, the risk related with how the Group's brands or its general image are perceived on the social media has been carved out separately from the more generic 'reputation risk' factor'.

- **Shifting lifestyles.** New diets such as low-carb diets and other food habits could change how consumers perceive our products.

  The mitigating initiatives pursued entail assessment of consumer patterns, fine-tuning of the Group's product range in response to market trends, as well as active participation in forums propitious to disseminating the health virtues of its products.

- **Country or market risk.** The international nature of the Group's activities exposes its business operations to the political and economic circumstances prevailing in the various territories in which it does business, as well as other market variables, such as exchange rates, interest rates, production costs, etc. The fallout from the UK's withdrawal from the European Union (Brexit) falls under this category (refer to note 12 of the consolidated financial statements).

- **Strategic planning and the assessment of strategic investment/divestment opportunities.** This is the risk of making a mistake when selecting among alternatives and/or allocating resources to projects aimed at delivering the Group's strategic objectives. In the short term, this risk includes the need to align budgets with the medium- and long-term objectives set by the Group. This risk is mitigated by requiring that transactions above certain thresholds be approved at the Board level in addition to the customary due diligence performed when the Group makes significant acquisitions, all of which involving the coordinated intervention of senior executives and risk officers.

COMPLIANCE RISK

- **Sector regulations.** The food manufacturing industry is subject to multiple regulations, which affect export and import quotas and tariffs, intervention prices, etc., all framed by the European Common Agricultural Policy (CAP). In addition, the Group's activities could be affected by regulatory changes in the countries from which it sources its raw materials or to which it sells its products.

  To address this risk, the Group is represented in, voices its views in and follows a number of legal and regulatory forums via a team of prestigious professionals who work to ensure enforcement and compliance.

  Within this category an area of growing relevance, and one that is related with other operational risks such as supply and food safety, relates to the increasingly stringent rules on the use of fungicides and pesticides on the crops which lie at the heart of the food industry. These rules are of particular importance to rice growing activities.

  To mitigate this risk, the Group has stepped up its quality and fungicide/pesticide detection controls, worked on selecting trustworthy suppliers that will be asked to embrace sustainability criteria and championed educational drives to encourage farmers to search for natural alternatives to these chemical products.

- **General regulations.** This category encompasses compliance risk with respect to civil law, company law, criminal law and good governance regulations and recommendations. In terms of the risk of white collar crime, the Group has a crime prevention model which is monitored and controlled by the Compliance Department.

  An important aspect within this category is the need to observe, uphold and enforce human rights and suitable standards of ethics, as is enshrined in the Group's Sustainability Plan and its Code of Conduct.

- **Tax risk.** Potential changes in tax legislation or its interpretation or application by the competent authorities across the Group's business markets could have an adverse effect on its performance.

  To mitigate this risk, the Group, through its tax managers, monitors regulatory developments and potential interpretations thereof, asking tax experts for reports in support of the positions it takes, at all times framed by the principle of prudence.

FINANCIAL RISK

In the course of its ordinary business operations, the Group is exposed to certain financial risks associated with its financial assets and liabilities, particularly its bank loans, overdrafts, equity instruments, cash and cash equivalents. In addition, the Group has other financial assets and liabilities such as trade accounts receivable and payable.

These financial instruments expose it to market risk as a result of movements in interest rates (instruments carrying floating rates), exchange rates (those denominated in currencies other than the euro), changes in their fair value, liquidity risk (the inability to monetize assets within reasonable timeframes or at reasonable amounts) and credit risk (counterparty risk).

A description of these risks and the mitigating measures taken is provided in note 12 of the consolidated financial statements.

5. Events after the reporting period

The only development worth noting relates to the sale of the dry pasta business in Canada, which closed on January 29, 2021, once the various closing conditions had been met. The agreed sale price has therefore been collected and the business delivered to the buyer. There have been no other significant events or developments between the end of the reporting period and the date of authorizing the accompanying consolidated financial statements for issue.

In addition, on March 24, 2021, the Board of Directors approved an offer from a third party for the sale of the Ronzoni brand and the Ronzoni Winchester dry pulp plant in the United States (non-current assets held for sale) as of December 31, 2020 of the discontinued sale as of December 31, 2020 of the discontinued dry pasta business - see note 25). The price of these assets, for the purposes of the potential transaction, has been set at 95 million U.S. dollars (subject to any working capital adjustment).

The signing of the agreement with the potential buyer is expected to take place in the next few days. The closing of the transaction would generate a net capital gain (after tax) in the Consolidated Financial Statements accounts of the Ebro Group for the year 2021, which is estimated at 25 million euros. The execution of the transaction would be subject to certain closing conditions and other formalities customary in this type of transaction.

No other significant subsequent events have occurred.

6. Group outlook

Recovery and uncertainty. Those are our keywords when we talk about next year. With the echoes of the last waves of the pandemic still resonating in our ears, the big question is when will we resume the craved 'normality' that will allow a solid economic recovery. The effectiveness of the vaccines and their widespread distribution are crucial for attaining the economic growth that all international forecasters are looking for in 2021.

In addition to the health aspect - key to the recovery - the role played by the various governments and central banks, which so far have opted for lax monetary policy and ambitious fiscal measures, is also an important factor. Against that backdrop, US President Joe Biden recently announced a massive stimulus package that will inject spending power into most US households. The pandemic has prompted households to set aside more savings. Liquidity injections have been considerable. It remains to be seen whether they will translate into an improvement in sentiment that paves the way for a recovery and the effects they will have on consumer purchasing decisions and inflation.

In terms of the commodity markets of importance to the Group, all signs point to price stability across most rice varieties and in durum wheat, at least until the next harvests.

The noise in Southeast Asia about a possible reduction in water availability or an increase in its salinity have kept prices in that region firm at the start of 2021. More important, however, is the news of a sharp rise, since the end of 2020, in container shipping prices on routes to Europe and the US as a result of the massive growth in freight shipping from Southeast Asia since the start of the pandemic, which is having a particular impact on final prices for fragrant varieties.

The last durum wheat harvest in Europe was small, exerting upward pressure on prices. However, quality was better than of late and the more recent strong harvest in Canada should keep prices flat until the summer. The outlook for the 2021/22 harvest is for growth in sown area, thanks to attractive prices relative to other crops, which should lead to some price easing after the summer (impact on the last quarter).

The outlook for sales is for demand to remain slightly above that of a non-pandemic year during the first half, but for the full-year volumes to fall back year-on-year. There is uncertainty as to the impact the crisis could have in some countries, specifically the possibility of aggressive retail strategies in the form of heightened promotional activity.

RICE BUSINESS

In Europe, we expect to complete the new microwaveable rice factory in San José de la Rinconada, which, together with the expansion of the US factory, will enable the Group to cater to growing demand in this product category. Otherwise, volumes are expected to dip, competition to increase and margins to come under greater pressure.

In the US we are expecting much of the same: lower volumes and a stronger promotional effort to support the market growth drivers: aromatic varieties and microwaveable rice.

PASTA BUSINESS

The key targets are:

- Managing the return to normality: defending profitability in the traditional dry products ranges and eking out continued growth in the premium segment, led by the Garofalo brand.

- Holding on to Bertagni's customer base and developing new products for this brand leveraging the overhaul of the factory in Avio. Generally increasing productivity in the fresh pasta segment.
- Driving growth in the US in both the fresh and premium pasta segments.

7. Headcount and environmental disclosures

This information is provided in the Non-Financial Statement, which is part of this Management Report, and in note 24 of the consolidated financial statements.

8. R&D activity

The Ebro Foods Group has always been a front-runner in terms of new consumer trends and an international benchmark in the research and development of products applied to the food sector. Aware that R&D is essential to the Group's quality and differentiation strategy, it remained unwaveringly committed to innovation in 2020.

In total, R&D expenditure totaled 5.5 million euros in 2020 (3 million euros of which funded internally and 2.5 million euros, externally).

Investment in R&D totaled 11 million in 2020 and mostly corresponded to payments made during the year to improve processes at the instant rice factory in the US and for new filled fresh pasta and gnocchi processes in France.

The Group has articulated its R&D engine around research centers located in France, the US, the Netherlands, Italy and Spain. These centers and their main projects in 2020 were:

1. The Panzani Group's R&D Center, with locations in Marseille and Lyon. This center focuses its research effort on developments in the durum wheat category: dry and fresh pasta, couscous, pulses, other grains and new food transformation technology applied to cereals. In 2020 it continued it work on (i) the production of instant-cook pasta; (ii) process improvements, particularly in terms of energy usage; (iii) multiple range expansions; and (iv) projects designed to ensure the absence of pesticides in all edible grains.
2. Bertagni R&D Center in Arcugnano. This facility focused on technology patented by Betagni for double-layer product sealing, novel and surprising ravioli formats and product development.
3. United States. The US research area focuses on developing new (and adapting existing) products, processes and technologies in that market. In 2020 its work focused on developing (i) a broad range of microwavable cup products adapted for American preferences and customs; and (ii) a new range of instant rice mixes.

4. Centers associated with the Herba Group in Moncada (Valencia), the San Juan de Aznalfarache plant, the ingredients facility in Wormer (Netherlands) and the Bruno plant (Italy), devoted to the development of new and/or improved product and technologies, the provision of technical assistance with rice and derivative product technology and the development of ingredients with cereal or pulse bases. The most important projects at those centers include: (i) the development of new microwavable cup products based on non-rice ingredients; (ii) the development of new industrial ingredients with a rice, pulse, quinoa or cereal base (free of antigens, the idea being to replace animal proteins); (iii) research into the physical/chemical characteristics of certain rice varieties and their choice depending on the intended use; and (iv) the development of new thermal treatments for rice husks for industrial application.

9. Own share transactions

In 2020, the Parent had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on June 3, 2015 and that granted at the Annual General Meeting held on July 29, 2020 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2020, under the scope of the employee share plan, it bought back 44,884 shares, sold 12,500 and delivered 32,384 own shares to employees. The Company did not hold any own shares at December 31, 2020.

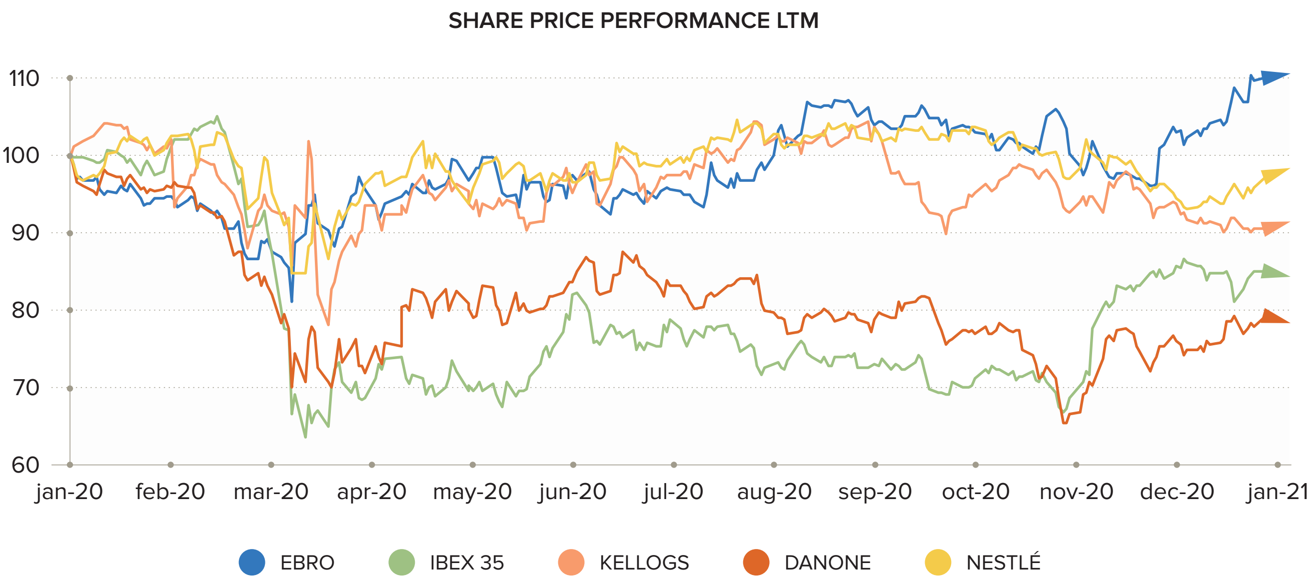
10. Other relevant disclosures

AVERAGE PAYMENT PERIOD

As required under the Spanish Corporate Enterprises Act, it is hereby noted that the average payment period of the companies domiciled in Spain was 23 days in 2020 and 30 in 2019. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

	2020	2019
Days		
Average supplier payment term	23,0	30,2
Paid transactions ratio	22,5	29,9
Outstanding transactions ratio	35,5	39,2
Amount (000€)		
Total payments made	369,824	313,733
Total payments outstanding	15,090	13,923

SHARE PRICE PERFORMANCE



The Parent's share price clearly outperformed the market and even its peers in 2020. The markets saw the sector as a source of stability in the face of the volatility introduced by the pandemic and even after the initial uncertainty dissipated, the sector's multiples remained well above those of other sectors hit directly by the health crisis, such as the transport, tourism and even the banking and REIT sectors, which command a significant weight in Spain's benchmark Ibex-35 index.

DISTRIBUTION OF DIVIDENDS

Ordinary dividend. At the Annual General Meeting held on June 29, 2020, the Company's shareholders ratified the motion to pay a cash dividend with a charge against 2019 profit and unrestricted reserves of 0.57 euros per share (before withholding tax), payable in the course of 2020 for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share on April 1, June 30 and October 1, 2020.

Extraordinary dividend. At an Extraordinary General Meeting held on December 16, 2020, the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 1.94 euros per share (before withholdings), for a total outlay of 298,499 thousand euros. That dividend was paid out in one go on December 28, 2020.

ALTERNATIVE PERFORMANCE MEASURES

In keeping with the guidelines provided by the European Securities and Markets Authority (ESMA), there follows a description of the main alternative performance measures used in this report.

These measures are used frequently and consistently by the Group to explain its business performance and their definitions have not changed.

EBITDA-A. Adjusted EBITDA. Earnings before interest, tax, depreciation and amortization and before earnings not related with the operations that generate the regular cash flows associated with the core business (essentially gains or losses deriving from transactions involving the Group's fixed assets, industrial restructuring charges, provisions for or settlements from lawsuits, etc.).

The reconciliation of EBITDA-A and operating profit is provided below:

	2018	2019	*2019/2018*	2020	*2020/2019*
EBITDA-A	**277,901**	**306,617**	**28,716**	**364,224**	**57,607**
Depreciation and amortization	(78,281)	(100,025)	(21,744)	(112,202)	(12,177)
EBIT-A	**199,619**	**206,592**	**6,973**	**252,022**	**45,430**
Non-recurring income	8,702	9,077	375	4,889	(4,188)
Non-recurring expenses	(11,526)	(24,527)	(13,001)	(14,288)	10,239
OPERATING PROFIT	**196,796**	**191,142**	**(5,654)**	**242,623**	**51,481**

EBIT-A. Adjusted EBIT, calculated by subtracting depreciation and amortization from EBITDA-A.

	12-31-18	12-31-19	12-31-20
(+) Non-current financial liabilities	533,612	826,725	570,267
(+) Other current financial liabilities	342,694	424,967	591,759
(+) Available-for-sale financial liabilities	0	0	113
(+) Loans to associates	0	0	(1,122)
(–) Deposits payable	(97)	(97)	(782)
(–) Cash and cash equivalents	(171,450)	(252,072)	(210,486)
(–) Derivatives – assets	(498)	(714)	(1,611)
(+) Derivatives – liabilities	360	1,040	2,732
TOTAL NET DEBT	**704,621**	**999,849**	**950,870**

Net debt. Interest-bearing financial liabilities, financial derivatives at fair value, the amount of shareholdings subject to put/call options qualifying as financial liabilities and dividends accrued and pending payment, if any, less cash and cash equivalents.

Average net debt. Net debt, as above, calculated on a 13-month moving average basis.

Capex. Payments for investments in productive fixed assets. Refer to the cash flow statement.

ROCE-A. A measure of the return on assets calculated as average earnings before interest, tax and non-recurring earnings for a given period divided by average capital employed during that period, that average in turn defined as the moving average for the prior 13 months. This metric was calculated in the same manner as in prior years.

Capital employed (average). The sum of intangible assets, property plant and equipment and working capital on a moving 13-month moving average basis. It is therefore not a simple arithmetic average or a calculation based solely on the financial information presented in the consolidated financial statements. It is not therefore possible to provide a direct reconciliation with headings, sub-totals or totals presented in the financial statements.

Working capital (average). The sum of inventories and trade and other receivables less trade and other payables on a 13-month moving average basis. As with capital employed, this metric not a simple arithmetic average or a calculation based solely on the financial information presented in the consolidated financial statements. It is not therefore possible to provide a direct reconciliation with headings, sub-totals or totals presented in the financial statements.

Leverage. A measure of creditworthiness calculated as the ratio of average net debt to equity.

Debt coverage ratio. A measure of the Group's ability to service its net debt from earnings measured as the ratio of net debt to EBITDA.

Non-financial statements

Anexxes

Ebro Foods, S.A.

ABOUT THIS REPORT

This report (the "**Report**") contains the Non-Financial Statements of Ebro Foods, S.A. (the "**Company**") and is part of the Management Report in the Consolidated Annual Accounts of the Company, as parent of the Ebro multinational group (the "**Ebro Group**" or the "**Group**").

REPORTING PERIOD
2020

REPORTING FRAMEWORK
In this statement we report on the social, environmental and/or economic aspects that are important for the Ebro Group. The report has been prepared, in all material aspects, in accordance with the stipulations of prevailing commercial law and following the criteria of the selected GRI standards, as well as other criteria described according to the relevant provisions in the "Index of contents required by Act 11/2018 of 28 December on non-financial information and diversity".

SCOPE AND COVERAGE OF THE REPORT
The report presents on a consolidated level the non-financial indicators of all the companies operating the core businesses of the Ebro Group and their respective industrial sites at year-end 2020 (see Annex 1), except the energy consumption of five of the twelve offices leased by the Ebro Group, as we do not have consistent quantitative data. The tenants of those offices are: Ebro Foods (Granada), Herba Ricemills Romania (Bucharest), La Loma Alimentos (Buenos Aires, Argentina) and two of Tilda (India and Dubai). The global consumption by all twelve offices represents less than 1% of the group's total energy consumption.

CHANGES IN THE REPORTING PERIMETER
The changes in respect of 2019 in the perimeter for consolidated reporting are:

1. The incorporation of Tilda Ltd., acquired on 28 August 2019, which completed its total integration within the Group (for the purpose of non-financial reporting) at the end of that year.
2. Inclusion of the environmental indicators of the three industrial plants of La Loma Alimentos, S.A. (Argentina). The other non-financial indicators were included in the 2019 Report.

SIGNIFICANT CORPORATE OPERATIONS DURING 2020
The Group announced divestments in the USA and Canada in October and November 2020.

Firstly, on 28/10/2020 the company announced the agreement reached with the Barilla Group for the sale of our dry pasta business "Catelli" in Canada, comprising the brands Catelli®, Lancia® and Splendor® and the plant in Montreal (Quebec) for CAD 165 million. This divestment was concluded on 29/01/2021.

Secondly, on 5/11/2020 the Ebro Group announced the agreement reached with American Italian Pasta Company (owned by TreeHouse Foods, Inc.) for the sale of certain assets of our dry pasta and noodles business in the United States. The perimeter of the business sold comprises the brands Skinner®, Healthy Harvest®, American Beauty®, San Giorgio®, Splendor®, Lancia®, No Yolks® and Wacky Mac® and the St. Louis plant. The transaction was concluded on 11/12/2020 for USD 242.5 million.

All the non-financial indicators of both businesses have been included for the purpose of this Report. The financial figures are presented in accordance with the information reported in the Consolidated Annual Accounts.

CONTACT POINT FOR ISSUES REGARDING THE REPORT OR ITS CONTENTS
Ebro Foods, S.A.
Dirección de Comunicación y Responsabilidad Social Corporativa
Paseo de la Castellana, 20 – 3ª planta
28046 Madrid
Spain
E-mail: comunicacion@ebrofoods.es

Ebro Foods, S.A.

RESPONSE BY THE EBRO GROUP TO COVID-19

The response by the Ebro Group to the needs of the company and its stakeholders during the pandemic has been fast and effective.

Our first responsibility was to protect our employees' health and keep close to our customers and consumers, guaranteeing an adequate supply of our products in all the markets in which we operate. Moreover, as a socially responsible enterprise, we have endeavoured to contribute towards mitigating the negative impacts of the pandemic.

Our international scope gave us the chance to observe the consequences of COVID-19 in other countries, so we started to prepare our contingency plan before the crisis really set in.

The main measures implemented within this plan were:

1. Protection of our plants, building up our stocks of spare parts for machinery and the different production lines.
2. Reorganisation and bolstering of production, giving priority to the products in greatest demand.
3. Buying in personal protection equipment (PPE) and medical supplies to guarantee the health and safety of our employees.
4. Stepping up the already stringent safety protocol at our plants, with specific measures for entry, exit and inside the facilities.
5. Establishment of flexible working hours, giving priority to home working for office staff ("home office").
6. Doing tests and overseeing employee health.

Overall, we have spent EUR 12.2 million on maintaining these health and safety measures.

Through this contingency plan, together with diversification of sourcing and the engagement of our team, we have been able to give a full response, in due time and form, to the disproportionate, unforeseeable surges in demand during the initial lockdown and the successive waves of COVID.

The Group has also maintained all jobs, without any redundancy plans (ERE) or temporary lay-off plans (ERTE) in any of our subsidiaries.

At the same time, the Ebro Foundation and the different subsidiaries of our Group embarked on a number of global social initiatives to combat the effects of the coronavirus. These measures have consisted mainly of buying medical supplies for nursing homes and hospitals and making donations of food. The overall value of these aids was EUR 5.7 million.

In addition, in view of the complicated economic context and in our desire to support our shareholders, the Group has also distributed an extraordinary dividend of EUR 298.5 million, which, together with the ordinary dividend of EUR 87 million, brings the total dividend to EUR 386 million.

Ebro Foods, S,A,

BUSINESS MODEL

The Ebro Group is the leading food group in Spain, global leader in the rice sector and the second fresh and dry pasta producer worldwide. Through a network of 33 subsidiaries, it operates in the principal rice and pasta markets in Europe, North America and South-East Asia, with a growing presence in other countries.

The main mission of the Ebro Group is to research, create, produce and put on the market high value-added foods that satisfy people's nutritional needs while improving their health and well-being, endeavouring at the same time to secure a transparent, efficient, sustainable business model.

The Group has a multi-company, multi-country and multi-brand business model. It has a decentralised culture in each of its subsidiaries for certain management areas, such as Commercial and Marketing, Logistics, Procurements, Human Resources and Environment, with a clear focus on the business while taking account of the specific idiosyncrasies, laws, etc. of each country. At a higher level, the parent company (Ebro Foods, S.A.), with a light, dynamic structure, is responsible for defining the Group's overall strategy and management guidelines. Decision-making is prompted by the parent's board of directors.

The Ebro Foods Group is managed by business areas that combine the type of activity they perform and their geographical location. Our core business areas are:

- **Rice:** This covers the production and distribution of different rice varieties and their by-products and culinary supplements. The industrial and brand business follows a multi-brand model. It is present throughout Europe, the Mediterranean Arc, India and Thailand through companies in the Herba Group, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.
- **Pasta:** This includes the production and marketing of dry and fresh pasta, sauces, semolina and their by-products and culinary supplements, through the Riviana Foods Canada Corporation Group (formerly Catelli Foods Corporation), the Panzani Group (France, French-speaking countries and Italy, through its fresh pasta specialist subsidiary Bertagni) and Garofalo (Italy and rest of world).

Global Presence

The Ebro Group operates worldwide through a portfolio of over 64 brands, in 81 countries, with industrial and commercial facilities in 15 of them. In the remaining 66 countries, we only engage in commercial activity. Our industrial park comprises some 83 sites, including production plants, offices and warehouses.

LIST OF COUNTRIES WITH A SALES AND MANUFACTURING PRESENCE				
Germany	Canada	US	India	Portugal
Belgium	Denmark	France	Italy	UK
Cambodia	Spain	Netherlands	Morocco	Thailand

LIST OF COUNTRIES WITH A SALES PRESENCE ONLY				
Angola	Ivory Coast	Reunion Island	Mozambique	South Africa
Saudi Arabia	Curacao	Iceland	Nigeria	Sweden
Algeria	United Arab Emirates	Israel	Oman	Switzerland
Austria	Slovakia	Jamaica	Panama	Taiwan
Bahamas	Estonia	Japan	Peru	Trinidad and Tobago
Bahrain	Finland	Jordan	Poland	Tunisia
Barbados	Gabon	Kuwait	Qatar	Turkey
Belize	Ghana	Lebanon	Republic of Congo	Ukraine
Benín	Greece	Libya	Czech Republic	Yemen
Brazil	Guinea	Lithuania	Romania	Djibouti
Cambodia	Haiti	Madagascar	Russia	
Chile	Hungary	Mauritius	Saint Martin	
Colombia	Indonesia	Mauritania	Saint Lucia	
South Korea	Ireland	Mexico	Senegal	

Financial metrics

In 2020, the Ebro Group's net turnover grew by 15.4% year on year to EUR 2,897.5 million, boosted by the positive evolution of our businesses during the pandemic and an efficient organisation of production to meet peak demand. Its Adjusted EBITDA was EUR 364.2 million, up 18.8% on 2019. Net profit totalled EUR 192.4 million, up 35.7% year on year, while net debt was reduced by EUR 49 million to EUR 951 million.

At 31 December 2020, the company had a market capitalisation of EUR 2,914 million.

Environment and trends

2020 was a turning point in our recent history owing to the appearance of COVID-19, a virus that has shown us just how vulnerable our world is, causing a health and social-economic crisis that still continues one year later. The most direct effects of the pandemic on society are a severe economic crisis and a strong feeling of defencelessness, insecurity and uncertainty until an effective treatment is found.

In the food sector, the different COVID waves and successive lockdowns have led to a significant increase in home consumption to the detriment of the HORECA channel, which has been extremely hard hit by the continuous closures of the hospitality sector. In this context, in the first stage of the pandemic consumers were exceedingly concerned with stocking their pantries mainly with basic necessities, without paying much attention to differentiation. As the pandemic continued and the fear of shortages subsided, they started buying higher value-added products to make up for leisure time previously enjoyed in bars and restaurants and reverted to more normal quantities.

The pandemic has also accelerated the change that had been announced many times in certain consumption patterns, including an extraordinary growth in online shopping, new consumer experiences and consolidation of the consumer preference for local supermarkets for their in-person shopping.

Against this backdrop, the general trends are towards:

INCREASED PERSONAL CONSUMER EXPERIENCE, SUSTAINABILITY, HEALTH AND PLEASURE
Consumers now have greater decision-making capacity, more information and more shopping tools, and they are willing to pay more for products they can relate to. This is associated with:

a) Demand for quality products that are easy to prepare and immediately satisfy their wishes.
b) Preference for natural, healthy, organic products. The increased consumption of fresh products and the importance given to small companies and start-ups that make consumers feel in touch with nature are very much in tune with this sentiment.
c) Search for sustainable products corresponding to the circular economy that include different players in their preparation and sale.
d) Desire for a wider choice. Quality private label brands have broadened their customer base, spanning practically all social classes and segments of population.

SOCIAL CHANGES
a) Ageing population, increased power of older generations. The baby boomers have transformed this segment of the population; their purchasing power has increased and their aspirations and needs (activity and health) differ from those traditionally associated with this social group.
b) Smaller families, with a constant growth in the number of single-member households; new formats and customised goods and services.
c) The younger generations are more concerned about social and environmental issues and sustainability.
d) Increased mobility and immigration in many developed countries, accompanied by new tastes and ways of preparing food.

NEW CHANNELS AND SERVICES

a) On-line shopping and connectivity (possibility of shopping through traditional operators, who offer easy use, fast deliveries, etc.).

b) Growth of local supermarkets, with more frequent shopping and increased availability (24-hour opening, alliances with filling stations or other high-traffic points).

c) Consolidation of virtual stores (such as Amazon) on the distribution market along with the new consumer trends and use of technology.

d) New ways of cooking or consuming food (by order, through vending machines, snacks as meal substitutes, etc.).

At the date of closing this report, consumers are extremely concerned about the economic crisis, many of them struggling with unemployment and weary of the excessively drawn-out health situation. Brands will have to take on a highly significant role in this respect, bringing the confidence, security and calm that consumers need. We are also witnessing a recovery of competition, with price wars among distributors and intense promotion activity as rivals vie to be picked as consumers' first choice.

All these changes have brought new challenges for distributors and producers, making it essential to convert both physical and digital points of sale into strategic centres. Adequate visibility and range is key to success. Investments in advertising are shifting towards digital media, characterised by their agility, that currently account for over 50% of the Group's publicity actions. This includes permanent listening to consumers up to the launching of products, which shortens times and enables us to react swiftly. Finally, our commitment to sustainability throughout the value chain is fundamental for continuing to play an important role: Convenience + Health + Sustainability are the drivers of innovation.

Strategy

The Group's strategy focuses on becoming a major player in the rice, pasta and healthy grains markets, and in other cross categories defined as "meal solutions". Within that strategy, the Group has the following goals:

- Reach a global position open to the incorporation of related products (such as value-added pulses).
- Consolidate our status as a benchmark business group in our different business areas.
- Lead innovation in the geographical areas in which we are present.
- And establish ourselves as a responsible enterprise, committed to social well-being, environmental balance and economic progress.

To refine our strategy, the Group is underpinned by general principles of conduct and growth levers that are considered vital to raise the value of our business and step up our firm commitment to sustainable development.

PRINCIPLES OF CONDUCT

- Foster ethical management based on good governance practices and fair competition.
- Comply with the laws in place, acting at all times with a view to preventing and minimising economic risks, including tax risks, as well as social and environmental risks.

- → Seek a return on investment while guaranteeing the operational and financial soundness of its business activities. Uphold business profit as one of the bases for the future sustainability of the business and the large groups of agents directly and indirectly related with the Group.
- → Generate a framework of labour relations that favours training and personal and professional development, respects the principles of equal opportunities and diversity and promotes a safe, healthy working environment.
- → Reject any form of abuse or violation of the fundamental and universal rights, in accordance with international law and practice.
- → Promote a relationship of mutual benefit with the communities in which the Group is present, proving ourselves sensitive to their cultures, contexts and needs.
- → Satisfy and anticipate the needs of our customers and end consumers, offering a broad array of products and healthy, differentiated food.
- → Steer our processes, activities and decisions not only to generate profits, but also to protect the environment, prevent and minimise environmental impact, optimise the use of natural resources and preserve biodiversity.
- → Develop a framework of responsible, true, transparent dialogue and communication with stakeholders, establishing stable communication channels and providing stakeholders regularly and transparently with rigorous, accurate, important information on the Group's activities.

GROWTH LEVERS

- → Organic and inorganic growth in countries with high levels of consumption and expansion of business in developing countries with high growth potential.
  - Move into new territories or categories, paying special attention to new fresh products (snacks, crisps, omelettes, sandwiches, pizzas, ready-to-serve meals) and new ranges of ingredients with greater value added.
  - Develop products that offer a complete culinary experience, extending our catalogue with new formats (maxi cup, compact, etc.), flavours (fresh pasta, range of in-a-cup products, fresh-quality sauces) and ready-to-serve meals (rice and pastas in the pan, "Banzai" cups, etc.).
  - Achieve leadership in mature markets, opting for differentiation based on product quality. Expand and lead the premium category with our brands Garofalo and Tilda.
  - Broaden our geographical presence and complete our product/country matrix:
    - Seeking business opportunities in mature markets with a business profile similar to ours and in specialist market niches that allow us to shift our strategy from a generalist position to that of a multi-specialist (individual solutions).
    - Expanding into new business segments within markets in which we are already present: pasta in India, broadening the range of products in the Middle East or Eastern Europe.
- → Significant positioning in the healthy and organic foods segment in all our brands, through new concepts based on ancient grains, organic, gluten free, quinoa, etc.
- → Differentiation and innovation, investing in two aspects to enhance our product range:
  - Research, development (R&D) and innovation through our five research, development and innovation centres and an investment policy that enables us to convert new ideas and needs into reality for our customers and end consumers.
  - Focus on leading brands in their respective segments, together with a commitment to invest in advertising to promote their development.

- → Low risk exposure. The Ebro Group deals with change in the consumer and financial markets and social change with a firm vocation to adaptation and permanence. To achieve this, it endeavours to secure: (i) balanced sources of recurring income (markets, currencies), (ii) low leverage so that it can grow without exposure to "financial turmoil", (iii) new supply channels and (iv) long-term relations with its stakeholders (customers, suppliers, authorities, employees and society).
- → Implementation of sustainability throughout the entire value chain ("from the farm to the table") through a Sustainability Plan called RUMBO A 2030 ["Heading for 2030"], which focuses on:
  - People. The development of plans and measures to enhance the well-being of our professionals at work, supporting continuous training and professional development to retain talent, seeking formulas to enhance their work-life balance, equality and diversity, health and safety at work. Driving initiatives that foster social and economic progress and help to reduce inequality in the communities in which we operate.
  - Health and well-being. Our contribution is the core of our activity, offering natural, healthy food solutions that facilitate our lifestyle and provide pleasure for consumers. The R&D and innovation department works with these premises and the way we interact with consumers fosters healthy habits, encouraging creative ways of eating through recipes, blogs and advertising campaigns.
  - Our planet. Our determination to minimise the environmental impact of the Group's operations and work on mitigating and adapting to the effects of climate change and the sustainability of our raw and auxiliary materials. We endeavour to cooperate in the use, elimination or reduction of non-degradable materials in agricultural, increase energy efficiency, reduce water consumption for crops and in production plants, and oversee external processes in our value chain.

Ebro Foods, S,A,

CORPORATE SOCIAL RESPONSIBILITY MODEL

The Ebro Group considers sustainable growth one of the basic pillars of its management strategy, to secure its consolidation as a benchmark business group in its areas of activity and position itself as a global, sound, innovative, responsible enterprise committed to social well-being, environmental balance and economic progress. Accordingly, it has incorporated environmental, social and ethical criteria in its decision-making processes, alongside the typical economic variables.

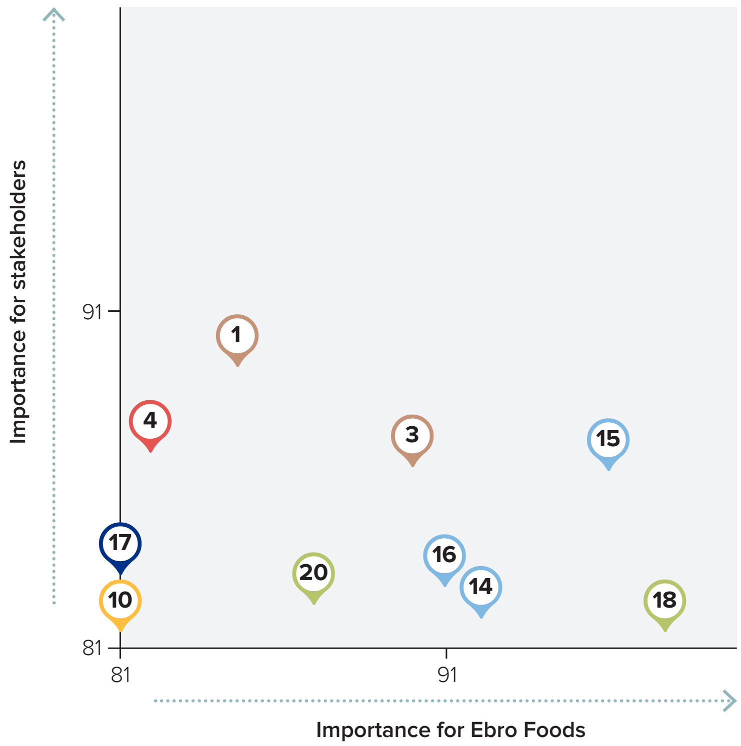
In this context, the Ebro Group views Corporate Social Responsibility (CSR) as the creation of a sustainable business model, which, as well as contributing value, profitability and competitiveness, contributes towards the progress of society, generates trust among our stakeholders and leads to the creation of shared value for all those who interact with us in our business activities.

The Group has followed a four-stage procedure to define and design this CSR model:

1. Diagnosis of the sustainability measures taken by the different companies in the Group.
2. Detailed analysis of our value chain with a view to identifying the potential risks and impacts, both positive and negative, of our operations. Within this process we have identified three key areas, in which we can make the most valuable contributions to society, as they are inherent in our core business and present throughout the entire chain: (i) nutrition and health, (ii) agricultural development, by promoting and implementing sustainable agricultural practices, and (iii) environmental management.
3. Constant dialogue with our internal and external stakeholders, which has enabled us to identify their main concerns and incorporate their suggestions in the design and implementation of the Group's action plans.
4. Materiality analysis: In 2017 we updated our materiality analysis, assisted by Forética. That analysis collected the expectations of our stakeholders (authorities, customers, employees, investors, media, NGOs and suppliers) in Spain, North America, France, Italy, Netherlands, India and Morocco, and from our own corporate management, represented by the Audit and Compliance Committee.

After identifying the principal challenges and opportunities of the Group in respect of sustainability and benchmarking the positioning of other companies in the food sector, we established 23 important topics for consultation, classified into 8 different areas: (i) health and safety of direct and indirect workers, (ii) job quality, (iii) positive social and economic impact on society, (iv) driving force for innovation, (v) promotion of healthy food, (vi) maximising food safety and quality, (vii) implementation of environmental policies and (viii) good governance, integrity and transparency.

GLOBAL MATERIALITY MATRIX



Three aspects stand out for their importance for the organisation and its stakeholders:

Maximising the sustainability, quality and safety of food throughout the value chain

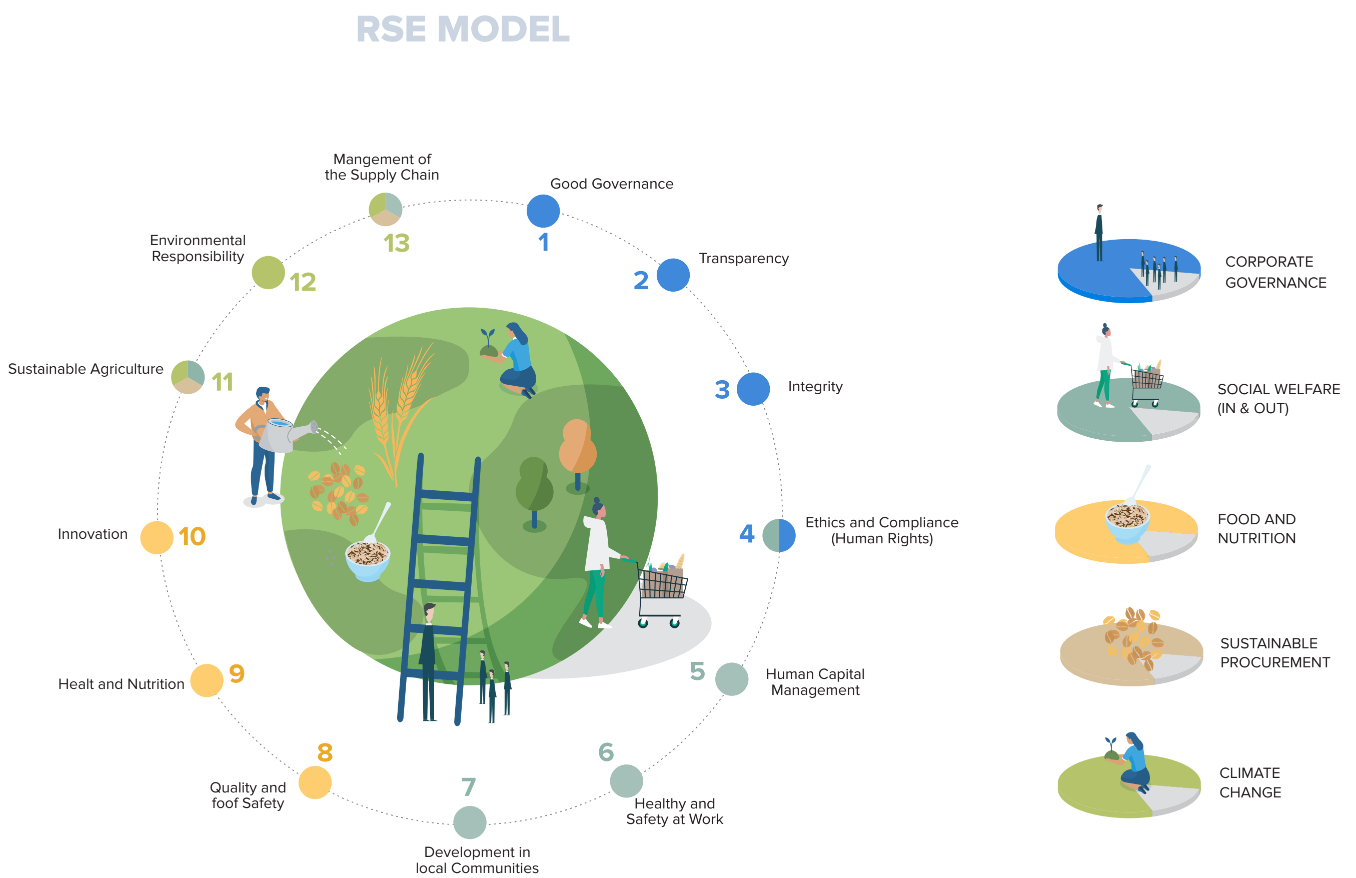
Preventing and avoiding accidents and damage by improving the safety of direct and indirect jobs (manufacturing and distribution)

Implementing environmental policies (especially those related with climate change and water)

HEALTH AND SAFETY OF WORKERS (DIRECT AND INDIRECT)	
1	Prevent and avoid accidents and damage by improving the safety of direct and indirect jobs
3	Promote compliance with human rights throughout the supply chain
JOB QUALITY	
4	Manage human resources responsibly (equality, work-life balance, diversity)
DRIVING FORCE FOR INNOVATION	
10	Invest in developing better food solutions for society
PROMOTE HEALTHY, SUSTAINABLE FOOD	
14	Use raw materials based on environmental and social sustainable principles as ingredients for ready-to-serve dishes
15	Promote sustainable growing and production of the principal raw materials used
16	Foster sustainable good practices throughout the supply chain
MAXIMISE FOOD QUALITY AND SAFETY	
17	Promote the implementation of management systems and tools to maximise quality and information for consumers
IMPLEMENT ENVIRONMENTAL POLICIES	
18	Make the fight against climate change one of the organisation's focal points
20	Develop policies and make investments to reduce and optimise water consumption

Five strategic focal points have been identified through this procedure: **Our Team**, **Our Community**, **Our Public**, **Our Shareholders** and **Our Environment**, and five areas for action organised around the economic, environmental, social and governance pillars, namely: **Corporate Governance**, **In&Out Social Well-Being**, **Food and Nutrition**, **Sustainable Procurement** and **Climate Change**.

Thirteen principal working priorities are established around these focal points and areas for action to guarantee sustainability in each aspect of our business.



To make these 13 priorities effective, in 2019 we launched our Global Sustainability Plan (GSP) HEADING FOR 2030 ["RUMBO A 2030"], with the slogan **Caring for you and the Planet**. This Plan lays down the guidelines and action plans that the Ebro Group will implement up to 2030 to meet the demands and expectations expressed by our stakeholders in the materiality analysis, contribute towards achievement of the 2030 Agenda and minimise the negative impacts that our operations may have on the environment while maximising the positive effects of those activities.

The three main pillars of action of HEADING FOR 2030 are people, health through food and the planet.

With regard to people, the Plan promotes the well-being at work of our professionals, supporting ongoing training and professional development to retain talent, seeking ways to balance work and home life and ensuring equal opportunities, diversity and health and safety at work. It also continues to implement actions that contribute towards social and economic development in our areas of influence.

Our primary goals in caring for the planet are to guarantee the environmental efficiency of all the Group's operations, working to mitigate and adapt to the effects of climate change and the sustainability of our principal raw materials.

As for the third pillar, with the aim of securing the health and well-being of our consumers, in addition to its heavy investment in R&D and innovation to guarantee a broad range of safe, healthy products, the Group will continue to oversee the quality and food safety of those products while actively promoting healthy eating habits and lifestyles.

2019 was the starting point for this Plan and the definition of part of the indicators that will monitor the progress achieved in each of the goals up to 2030. We are able to report on the progress towards each goal as from 2020. During 2020, we also completed quantification of the goals yet to be determined within HEADING FOR 2030, essentially those referring to the environment. In addition, a specific microsite has been set up on the domain caringforyouandtheplanet.com as an information and monitoring tool for the Plan.

At the beginning of 2021 we began the process of reviewing our materiality to adapt the new expectations of our stakeholders to the post-COVID era. We are currently analysing the proposals submitted by different suppliers and expect to implement them in the second quarter of this year.

Impact of COVID-19 on our materiality during 2020

The coronavirus outbreak affected the priorities on which we based our Corporate Social Responsibility and Sustainability work during 2020.

Although we have made progress in the development of actions related with the GSP HEADING FOR 2030, since the beginning of lockdown most of our actions have focused largely on three broad areas: our employees, our customers/consumers and society.

As far as our team is concerned, we have endeavoured to protect their health and safety, investing heavily in risk prevention and taking steps to facilitate flexible working and home working for office staff.

Another of our major priorities as a food enterprise has been to meet the needs of customers, consumers and society at large, filling shelves in an effort to transmit security and calm, guaranteeing access to food and helping to mitigate the adverse effects of the pandemic through the global development of social initiatives.

Alliances with environmental and social entities and initiatives

The Ebro Group and its Foundation belong to or have established alliances with different organisations or multi-stakeholder platforms that encourage and channel companies' commitment to society and the environment. Through these alliances they can give greater scope to the actions developed within their CSR strategy. Some of the important organisations are:

UN Global Compact Network Spain WE SUPPORT	Signatory of the United Nations Global Compact www.pactomundial.org
La alimentación aprovéchala no tiene desperdicio	Member of the Redistribution Committee of the Spanish Commercial Coding Association (AECOC) project against food waste "Don't waste food, use it" http://www.alimentacionsindesperdicio.com/
seres fundación sociedad y empresa responsable	Member of the SERES Foundation http://www.fundacionseres.org/Paginas/Inicio.aspx
Miembro de Forética	Member of Forética http://www.foretica.org/
SAI PLATFORM	Sustainable Agriculture Initiative (SAI) Platform http://www.saiplatform.org/
SRP Sustainable Rice Platform	Sustainable Rice Platform (SRP) http://www.sustainablerice.org/
Sedex	Sedex https://www.sedexglobal.com/es/
ecovadis	Ecovadis https://www.ecovadis.com/es/
CEFLEX A CIRCULAR ECONOMY FOR FLEXIBLE PACKAGING	Ceflex https://ceflex.eu/
MARCAS WASTE WARRIOR	Waste Warrior Brands https://toogoodtogo.es/es

External assessments

Since 2015, Ebro Foods has been part of the FTSE4Good Index Series, an international sustainability index that includes companies that prove their commitment and leadership in environmental, social and corporate governance aspects. Our inclusion in this index verifies that we are a socially responsible investment vehicle.

REGULATORY FRAMEWORK

In order to define the general guidelines of the Group and its associates, the Ebro Foods board approved in 2015 the following policies and principles of conduct:

1. Code of Conduct of the Ebro Group
2. Supplier Code of Conduct
3. Corporate Social Responsibility Policy
4. Social Policy
5. Risk Control and Management Policy
6. Corporate Governance Policy
7. Internal Code of Market Conduct
8. Policy for the Selection and Diversity of Directors
9. Senior Executive Remuneration Policy
10. Dividend Policy
11. Investment and Financing Policy
12. Treasury Stock Policy
13. Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors

In addition to the foregoing, in 2019 the Board of Directors of Ebro Foods approved the Group's Policy against Corruption and Bribery. And in 2020, with a view to stepping up our commitment to Sustainability and Good Governance, the Board of Directors approved a new *Policy on Sustainability*, *Environment and Corporate Social Responsibility* expanding on the previous policy, and a new *Policy on Communication of Financial, Non-Financial and Corporate Information*.

Ebro Foods, S.A.

RISK MANAGEMENT

As one of the corporate policies approved by the board of directors, the Risk Control and Management Policy lays down the basic principles and general framework for control and management of our business risks, including tax risks, and internal control of financial reporting to which the Company and other Group companies are exposed.

Within this general framework, the integral, homogenous Risk Control and Management System is based on the preparation of a business risk map, where risks are identified and assessed and risk management capacity is graded to obtain a ranking of risks from greater to lesser impact for the Group and their probability of occurrence. The risk map also identifies the measures to mitigate or neutralise the risks identified. The risk universe is grouped into four main groups: compliance, operational, strategic and financial. The first three groups also include the principal non-financial risks related with the company's business:

Operational risks

1. **Food safety.** Given the nature of the business, aspects regarding food safety are a critical point to which the Group pays special attention, being bound by a large number of laws and standards in each of the countries in which our products are produced and sold.

   The Group's policy is based on the principles of compliance with the laws in force from time to time and guaranteeing food safety and quality.

   The food safety programmes are based on following protocols to identify and control certain critical points (Hazard Analysis and Critical Control Points –HACCP-), so that the residual risk is minimal.

   The main control points are grouped into:

   - Physical points: controls to detect foreign bodies or the presence of metals
   - Chemical points: detection of chemical elements or the presence of allergens
   - Biological points: presence of elements such as salmonella or any other kind of pathogens

   Most of our handling processes have obtained IFS (International Food Safety), SQF (Safe Quality Food) and/or BRC (British Retail Consortium) certificates, recognised by the Global Food Safety Initiative (GFSI) as food product certification standards, as well as local and special product certificates (Kosher, gluten-free or Halal foods).

   The Group has also defined, developed and implemented a quality, environment and food safety management system compliant with the requirements of the standards UNE-EN-ISO 9001 (Quality management), UNE-EN-ISO 14001 (Environmental management) and ISO 22000 (Food safety management).

2. **Technological (trailing behind) risk.** One of the most important tools for standing up to competition is differentiation and product alignment, which is based on constant technological innovation and the endeavour to adapt to consumer desires. The R&D and innovation strategy is a fundamental part of the Group's general strategy. The R&D and innovation departments, in close collaboration with the Commercial and Marketing departments, work on reducing this risk.

   This area also includes cyber security risks. The exponential growth of internet access exposes companies and users to different types of attack: identity theft, malware, attacks on websites, zero-day attacks, etc. Accordingly, the Group made an audit of its security and drew up an action plan that contemplated: (i) ongoing training of personnel on these threats, (ii) definition of an adequate network infrastructure (firewalls, Wi-Fi access, network electronics, browsing possibilities and design of connected industrial networks), (iii) correct definition of user points (antivirus, mobile device management systems, permissions, updates) and (iv) programme for data preservation and management (back-ups, use of the cloud, shared information).

Environmental and strategical risks

1. **Environment and natural risks.** Drought and flooding in the commodity-producing countries can cause problems of availability and price instability. These natural risks can also affect consumers in the affected regions or even the Group's assets in those locations.

   The best way of mitigating this type of risks is to diversify both the sourcing of raw materials and the countries in which our products are sold. The Group also makes sure it has flexible production capacity with plants in four continents, which minimises possible local problems. In addition, the Group has taken out insurance policies covering all its plants and sites, which would mitigate any disaster that could jeopardise their value.

2. **Climate change.** Global warming is a serious threat to the Group owing to our direct dependence and impact on natural resources such as land or water and their importance for the proper development of our business activities. Accordingly, we have set up a task force to study and classify the potential impacts that climate change may have on our organisation and assign to each one the appropriate mitigation and/or adaptation measures, based on a prior matrix of risks already identified*. Our sustainability plan HEADING FOR 2030 (caringforyouandtheplanet.com), started up in 2019, contemplates a number of actions and goals for these measures, such as: 1) making a more efficient consumption of water and energy; 2) reducing, recovering and re-using waste; 3) recycling packaging; 4) optimising logistics; and 5) using new sustainable agriculture models and technologies.

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* Matriz inicial de riesgos potenciales derivados del cambio climático

TYPES OF RISK	RISKS	IMPACTS	MEASURES
Financial Operational Strategic	Extreme weather events: droughts, torrential rain, hurricanes...	1. Changes in the quality and quantity of harvests 2. Raw material price volatility 3. Production shutdown due to damage to own and/or external infrastructures 4. Rise in consumer prices	1. Geographical diversification for sourcing 2. Diversification of product portfolio 3. Anticipation of possible risks of weather perils when choosing workplace locations 4. Permanent innovation
Strategic Operational	Rising temperatures	1. Smaller consumption of seasonal products 2. Changes in consumer habits 3. Greater energy consumption 4. Changes in crop yields	1. Diversification of product portfolio 2. Innovation 3. Improvement of energy efficiency 4. Innovation in agricultural technology and seed varieties 5. Sustainable agriculture
Financial	Higher taxes and rates for energy, water or transport	Smaller profits, new investments to adapt to changing market circumstances	1. Improvement of energy efficiency 2. Optimisation and sustainability of logistics 3. Promotion of and incentive to improve sustainability in the company
Financial Compliance	Laws or Regulations imposing limits on emissions and fines for exceeding them	Financial, need for additional investments to adapt to the new laws/regulations	1. Anticipation of new legal requirements, analysing trends, participating in forums, etc. 2. Consistent internal regulation of the matter 3. Promotion of and incentive to improve sustainability in the company
Reputational Strategic	Negative reputation for lack or breach of commitments regarding climate change	1. Brand image, reputation 2. Loss of business	1. Publication of the company's good environmental practices 2. Participation in sectoral forums and entities related with the environment
Reputational Financial	Withdrawal of investment funds/ shareholders due to non-compliance with required ESG criteria	1. Image, reputation 2. Market instability	1. Consistent internal regulation of the matter 2. Publication of the company's good practices 3. Proactive communication attitude

3. **Reputational risk.** This risk is associated with possible changes of opinion, giving rise to a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, etc., which could have an adverse effect on the Group's ability to maintain relations (commercial, financial, labour, etc.) with its environment.

   To deal with this risk, the Group has approved a Code of Conduct to guarantee ethical, responsible conduct by the organisation, its employees and all persons and institutions with which it interacts in the course of its business activities.

   In this context, we have included as a significant risk unfounded negative comments or opinions that can so easily be posted in the social networks, owing to the very limited possibilities of controlling them other than close monitoring and specific communication actions to reverse their impact.

   The Group's brands and employees are our most valuable intangible assets, so they are submitted to continuous assessment, considering different aspects, such as management, marketing, health and food safety, compliance and legal defence of intellectual property.

4. **Changes in lifestyle.** The proliferation of low carbohydrate diets and other food trends can have a bearing on consumers' perception of our products.

   These risks can be mitigated by assessing consumption patterns and adapting the offer of products to the alternatives on the market, while participating actively in social forums to encourage healthy habits that are compatible with our products.

Compliance risks

1. **Sector regulation.** The agro-industrial sector is subject to numerous regulations affecting export and import quotas, customs duties, intervention prices, etc., subject to the guidelines set down by the Common Agricultural Policy (CAP). The Group's activity may also be affected by changes in legislation in the countries where the Group sources raw material or sells its products.

   The Group deals with this risk by participating in or echoing the different legal and/or regulatory forums through a number of prestigious professionals who endeavour to secure adequacy and compliance.

   Within this group, the increasingly strict laws on the use of fungicides and pesticides on the basic crops for this industry, especially rice, are becoming more and more important and linked to other operational risks such as supply and food safety.

   To mitigate this risk, the Group has stepped up its quality controls and checks to detect this type of product, working on a selection of protection providers, who are going to be asked to incorporate sustainability criteria in their policies, and providing more education for growers to seek natural alternatives for these products.

2. **General regulation.** This includes compliance risks concerning civil, mercantile, criminal and governance laws and regulations. To help deal with criminal risks, the Group has a Crime Prevention Model, which is monitored and controlled by the Compliance Unit.

   One specific part concerns respect for and compliance with human rights and maintaining appropriate ethical standards, as contemplated in the Group's Sustainability Plan and Code of Conduct.

3. **Tax laws.** Any change in the tax laws or their interpretation or application by the competent authorities in the countries in which the Group operates could affect our earnings.

   To mitigate this risk, the Group, directed by those responsible for taxation, monitors the tax laws and possible interpretations thereof, requesting specific reports from specialists to support its stand, guided at all times by a principle of prudence in this matter.

In the process of classifying risks, a dynamic assessment is made of both inherent risk and the residual risk after applying the internal controls and protocols established to mitigate them. Those controls include preventive measures together with adequate segregation of duties, clear levels of authorisation and the definition of policies and procedures. These controls can in turn be grouped into manual and automatic, the latter being implemented by computer applications.

This model is both qualitative and quantitative and can be measured in the Group's earnings, so the risk level is considered acceptable or tolerable on a corporate level.

The Risk Control and Management System is dynamic, so the risks to be considered vary with the circumstances in which the Group operates.

The Risk Control and Management System, including tax risks and control of financial reporting, is based on the following structure:

- The Board of Directors, as the body ultimately responsible, determines the risk control and management policy, including tax risks and control of financial reporting.
- The Audit and Compliance Committee, through the Risks Committee, supervises and monitors the financial reporting and risk control systems, regularly informing the Board of any material aspects occurring in these areas. It is also responsible for supervising and overseeing internal control of the Group and the risk management systems, and for proposing to the Board the risk control and management policy and any measures for enhancing these areas.
- The Risks Committee, based on the policy established by the Board and supervised by and answering to the Audit Committee, is specifically responsible for coordinating and monitoring the risk control and management system, including the Group's financial reporting and tax risks. The analysis and assessment of risks associated with new investors also falls within the remit of the Risks Committee.
- The Management Committees of the different units, on which the Chairman of the Board and the Chief Operating Officer (COO) sit, assess the risks and determine the measures to be implemented.
- Risk officers in the different units. The Risks Committee appoints officers in the major subsidiaries to monitor the risk control and management system, including tax risks and financial information, and reporting to the Committee.
- Internal Audit Department. Within the internal audits made of the different subsidiaries, the company's Internal Audit Department checks that the financial reporting and risk management testing and control have been conducted adequately, complying with the indications of the Risks Committee.

NB: *Further information on the description of risks and risk control and management system is available in section 4 of the Management Report and section E of the Annual Corporate Governance Report, both available on the corporate website.*

Ebro Foods, S.A.

HUMAN RIGHTS

Ensuring respect for Human Rights throughout our supply chain is one of the Group's priorities in Social Responsibility. We base our criteria in this respect on the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

This commitment is set out in: (i) our Code of Conduct, which establishes the principles and values that must underlie the actions of all persons and companies in the Ebro Foods Group, and (ii) our Supplier Code of Conduct, which establishes the principles, standards and business practices to be met by our suppliers and service providers in their relations with the Group and its professionals.

The Group's commitment to Human Rights is set out in Section IV, point 9 of our Code of Conduct. Points 9.1, 9.3, 9.4, 9.5 and 9.6 lay down the guidelines for eliminating discrimination in employment and occupation, eliminating forced or compulsory labour, effectively abolishing child labour and exercising the rights of freedom of association, to join unions and collective bargaining, in accordance with the laws currently in place. The same commitments are set out in points 3.2, 3.3, 3.4 and 3.7 of the Supplier Code of Conduct. Both Codes can be consulted on the Ebro Foods corporate website (https://www.ebrofoods.es/en/csr/csr-in-ebro/codes-and-policy/).

Human Rights due diligence

To support our commitment to human rights, the Ebro Foods Group is exploring the implementation of a Due Diligence System to detect, prevent and mitigate existing and potential adverse effects of our operations and throughout our value chain. Working towards this, we have prepared a detailed Due Diligence Questionnaire, which will be taken as the basis for defining, identifying, assessing and measuring risks, thus generating opportunities for subsequent verification and control, adopting the necessary, proportionate measures to mitigate, reduce or remedy those risks, as the case may be.

The Questionnaire is at the discussion stage within the global sustainability working party set up within the Group in 2020, with a view to having the final document and implementing it in the second quarter of 2021.

Based on the conclusions drawn from the questionnaire, the parent company will promote ad hoc training in human rights within the different subsidiaries and stimulate awareness of the convenience of having a good Due Diligence System throughout the entire value chain.

Grievance and follow-up mechanisms

The main grievance mechanism is the reporting channel of the Code of Conduct (canaldedenuncias@ebrofoods.es), through which any persons bound by the Code may report any breach of the principles set out therein, under a guarantee of absolute confidentiality. Only the chair of the Audit and Compliance Commission of the Group parent has access to that e-mail account, which is protected with IT security systems to prevent any unauthorised access. The Committee Chair is responsible for prioritising, processing, investigating and solving grievances according to their importance and nature, assisted by the Compliance Unit.

In addition to the confidential reporting channel, the Human Resources Departments of the different companies in the Group can also process, investigate and solve any incidents that may arise within their respective companies.

No human rights grievances were reported in the Ebro Group in 2020. Four incidents were reported in the subsidiary Riviana Foods (USA) during the previous year.

External audits are conducted regularly in companies both within and outside the scope of consolidation of the Group as an additional tool for monitoring and control of human rights.

Audits made at Ebro Group workplaces

COMPANY	COUNTRY	WORKPLACE	DATE	TYPE OF AUDIT	AUDITORS
Bertagni 1882	Italy	Avio	27/04/2020	WCA	Intertek Italy
		Arcugnano (Vicenza)	27/11/2020	SMETA	Intertek Italy
Boost Nutrition	Belgium	Plant A	23/09/2020	SMETA	SGS CBE Belgium
Gevovita Functional Ingredients	Italy	Bruno (AT)	14/02/2020	SMETA	SGS Italy
Herba Bangkok	Thailand	Nong Khae	29/10/2020	BSCI	SGS
Herba Ricemills	Spain	San Juan	17/12/2020	SMETA	Intertek Spain
			08/06/2020	WCA	Intertek Spain
		Algemesí	09/12/2020	SMETA	Intertek Spain
		Coria	09/11/2020	SMETA	Intertek Spain
Lassie	Netherlands	Wormer	30/09/2020	SMETA	SGS
Mundiriso	Italy	Vercelli	26/11/2020	SMETA	SGS
Pastificio Lucio Garofalo	Italy	Gragnano	15/05/2020	SA8000	DNV
			17/07/2020	SA8000	DNV

The audits made outside the Group perimeter are indicated in Chapter 10 of this Report "Supplier Management".

Training on human rights policies and procedures given during the year

Specific training on human rights was given in the following companies during the year:

COMPANY	2020				2019			
	NO. EMPLOYEES WHO RECEIVED TRAINING	NO. HOURS	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES	NO. EMPLOYEES WHO RECEIVED TRAINING	NO. HOURS	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES
Boost Nutrition	10	10	103	9.71%	---	---	---	---
Ebro India	21	84	162	12.96%	151	302	151	100.00%
Herba Bangkok	75	225	220	34.09%	124	124	227	54.63%
Herba Cambodia	1	3	6	16.67%	6	3	6	100.00%
Herba Ingredients	27	27	96	28.13%	---	---	---	---
Lassie	---	---	---	---	71	71	71	100.00%
S&B Herba Foods	7	175	109	6.42%	4	4	106	3.77%
Transimpex	66	66	69	95.65%	64	64	64	100.00%

Ebro Foods, S.A.

ANTI-CORRUPTION AND BRIBERY MEASURES

▶ Corruption and bribery

The Ebro Group has a global Code of Conduct, known to and binding on not only its workers and professionals, but also its customers, suppliers, shareholders and other stakeholders.

The Code of Conduct establishes the principal values that must underlie the Group's conduct, including those of transparency, honesty and strict compliance with the laws and regulations in place.

The Code of Conduct dedicates a specific section (29) to anti-corruption, bribery, illegal commissions, influence peddling and money laundering. It establishes the following general principles: (i) the obligation undertaken by the Group to eradicate any form of corruption and (ii) the absolute prohibition of any form of corruption or bribery. These principles are accompanied by specific rules of conduct designed to guarantee compliance with them.

All the Group's workers and professionals are informed of and accept the Code of Conduct as mandatory. They receive a copy of it when they join the Group (or after any amendment) and formally acknowledge receipt, knowledge thereof and their obligation to comply. This is backed up with a grievance channel through which any interested person may confidentially inform the parent company of any potential infringement of the Code.

The general regulation set out in the Code of Conduct is supplemented on a corporate level with the Policy against Corruption and Bribery approved by the parent's board of directors in April 2019. All the principles, values and rules for action established in the Code of Conduct for combating corruption and fraud are developed in the specific, verifiable terms of that Policy.

The global regulation of the Code of Conduct and the principles set out in the Policy against Corruption and Bribery are backed up locally in the different regions in which the Group operates.

- In the principal Spanish companies, the Ebro Group also has a crime prevention model that identifies the potential criminal risks deriving from its activities and the mitigation measures established to try to eliminate (or minimise as far as possible) the risk of committing criminal offences, which include corruption and bribery. The crime prevention model identifies the measures implemented to mitigate the risk of committing offences of corruption, bribery, influence peddling and money laundering. Its effectiveness and application are monitored and checked regularly by the Compliance Unit, within the reporting system of the current crime prevention model. During 2020 the Group revised and updated its criminal risk map and crime prevention model, with counselling from external specialists. In fact, the reporting for the second half of 2020 within the crime prevention model was based on the revised model. Along with the revision and updating and with counselling from the same external specialists, The Group started to design an employee training plan, which is expected to be implemented during 2021.
- In pursuance of local legislation (Legislative Decree of 8 June 2001) on companies' liability for certain types of offence (including corruption), the Italian companies in the Group have established organisation and management models that include measures to preclude the risk of committing those offences.

- The Group's North American subsidiaries have specific policies and measures to control and mitigate the risk of committing this type of offence. In particular, and in pursuance of the special requirements under local laws, the North American companies have the Anti-Corruption, Bribery and Compliance Policy, adapted to US (FCPA) and Canadian (CFPOA) laws on corruption. That policy establishes an Anti-Bribery Compliance Officer, who is responsible for ensuring compliance with the policy and making sure that all workers and executives are aware of and comply with it. Training and refresher courses are provided regularly for this purpose.
- The Group's Indian subsidiary has a Vigil Mechanism/Whistleblower Policy, adapted to the applicable local laws (section 177(9) of the Companies Act and Rule 7 of the Companies Rules), through which a communication channel is made available to all employees to report to the company any conduct that infringes the Code of Conduct (in addition to the Group's reporting channel). Through that channel, any possible indication of unlawful conduct (including, therefore, any that may be considered acts of corruption) must be reported to the Vigilance and Ethics Officer of the company for investigation and adoption of whatever measures may be necessary. All new hires in the Group's Indian subsidiary receive specific information within their inception training on combating corruption, including the general rules established in the Code of Conduct, the specific rules of the Vigil Mechanism and the hierarchical structure for reporting suspicious conduct. Also, within that policy, due diligence is conducted on potential overseas customers and they are required to certify that they do not participate and have not participated in any acts of corruption or bribery.
- In France, in pursuance of the local laws (SAPIN 2 Act of 10 December 2016), the Panzani Group implemented a Code of Conduct to combat and prevent corruption as of 1 January 2020. The aim of that Code of Conduct is to make employees aware of the prohibited conduct and the best practices for dealing with potentially hazardous situations within their professional activity. The Code was defined and implemented based on the corruption risk map drawn up by Panzani with specialist external counselling. The regulation contained in that Code is supplemented with the Guide for Use of the "Ethical Alert device" (*dispositif d'alerte Professionnelle "Alerte Ethique"*), an internal channel within Panzani through which any employee in that group can confidentially report any indication of infringement of the Code of Conduct, with guaranteed protection from reprisals.

In the same context, just as in 2019, the companies Riviana Foods, Catelli Foods Corporation, Ebro India, Lassie (Netherlands) and Herba Bangkok (Thailand) provided anti-corruption training for their employees in 2020. That ongoing training is included in regular training plans, thus ensuring that employee knowledge on the matter is constantly updated. Other subsidiaries that have also provided training during the year are Herba Cambodia, Herba Ingredients and Panzani.

COMPANY	2020			2019		
	NO. EMPLOYEES	EMPLOYEES RECEIVING ANTICORRUPTION TRAINING	% EMPLOYEES RECEIVING TRAINING	NO. EMPLOYEES	EMPLOYEES RECEIVING ANTICORRUPTION TRAINING	% EMPLOYEES RECEIVING TRAINING
Catelli	377	377	100.00%	369	369	100.00%
Ebro India	162	20	12.35%	151	151	100.00%
Herba Bangkok	220	217	98.64%	227	124	54.63%
Herba Cambodia	6	6	100.00%	---	---	---
Herba Ingredients	96	13	13.54%	---	---	---
Lassie	82	14	17.07%	71	71	100.00%
Panzani	775	9	1.16%	---	---	---
Riviana Arroz	1,225	1,225	100.00%	1,214	1,214	100.00%
S&B Herba Foods	---	---	---	106	106	100.00%
	2,943	**1,881**	**63.,1%**	**2,138**	**2,035**	**95.18%**

No cases of corruption have been reported in any companies of the Ebro Group. Nor have any of the Group's business partners reported any cases of this nature.

Money laundering

The Ebro Group has established: (i) payment and collection processes and (ii) a structure of attorneys for bank transactions, through whom it guarantees adequate control and monitoring of money movements in all its transactions.

The Ebro Group uses bank transfers and nominative payment instruments for payments and collections as they guarantee full traceability of any money movement. It also has strict rules for cash management, which allow the different companies to hold only negligible amounts of cash and regulate in detail any drawings against the cash balances, requiring in all cases justification of cash requests and proof of use of those funds.

The reimbursement of expenses incurred by employees in the course of their work is also strictly controlled, requiring proof of the expense and the reason and justification for it prior to any reimbursement. Drawings made using a company bank card (by employees who have a card, by virtue of their category) are subject to the same requirements of proof and justification of use, such that if any use of the card is not justified and proved, the corresponding sums are withheld from payments to be made by the relevant company to the employee.

According to the Group's power of attorney structure, in order to draw funds from bank accounts, a prior decision by must be adopted by the competent corporate body and, as a rule, joint signatures are required, except for negligible amounts compared to the volume of transactions of the company in question.

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 social responsibility action within the Ebro Group is ensuring the well-being and socio-economic development of the local communities directly related with our business activities.

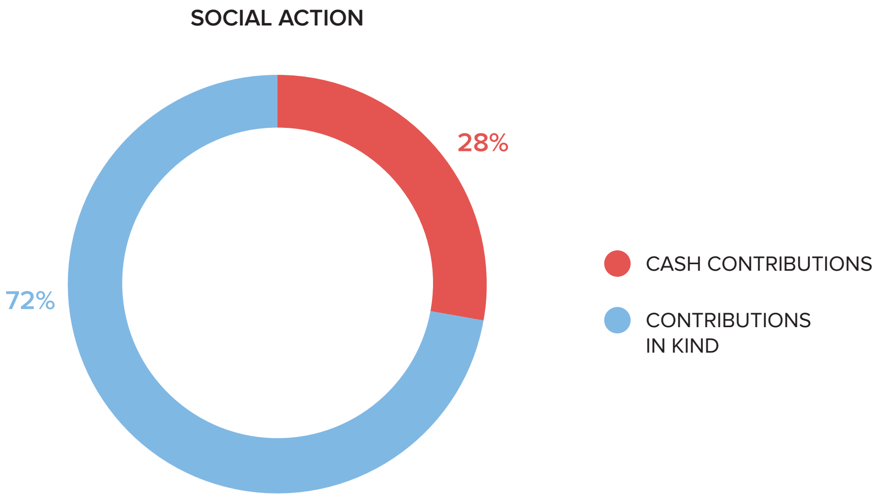
During 2020 that commitment was taken further, and the Group has made an extra effort to promote different initiatives to help combat the effects of COVID-19.

In 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 and develop solidarity actions together with other entities and welfare organisations, for example participating in the food trucks of the Ifema provisional hospital in Madrid and donating 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 5.7 million.

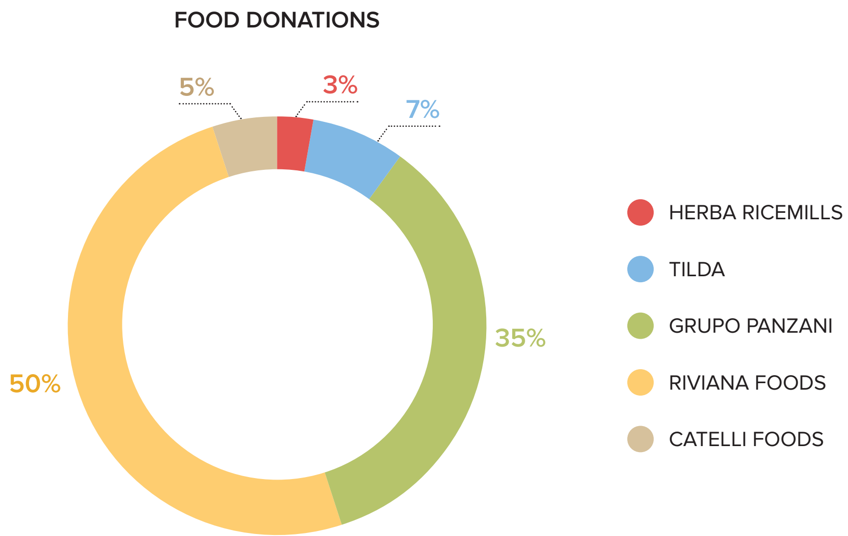
SOCIAL ACTION	AMOUNT (EUROS)
Food donations	4,143,363
COVID-related activities in Spain	1,005,714
Other welfare activities	596,543
TOTAL	**5,745,620**



DETAILS OF FOOD DONATIONS

Owing to the pandemic, donations by Group companies in Spain, France, UK, USA and Canada doubled in 2020 in respect of the previous year, totalling EUR 4.1 million, i.e. more than 2 million kg of food was donated.

COMPANIES	AMOUNT (EUROS)
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**

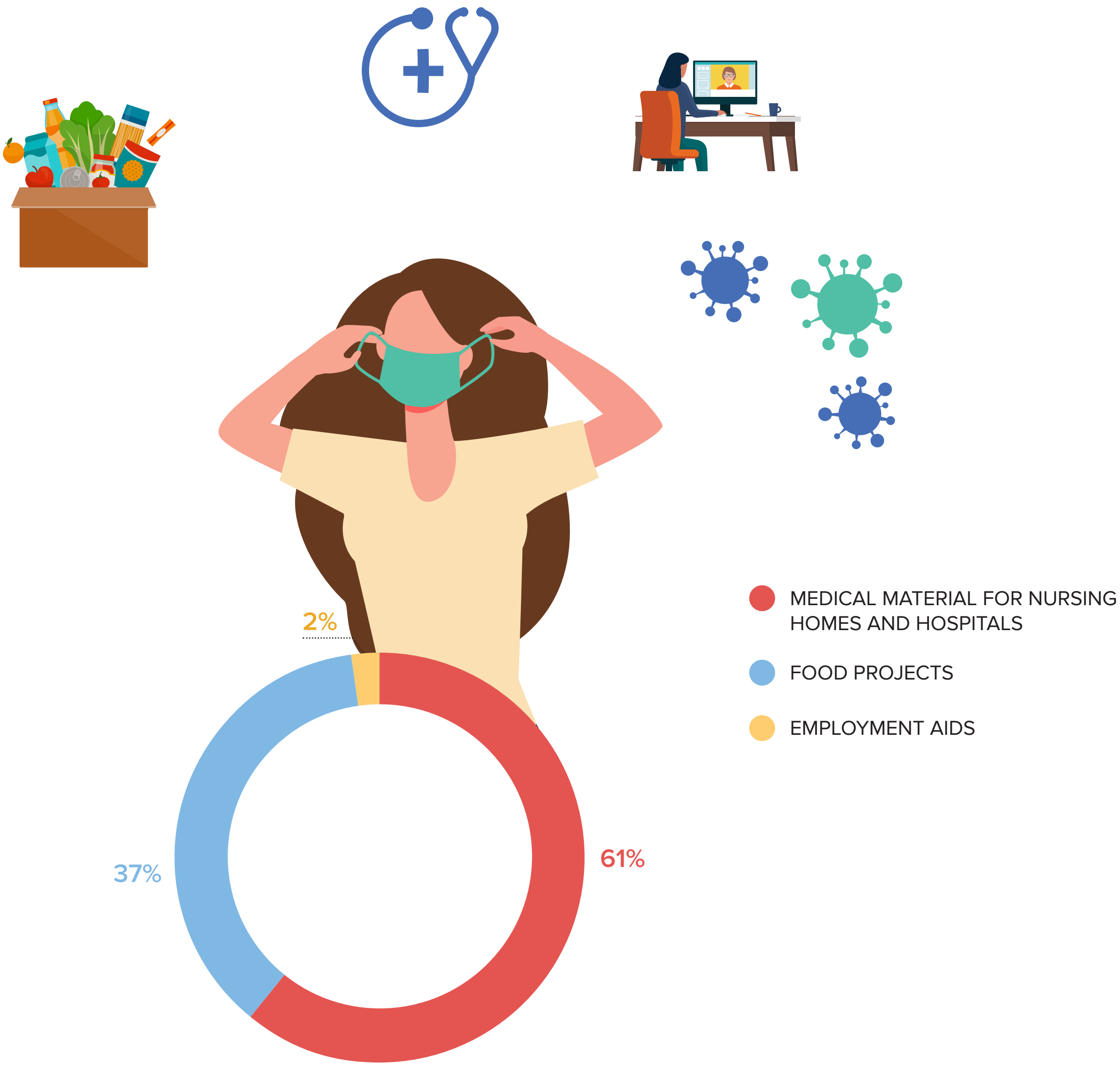


DETAILS OF COVID-RELATED ACTIONS IN SPAIN

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

DETAILS OF ACTIONS



OTHER WELFARE PROGRAMMES

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 initiatives in the following areas:

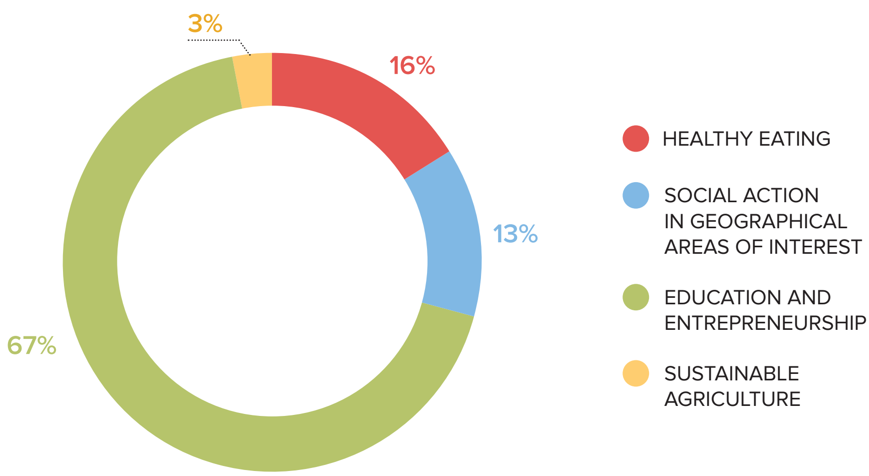
- → Food and nutrition
- → Education and employment
- → Sustainable agriculture
- → Social welfare in regions of interest

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

Principal activities in 2020

€596,543	6,901	40	25	3
INVESTMENT	No. BENEFICIARIES	No. PROJECTS	No. ENTITIES	No. COUNTRIES

DETAILS OF ACTIONS



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.

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 Andalucía consisting of the donation of 1,000 laptops in each of these regions.

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

3. Sustainable agriculture

The Foundation also supported in 2020 the sustainable agriculture strategy put into practice by the Ebro Group. In this regard, it has continued promoting EKTA, a programme developed with a view to implementing crop standards that are sustainable from a social and environmental standpoint in India. In 2020, the Foundation invested EUR 19,608 in this area, since most of the items were implemented directly by Group companies.

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

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.

To conclude this chapter, we should mention that the Ebro Group has not received any complaints or claims regarding possible negative impacts in the local communities in which we operate.

Ebro Foods, S,A,

OUR PROFESSIONALS

One of the main sources of value generation in the Ebro Group lies in its 7,834 professionals, 6,462 direct employees of the company and 1,372 contracted through different external agencies. A very close-knit team of professionals with enormous talent potential aligned with the organisation's strategy. Through the human resources departments of the different subsidiaries, the Ebro Group endeavours to motivate these professionals by offering a high quality job while at the same time strengthening their skills, powers and personal and professional leadership.

The Ebro Group's personnel management policy is designed to secure a high level of knowledge and contact with the workforce through a decentralised structure formed by the human resources managers in all the major companies of the Group and the implementation of bespoke policies in each one (in addition to the provisions of labour laws), taking account of the specific features of the countries in which they operate. These policies include not only general guidelines regulating company/employee relationships, but also specific guidelines on Occupational Health & Safety, Training & Education, Diversity and Equal Opportunities and Equal Pay for Men and Women. Companies with a small personnel structure (essentially commercial companies with fewer than 10 employees) are governed exclusively by the labour laws in place in the countries in which they operate.

Above all of them and without prejudice to the provisions of the specific policies mentioned above, the Ebro Group has a Code of Conduct, which not only secures ethical, responsible conduct by the professionals in all the Group companies in the performance of their duties, but also serves as a reference to define the minimum objectives of the employment policy and guarantees, namely:

1. Occupational health and safety
2. Training and career development of all employees
3. Non-discrimination, diversity and equal opportunities in access to employment (including gender equality, the integration of people with different abilities and promotion of a multi-cultural workforce)
4. Right to form and join unions
5. Compliance with collective rights

In view of the contents of the different programmes launched by the most important business units in the Ebro Group, the management of Human Resources of the Ebro Group can be grouped into five pillars, indicating the different working areas within each one, for each company of the Ebro Group.

Our main priority throughout 2020 was to protect the health of our employees, for which we took the following actions:

1. We reinforced all our health and safety protocols, installed protective elements in our workplaces, reorganised shifts in factories to respect the social distancing measures, carried out virus detection testing and health monitoring, bought PPE, face masks and other medical materials, etc.
2. We prioritised home working: 66% of our office staff were provided with the necessary IT equipment and worked from home during the pandemic. They are gradually returning to the office, with all the necessary safety guarantees and different measures to help employees balance their work and home life, such as flexible or shorter working hours.

Explanatory note regarding this report

During 2020 we established common classification criteria for the categories in all the Group subsidiaries, recalculating the 2019 indicators according to the new categories, so some differences may be observed in respect of the information reported last year.

A. Employment

The employee numbers indicated in the following tables refer to the average workforce of the Ebro Group during 2020.

TOTAL NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER

GENDER	2020		2019	
	TOTAL	% OF TOTAL GROUP HEADCOUNT	TOTAL	% OF TOTAL GROUP HEADCOUNT
Men	4,541	70.27%	4,315	70.54%
Women	1,921	29.73%	1,802	29.46%
TOTAL EMPLOYEES	**6,462**		**6,117**	

NB: *The gap between men and women is largely due to the nature of the Group, which is predominantly factory-based, as factory work has traditionally been done by men. Almost 70% of the personnel employed within the Ebro Group overall are men, 80% of whom are factory employees.*

BREAKDOWN OF EMPLOYEES BY AGE GROUP

AGE GROUP	2020		2019	
	TOTAL	% OF TOTAL GROUP HEADCOUNT	TOTAL	% OF TOTAL GROUP HEADCOUNT
<= 30	981	15.18%	1,015	16.59%
30 - 50	3,283	50.80%	3,112	50.87%
>= 50	2,198	34.01%	1,990	32.53%
TOTAL EMPLOYEES	**6,462**		**6,117**	

BREAKDOWN OF EMPLOYEES BY COUNTRY

COUNTRY	2020		2019	
	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES COUNTRY	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES COUNTRY
Argentina	125	1.93%	93	1.52%
Belgium	103	1.59%	97	1.59%
Cambodia	6	0.09%	6	0.10%
Canada	377	5.83%	369	6.03%
Denmark	48	0.74%	50	0.82%
France	1,588	24.57%	1,575	25.75%
Germany	159	2.46%	166	2.71%
Hungary	5	0.08%	5	0.08%
India	162	2.51%	151	2.47%
Italy	676	10.46%	649	10.61%
Morocco	219	3.39%	258	4.22%
Netherlands	178	2.75%	136	2.22%
Portugal	70	1.08%	67	1.10%
Romania	11	0.17%	11	0.18%

COUNTRY	2020		2019	
	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES COUNTRY	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES COUNTRY
Spain	898	13.90%	920	15.04%
Thailand	220	3.40%	227	3.71%
UK	392	6.07%	123	2.01%
USA	1,225	18.96%	1,214	19.85%
TOTAL EMPLOYEES	**6,462**		**6,117**	

BREAKDOWN OF EMPLOYEES BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2020		2019	
	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES
Executives	447	6.92%	426	6.96%
Technical staff & middle management	1,259	19.48%	1,150	18.80%
Administrative & auxiliary staff	848	13.12%	831	13.59%
Factory employees	3,721	57.58%	3,652	59.70%
Others	187	2.89%	58	0.95%
TOTAL EMPLOYEES	**6,462**		**6,117**	

TOTAL NUMBER OF EMPLOYMENT CONTRACTS AND BREAKDOWN BY TYPE

This table shows the total number of contracts at 31 December 2020:

TYPE OF CONTRACT	2020	2019
Permanent	4,409	4,018
Temporary	509	429
At Will	1,496	1,567
TOTAL NUMBER OF CONTRACTS	**6,414**	**6,014**

ANNUAL AVERAGE CONTRACTS BY GENDER

	2020			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Average permanent contracts	4,191	1,727	**5,918**	3,931	1,591	**5,523**
Average temporary contracts	364	173	**537**	371	199	**570**
Average part-time contracts	78	117	**194**	60	103	**163**

NB:

(i) *The At Will contracts are included in permanent contracts.*

(ii) *The average number of part-time contracts is also included in the average number of permanent and temporary contracts.*

ANNUAL AVERAGE CONTRACTS BY AGE GROUP

	2020			2019		
	<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
Average permanent contracts	781	3,035	2,102	703	2,838	1,981
Average temporary contracts	195	261	81	252	258	60
Average part-time contracts	23	60	111	22	59	82

Notas:
(i) *The At Will contracts are included in permanent contracts.*
(ii) *The average number of part-time contracts is also included in the average number of permanent and temporary contracts.*

ANNUAL AVERAGE CONTRACTS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2020	2019
Executives	446	414
Technical staff & middle management	1,206	1,116
Administrative & auxiliary staff	772	708
Factory employees	3,397	3,228
Others	97	57
AVERAGE PERMANENT CONTRACTS	**5,918**	**5,523**

NB:
The At Will contracts are included in permanent contracts.
The average number of part-time contracts is also included in the average number of permanent and temporary contracts.

PROFESSIONAL CATEGORY	2020	2019
Executives	5	9
Technical staff & middle management	44	48
Administrative & auxiliary staff	89	89
Factory employees	296	419
Others	103	5
AVERAGE TEMPORARY CONTRACTS	**537**	**570**

NB: *This average includes both full-time and part-time temporary contracts.*

PROFESSIONAL CATEGORY	2020	2019
Executives	13	11
Technical staff & middle management	34	30
Administrative & auxiliary staff	59	50
Factory employees	70	59
Others	19	12
AVERAGE PART-TIME CONTRACTS	**195**	**163**

NB: *This average includes both permanent and temporary part-time contracts.*

NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2020							2019						
	MEN			WOMEN			TOTAL	MEN			WOMEN			TOTAL
	<=30	30 - 50	>=50	<=30	30 - 50	>=50		<=30	30 - 50	>=50	<=30	30 - 50	>=50	
Executives	0	4	4	1	4	5	18	0	1	1	0	0	0	2
Technical staff & middle management	2	10	24	2	13	4	55	0	9	7	1	3	0	20
Administrative & auxiliary staff	1	6	2	6	3	2	20	4	12	2	1	3	6	28
Factory employees	63	89	47	19	24	9	251	35	40	14	9	18	5	121
Others	0	1	0	0	0	0	1	0	0	0	0	1	0	1
TOTAL EMPLOYEES DISMISSED	66	110	77	28	44	20	345	39	62	24	11	25	11	172

B. Organisation of work

ORGANISATION OF WORKING TIME

The organisation of working time varies in the different countries in which the Group's subsidiaries operate. Working hours may thus vary between 35 and 48 hours a week, distributed over 5 or 6 days a week. The total weeks worked a year ranges between 47 (offices) and 52 (some production plants).

ABSENTEEISM

Group companies recorded a total of 452,655 hours of absenteeism in 2020, compared to 442,208 hours in 2019, a 2.36% increase year on year. This increase was mainly due to COVID-19.

These hours of absenteeism correspond to the Group's own employees and include grounds such as injury, occupational disease, sick leave and doctor's appointments, etc. However, they exclude authorised absence such as for parental, holiday or study leave.

WELFARE BENEFITS FOR EMPLOYEES

The following table shows, by company, the benefits provided for employees:

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Agromeruan	Parental leave	All employees
	Disability/invalidity cover	All employees
	Medical insurance	Full-time employees
Arrozeiras Mundiarroz	Parental leave	All employees
	Disability/invalidity cover	All employees
	Medical insurance	Full-time employees

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Bertagni 1882	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Payment in kind	All employees
	Life insurance	All employees
	Medical insurance	All employees
Boost Nutrition	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Catelli	Shares	Full-time employees
	Parental leave	Full-time employees
	Disability/invalidity cover	Full-time employees
	Pension fund	Full-time employees
	Life insurance	Full-time employees
	Medical insurance	Full-time employees
Ebro Foods	Parental leave	All employees
	Disability/invalidity cover	All employees
	Life insurance	All employees
	Medical insurance	All employees
	Reimbursement children's education and medical expenses	All employees
Ebro India	Parental leave	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Garofalo	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Geovita	Food Healthcare Fund	All employees
Herba Bangkok	Parental leave	All employees
	Disability/invalidity cover	Full-time employees
	Dental	Full-time employees
	Pension fund	Full-time employees
	Life insurance	Full-time employees
	Medical insurance	Full-time employees
Herba Ingredients	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Herba Ricemills	Shares	All employees
	Parental leave	All employees
	Disability/invalidity cover	All employees
	Life insurance	All employees
	Medical insurance	All employees
Herba Ricemills Romania	Parental leave	Full-time employees
	Disability/invalidity cover	Full-time employees
	Life insurance	Full-time employees
	Medical insurance	Full-time employees
Lassie	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
Lustucru	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Mundi Riso	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Mundi Riz	Parental leave	All employees
	Disability/invalidity cover	All employees
	Medical insurance	Full-time employees
Panzani	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
Riviana Arroz	Parental leave	Full-time employees
	Disability/invalidity cover	Full-time employees
	Pension fund	All employees
	Life insurance	Full-time employees
	Medical insurance	Full-time employees
Roland Monterrat	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees
S&B Herba Foods	Parental leave	All employees
	Disability/invalidity cover	All employees
	Pension fund	All employees
	Life insurance	All employees
	Medical insurance	All employees

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Tilda	Parental leave	All employees
	Life insurance	All employees
	Medical insurance	Full-time employees
	Restaurant vouchers	All employees
	Medical grants	All employees
Transimpex	Parental leave	All employees
	Medical insurance	All employees

NB: *"All employees" includes both full-time and part-time employees.*

WORK-LIFE BALANCE

The Group continues to seek ways of improving its employees' work-life balance, developing measures that give them greater flexibility to cope with their personal circumstances, such as parental leave or compassionate leave (to look after sick relatives, childcare, etc.).

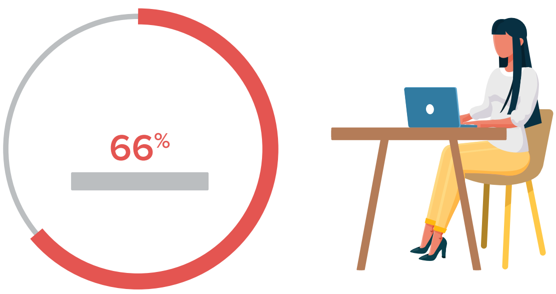
One of the measures contemplated in the Sustainability Plan HEADING FOR 2030 in this regard is the progressive introduction of homeworking in the jobs in which this is possible. Although this option is already available for specific days in most of our companies, to enable employees to cope with certain needs, in some companies the first steps were taken in 2019 to implement this alternative as a regulated procedure.

During 2020, as mentioned at the beginning of this chapter, home-working was one of our priorities to guarantee the safety of our office staff.

EMPLOYEES HOME-WORKING DURING THE COVID-19 PANDEMIC

PROFESSIONAL CATEGORY	MEN	WOMEN	TOTAL EMPLOYEES HOMEWORKING	TOTAL EMPLOYEES PER CATEGORY	% OF TOTAL CATEGORY
Executives	202	145	347	447	77.63%
Technical staff & middle management	360	381	741	1,259	58.86%
Administrative & auxiliary staff	247	350	597	848	70.40%
Factory employees	17	1	18	3.721	0.48%
Others	3	4	7	187	3.74%
TOTAL	**829**	**881**	**1,710**	**6,462**	**26.46%**

% OF EMPLOYEES WORKING FROM HOME



Apart from the extraordinary nature of this year, further progress has been made towards the implementation of regulated home office work.

EMPLOYEES HOME-WORKING ACCORDING TO A REGULATED PROCEDURE

PROFESSIONAL CATEGORY	2020			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Executives	60	67	127	24	35	59
Technical staff & middle management	104	156	260	30	49	79
Administrative & auxiliary staff	24	57	81	2	6	8
Factory employees	1	0	1	0	0	0
Others	2	0	2	0	0	0
TOTAL EMPLOYEES WORKING FROM HOME	**191**	**280**	**471**	**56**	**90**	**146**

PARENTAL LEAVE

	2020			2019		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees who took leave / employees entitled to leave (%)	97.92%	100.00%	98.96%	92.19%	100.00%	96.35%

Only two Group companies -Panzani and Lustucru- have implemented disconnection policies within their Quality of Working Life Action Plan.

C. Health and safety

All the Group companies and their respective plants have occupational hazard prevention and management systems in place. This system is implemented using both internal resources and external firms. In addition, 87% of the workforce is represented on the Health and Safety Committees in the different companies, compared to 91% in 2019.

HEALTH AND SAFETY ASPECTS COVERED IN FORMAL AGREEMENTS WITH UNIONS

The health and safety aspects covered by formal agreements with unions are:

- Global agreements: in accordance with ILO principles, organisational structures for problem-solving, commitments regarding target performance or the level of practice to apply.
- Local agreements: personal protection equipment, mixed health and safety committees, participation of workers' representatives in health and safety audits, inspections and investigations, training and education and right to refuse unsafe work.

In addition to the investments made regularly in our companies for the purchase of personal protection equipment, machinery protection, regular inspections of safety equipment, first aid training and materials and medical examinations, additional efforts have been made to develop protective measures against COVID-19.

WORKPLACE SAFETY

All our employees are covered by occupational hazard prevention measures, provided with both internal resources and through external firms.

The following figures correspond to employees on the Group's payroll:

	2020		2019	
	MEN	WOMEN	MEN	WOMEN
No. lost-day injuries	155	33	162	36
Frequency rate	20.54	10.91	22.88	13.43
Severity rate	0.63	0.43	0.66	0.52
No. employees with occupational disease	4	12	11	6

NB:

(i) *The rates were calculated using the following formulas:*
Frequency rate = (total no. lost time injuries/total no. hours worked) x1000000
Severity rate = (no. lost days due to injury/total no. hours worked) x1000

(ii) *Occupational disease is work-related ill health.*

There are no jobs within the Group with a high risk of occupational disease.

There were no work-related fatalities within the Group in 2020.

D. Labour relations

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

66% of the employees of the Ebro Group are covered by the collective bargaining agreements of their respective business areas or another kind of collective agreement.

The remainder are top executives of the Ebro Group, the professionals of the North American companies (since these agreements have not been used there for over 20 years), those of Herba Bangkok, Herba Cambodia, Mundiriz, Agromeruan and Ebro India, where they are not used either, and those of Herba Ricemills Romania and Riceland Magyarorzag, since they have fewer employees than the number required by law for these collective agreements. In those cases, all the professionals are protected by the national labour laws in place in their respective countries, their respective personnel policies and the guidelines of the Ebro Group's Code of Conduct. External ethical audits are conducted regularly in all of them.

COUNTRY	% OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENT OR OTHER ARRANGEMENTS
Argentina	92.00%
Belgium	100.00%
Cambodia	0.00%
Canada	62.33%
Denmark	100%
France	100.00%
Germany	0.00%
Hungary	0.00%
India	0.00%
Italy	100.00%
Morocco	0.00%
Netherlands	42.70%
Portugal	100.00%
Romania	0.00%
Spain	100.00%
Thailand	0.00%
UK	6.12%
USA	36.82%

E. Training

The Ebro Group encourages its employees to improve their skills and abilities, offering training to give them the technical qualifications they need to perform their duties while fostering the enhancement of attitudes and skills for their professional and personal development. This commitment is set out in section IV, point 11 of the company's Code of Conduct.

During 2020, despite the pandemic and consequent home office time, 148,654 hours of training were given, 2.45% more than in the previous year. 64% of our employees participated in the training schemes put in place in the different companies.

TOTAL HOURS TRAINING OF OUR EMPLOYEES BY PROFESSIONAL CATEGORY

	2020		2019	
	MEN	WOMEN	MEN	WOMEN
Executives	2,465	1,566	3,686	2,081
Technical staff & middle management	10,213	4,604	11,587	5,545
Administrative & auxiliary staff	3,413	4,290	6,833	6,776
Factory employees	95,238	26,488	84,139	24,103
Others	165	211	261	85
TOTAL HOURS TRAINING	**111,495**	**37,159**	**106,505**	**38,590**

F. Equality

The Ebro Foods Code of Conduct specifies in section IV, point 9.5 that the Group promotes and upholds the principle of equal treatment and equal opportunities for all its professionals, regardless of their race, colour, nationality, ethnic origin, religion, sex, political or sexual inclination, civil status, age, disability or family responsibilities, as a principle behind all human resources policies and applicable in the recruitment of professionals, training, career opportunities, pay levels and all other aspects of relationships with professionals.

In addition and even though some of the companies in the Group have their own equality plans or guidelines, work began in 2019 on drafting the Corporate Equality Plan, which we expect to be completed by 2021.

DIVERSITY IN GOVERNING BODIES AND WORKFORCE

DIVERSITY IN BOARD OF DIRECTORS	2020		2019	
	TOTAL	MEN / TOTAL (%)	TOTAL	MEN / TOTAL (%)
Men	9	64.29%	8	61.54%
Women	5	35.71%	5	38.46%

DIVERSITY EMPLOYEES	2020		2019	
	TOTAL	% OF TOTAL EMPLOYEES GROUP	TOTAL	% OF TOTAL EMPLOYEES GROUP
Men	4,541	70.27%	4,315	70.54%
Women	1,921	29.73%	1,802	29.46%
TOTAL EMPLOYEES	**6,462**		**6,117**	

EMPLOYEES WITH DIFFERENT ABILITIES

2020		2019	
MEN	WOMEN	MEN	WOMEN
88	37	81	33

During 2020, the Ebro Group promoted several actions in Spain related with the socio-occupational integration of persons with different abilities, through the contracting of certain services with special employment centres (CEE).

CENTRE	SERVICES	AMOUNT
C.E.E. CADEMADRID	Printing	2,057
C.E.E. INSERCIÓN PERSONAL DISCAPACITADOS “IPD”	Cleaning head office in Madrid	82,328
TOTAL		**84,385**

With regard to the universal accessibility and integration of persons with different abilities in physical environments, some Group companies have already made the necessary adaptations to eliminate architectural barriers.

REMUNERATIONS

The basic salary is identical for men and women in all the companies of the Ebro Group.

Average remuneration by professional category

PROFESSIONAL CATEGORY	2020		2019	
	MEN	WOMEN	MEN	WOMEN
Executives	99,467	75,073	95,659	77,622
Technical staff & middle management	49,685	44,933	50,908	42,392
Administrative & auxiliary staff	39,946	35,481	45,105	33,678
Factory employees	28,735	26,384	27,323	23,341
Others	22,770	16,008	32,656	24,711

NB:

(i) *The calculation of this average remuneration is based on the average annual gross salaries of the employees (men and women) in each category.*
The gross salary includes the sum of the basic salary plus bonuses, such as seniority, cash bonuses and bonuses in kind (e.g. shares), overtime and any other work-related benefit, such as transport, housing benefits, child benefits, etc.

Average remuneration by age group

2020			2019		
<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
30,413	45,956	55,175	32,870	45,673	57,476

NB:

(i) *The calculation of this average remuneration is based on the average annual gross salaries of the employees (men and women) in each age group.*

Average remuneration by gender and pay gap

2020			2019		
MEN	WOMEN	PAY GAP	MEN	WOMEN	PAY GAP
48,121	39,576	0.18	50,330	40,349	0.20

NB:

(i) *The calculation of this average remuneration is based on the average annual gross salaries of the employees, which include the basic salary plus bonuses, such as seniority, cash bonuses and any other welfare benefit.*

(ii) *The pay gap was calculated using the following formula: (average remuneration men - average remuneration women)/ average remuneration men.*

Average remuneration of directors, by gender

(000€)	2020		2019	
	MEN	WOMEN	MEN	WOMEN
Average remuneration directors	251	183	270	179

* **NB:** *The 2020 remuneration of directors for their duties as such was taken, excluding the remuneration received by the Executive Chairman for his executive duties. The Chairman is the only executive director who performs executive duties and receives remuneration for them. The directors' remuneration for their duties as such is stated individually for each one in the Annual Report on Directors' Remuneration 2020, published on the website of the CNMV (www.cnmv.es) and the corporate website (www.ebrofoods.es). The remuneration of directors for their duties as such is established with no consideration for the gender of the person holding office.*

CUSTOMERS AND CONSUMERS

Customers and consumers are two of the driving forces for development, evolution and growth of the company. The Ebro Group uses a wide variety of tools to:

1. Offer them a broad portfolio of healthy, differentiated products.
2. Anticipate and meet their needs for consumption.
3. Guarantee top quality in its products and services, meeting not only the quality standards and requirements stipulated in law, but also any stricter standards to guarantee that top quality.
4. Watch out for their health and safety, meeting the strictest food safety standards.

In this exceptional year with the pandemic, the Group's commitment to both these groups has been more visible and patent than ever. The outbreak of the coronavirus in March caused significant spikes in demand, peaking at above 100% at certain times in both our core businesses. The increased demand continued throughout the rest of the year, with fluctuations that coincided in time with the different lockdowns. To be able to serve all our customers adequately, we reorganised our plants to increase productivity and reduced the number of products in our portfolio, adapting production to the products in greatest demand, to the detriment of the categories with higher value added in the Group. All this enabled us to deliver a high service level.

Our main tools

1. R&D AND INNOVATION

This is what distinguishes us from our rivals, enabling us to develop unique products and technologies to meet the needs of our customers and consumers and provide them with a differentiated range of products delivering value added.

Approximately one-third of the Ebro Group's total investment budget is set aside each year for innovation.

2. QUALITY CONTROL AND FOOD SAFETY SYSTEMS

i. **Good Manufacturing Practices (GMP):** contemplating good practices for the handling, packaging, storage and carriage of fresh products.

ii. **Hazard Analysis and Critical Control Point (HACCP):** a system for identification and control of any problems that may come to light during the design and production processes.

iii. **Quality Assurance Standards**, such as:

- The standards established by the International Organisation for Standardization (ISO 9001:2000, ISO 9001:2008 and ISO 22000).
- The International Food Standards (IFS), which, structured in line with ISO 9001:2000, are among the highest distinctions in Food Safety in all distribution sectors in Europe.
- The BRC (British Retail Consortium) certification, one of the internationally most widespread models for distributors and large retail outlets to rate their brand product suppliers.
- The Danish DS standards (Danish HACCP Code), for developing a HACCP system in the food industry and in the manufacturing of packing and packaging for food products.

In this context, all the Ebro Group plants have been certified for quality and food safety, having a total of 180 certifications between them (Annex 2).

During 2020, Arrozeiras Mundiarroz (Portugal), Boost Nutrition (Belgium), Harinas Santa Rita (Spain), Herba Bangkok (Thailand), Herba Cambodia (Cambodia), Lassie (Netherlands), Lustucru (France), Riviana Foods (USA) and Roland Monterrat (France) made regular assessments of their products with a view to promoting safety and improving them.

Product and Service Labelling

All our companies comply with the national laws and regulations applicable in each country.

Customer and consumer services

Information on the nutritional properties of all Ebro Group products is provided on the packaging, along with the physical address of the company and, where appropriate, its website, e-mail and telephone number.

The different customer services departments collect data and generate information for the quality system. Grievances are answered by telephone or e-mail, according to the details given by the customer. A case file is opened for each incident and reported internally to the Quality Department, which checks and monitors the relevant quality system in case of error and takes the necessary measures to offer a solution.

As a rule, the companies follow up all grievances by telephone to check consumer satisfaction.

Statistical monitoring is regularly conducted of all incidents and proposals for improvement made by consumers, which are discussed at the different Management Committee meetings held every month within each company.

The communication channels used with consumers in the different companies are indicated below:

COMPANY	COUNTRY	COMMUNICATION CHANNELS WITH CUSTOMERS
Arrozeiras Mundiarroz	Portugal	Telephone, e-mail, post and social media
Bertagni 1882	Italy	Telephone, e-mail, website and social media
Boost Nutrition	Belgium	Telephone, e-mail, website and social media
Catelli Foods Corporation	Canada	Telephone, e-mail, website and social media
Ebro India	India	Telephone and e-mail
Euryza	Germany	Telephone, e-mail, website and social media
Herba Ricemills	Spain	Telephone and e-mail
Lassie	Netherlands	Telephone, e-mail, website and social media
Lustucru Frais	France	Telephone and post
Panzani	France	Telephone, e-mail, post and social media
Pastificio Lucio Garofalo	Italy	Telephone, e-mail, website and social media
Riceland Magyarorszag	Hungary	Telephone, e-mail and website
Risella	Finland	Telephone
Riviana Foods	USA	Telephone, e-mail, website and social media
Tilda	UK	E-mail and social media

Incidents during the year

INCIDENTS REGISTERED WITH LARGE CUSTOMERS

Overall, 15 incidents were registered in 2020, 6 of which corresponded to Geovita (Italy), 2 to Herba Ingredients (Netherlands), 2 to Herba Ricemills (Spain), 1 to Riviana Foods (USA) and the remaining 4 to Roland Monterrat (France). Of those, 12 were related with product health and safety and 3 to information and labelling.

CLAIMS FROM END CONSUMERS

The following table shows the number of claims (packaging defects, requests for information, sensory properties, etc.) handled during 2020, by company.

COMPANY	COUNTRY	NO. INCIDENTS 2020	NO. INCIDENTS 2019
Arrozeiras Mundiarroz	Portugal	268	109
Bertagni 1882	Italy	322	245
Boost Nutrition	Belgium	178	219
Catelli Foods Corporation	Canada	2,422	2,129
Ebro India	India	70	---
Euryza	Germany	628	457
Herba Ricemills	Spain	388	474
Lassie	Netherlands	266	264
Lustucru Frais	France	2,074	1,443
Panzani	France	4,187	5,952
Pastificio Lucio Garofalo	Italy	916	617
Riceland Magyarorszag	Hungary	33	60
Risella	Finland	472	352
Riviana Food	USA	14,034 (pasta)	14,386
		18,617 (rice)	11,624
Tilda	Portugal	1,602	---

No claims were received in 2020 in any company related with privacy and customers' personal data leaks.

PROMOTION OF HEALTHY FOOD AND HEALTHY LIFESTYLES

The Ebro Group is investing heavily to complete all its brands on a global scale with a new category of products targeting health, putting new healthy products on the market based on concepts such as ancient grains, gluten free, quinoa, whole grain, high fibre, vitamins, minerals, etc., focusing increasingly on everything to do with organic and natural foods.

In addition, the Ebro Group has created the blog Sentirsebiensenota.com (.es) [lit.: 'when you feel good, it shows'], an informative space in which nutritionists, researchers and professionals of the sector post articles, recipes and advice for the public promoting healthy eating habits and maintaining an active lifestyle.

Ebro Foods, S.A.

SUPPLIER MANAGEMENT

Description of the supply chain

The suppliers of the Ebro Group are classified into four categories:

1. Rice or durum wheat suppliers
2. Other raw material suppliers
3. Packaging suppliers
4. Service providers

Approximately 40% of the rice and durum wheat suppliers are in Europe, 30% in North America and 30% distributed among India, Pakistan, South America and South East Asia, corresponding to the location of our subsidiaries Ebro India, Herba Bangkok, La Loma Alimentos and Herba Cambodia.

Supplier management model

Since the Group has decentralised certain management areas, such as the Procurements Area, to its respective companies, each subsidiary has in the past had its own procurement policies and criteria, in keeping with the laws and characteristics of the countries in which they operate. Above them all, the Supplier Code of Conduct of Ebro Foods regulates the minimum criteria and rules of conduct in labour and environmental aspects that must be met by the Group's suppliers.

With a view to establishing globally the integral management of the supply chain, in 2019 we embarked on a work plan to: 1) make sure that all our suppliers comply with the Group's Supplier Code of Conduct and 2) require them to complete a questionnaire on ethics. The replies to this questionnaire will enable us to identify the critical issues and risks we need to address in order to guarantee the sustainability of our supply chain, designing, together with our companies, a roadmap to achieve the goal set in our Global Sustainability Plan HEADING FOR 2030, that 100% of our suppliers and service providers will have signed the Group's Supplier Code of Conduct (COC) by 2030 or incorporated ESG criteria in their policies

In this context, during 2020, 6.5% of our suppliers andservice providers signed the Supplier COC and completed the ethics questionnaire. Around half of them supply raw materials.

In addition, have another two corporate tools we can use to guarantee the sustainability of our supply chain: 1) visits and meetings of the Procurement Departments of the different subsidiaries with their suppliers, and 2) our corporate account in the Sedex Platform, to which all the Group companies and the suppliers of our subsidiaries are gradually signing up, and who are in turn audited by an independent external firm.

In this area, we made 12 SMETA audits in 2020 on suppliers in Pakistan, Thailand, Turkey, Greece, Italy, Germany, France and USA.

COUNTRY	DATE	AUDITORS
PAKISTAN	08-10-2020	ALGI Pakistan
THAILAND	07-10-2020	SGS Thailand
TURKEY	21-07-2020	SGS Turkey
GREECE	24-07-2020	Intertek Bulgaria
ITALY	20-01-2020	Intertek Italy
ITALY	06-11-2020	Bureau Veritas - EMEA
ITALY	08-09-2020	SGS Italy
GERMANY	26-05-2020	SGS Germany
GERMANY	21-10-2020	Intertek Germany
GERMANY	08-10-2020	Intertek Germany
FRANCE	03-03-2020	SGS France
USA	05-03-2020	Intertek Peru

In the area of agricultural raw materials, more specifically in rice production, Herba Bangkok, Herba Ricemills, Mundiriso and Riviana are developing programmes to assess and verify the sustainability of the crop using the FSA standard of the SAI Platform (Sustainable Agriculture Initiative) and the SRP standard of the Sustainable Rice Platform.

Panzani is implementing the NATURE project in durum wheat and tomatoes, with the aim of achieving zero pesticide waste in both these commodities.

In 2020, Herba Bangkok identified two suppliers at risk of violating their employees' right to freedom of association and collective bargaining. In both cases, corrective measures were taken, setting up a social committee with free elections to guarantee employee participation.

We have not identified any adverse environmental impacts in our supply chain. We highlight in this regard the sustainable agriculture projects that we are developing in some of our principal sourcing areas, one of the principal goals of which is to work with our agricultural suppliers to minimise environmental impact.

Ebro Foods, S,A,

OUR COMMITMENT TO THE ENVIRONMENT

Scope of Reporting

The information set out below corresponds to 78 of the 83 production plants and offices that the Ebro Group has through its different companies.

The comparison of 2020 and 2019 is distorted by the changes in the perimeter for consolidated reporting in respect of 2019, as mentioned at the beginning of this report.

In 2020 we developed a new procedure for calculating energy consumption and making an inventory of greenhouse gas (GHG) emissions in all the Group companies under ISO 14064-1:2019. ISO 14064 – Greenhouse Gases is an international standard, according to which GHG emission reports are voluntarily verified to ensure clarity and coherence for the quantification, monitoring, reporting and validation or verification of GHG inventories and projects.

To enable comparison with 2020, the 2019 energy values (indicator GRI 302) and GHG emissions (indicator GRI 305) have been recalculated according to this new procedure. The greatest impact was from the use of Location emission factors for Scope 2.

All the emission factors, low calorific values (LCV) and global warming effect used are set out in Annex 3.

Environmental management

The main goals of the Ebro Group's environmental commitment are defined in our Policy on Sustainability, Environment and Corporate Social Responsibility: "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."

Under this declaration, Ebro Foods upholds protection of the environment as one of the basic principles of our activities and implements the necessary tools, measures and means in its companies to guarantee that protection. The Ebro Group takes measures to:

- Ensure that our 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 our activity by seeking eco-friendly solutions and continually embarking on initiatives to reduce our emissions and waste generation and optimise our consumption of water, energy and packaging material.

- Manage all our 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.
- Promote the use of sustainable crop techniques among our agricultural suppliers.

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

- Air emissions: Mainly emissions of particles during the handling of cereals (rice and wheat) and greenhouse gas (GHG) emissions related to the consumption of fossil fuels and electricity. The most widely used fuel is natural gas.
- Noise emissions: Noise emissions are produced during the operation of engines, compressors, sleeve filters and other manufacturing equipment. All our plants comply with the environmental standards and the noise levels are monitored regularly, taking measures wherever necessary. This was the case in the new compressor room with acoustic insulation set up at Herba Ricemills.
- Light pollution: No impact has been detected in the company.
- 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 negligible (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, for cooling or as an ingredient in the finished products.
- Waste generation and management: The Ebro Group generates minimal amounts of waste, both non-hazardous (mainly packaging of ingredients and ancillary materials) and hazardous (maintenance operations) and it is managed through authorised waste disposal contractors.

PRECAUTIONARY PRINCIPLE

The guidelines on which the precautionary principle is based are set out in the Group's Code of Conduct and Policy on Sustainability, Environment and Corporate Social Responsibility. In both texts, Ebro Foods declares its firm commitment to respect the environment and preserve biodiversity. It also sees that its companies comply with the environmental laws applicable to their operations and any additional commitments assumed voluntarily, and applies environmental sustainability programmes in specific matters.

GRI 301: Materials

This indicator is reported under standard GRI 301 (2016).

RAW MATERIALS [301-1]

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

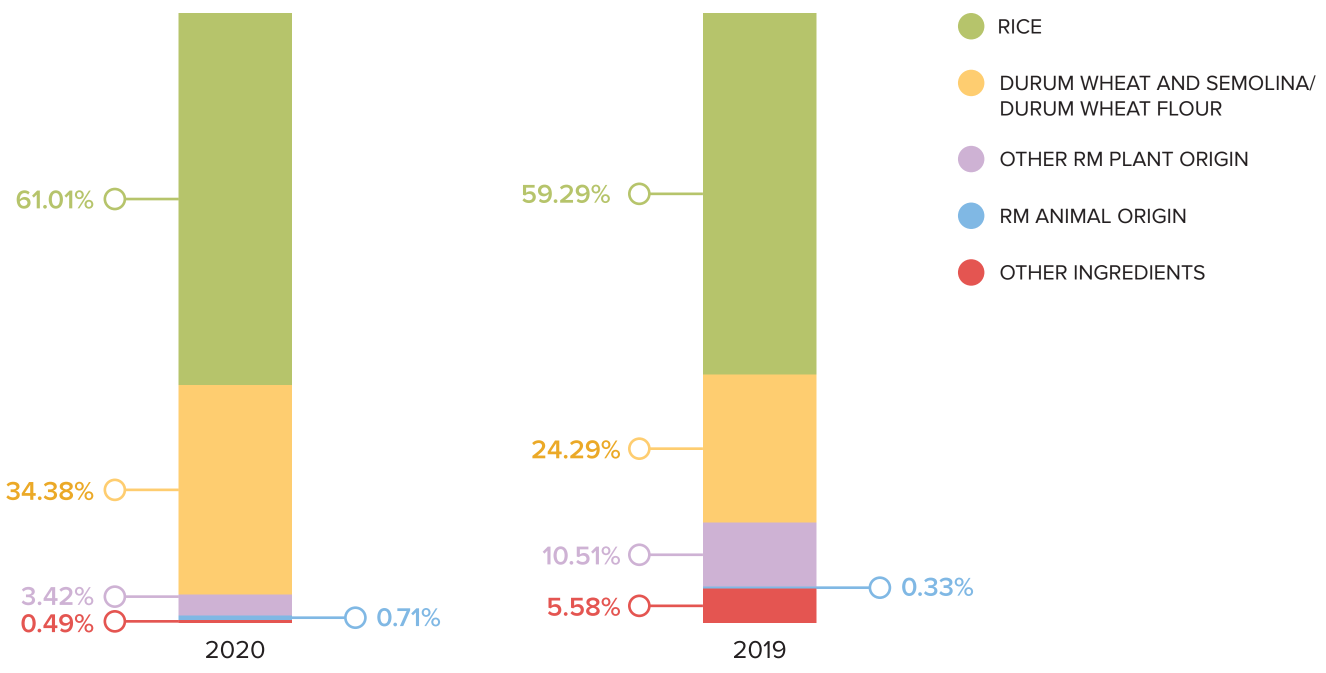
The raw materials used in finished goods are divided into five categories:

- → Rice
- → Durum wheat and semolina/durum wheat flour
- → Other raw materials of plant origin: quinoa, pulses, other cereals, other flours/semolinas, fruit and vegetables, soya/soybean oil and palm oil
- → Raw materials of animal origin: dairy, meat and eggs
- → Other ingredients: e.g. spices and flavourings used mainly in precooked food.

	2020	2019
RAW MATERIALS (T)	T	T
Rice	2,005,107	2,015,838
Durum wheat and Semolina/durum wheat flour	1,129,796	825,858
Other RM plant origin	112,503	357,342
RM animal origin	23,207	11,168
Other ingredients	16,002	189,598
TOTAL	**3,286,615**	**3,399,804**

NB: *None of our production plants have reported any consumption of palm oil.*

RAW MATERIALS



Although only minimal quantities of raw materials of animal origin (eggs, meat, dairy) are used in our products, the Ebro Group has undertaken to use exclusively ingredients from cage-free eggs in the production of any foods requiring that raw material as from 2025. This undertaking is extended to all the Group's companies in Spain and has also been adopted by Panzani in France. In 2020, the use of ingredients from cage-free eggs was already up to 82% in Spain and 16% in France.

PACKAGING MATERIALS [301-1]

The packaging materials for finished products are mainly paper, cardboard and plastic.

INPUT MATERIALS FOR PACKAGING (T)	2020	2019
Paper	23,349	20,938
Cardboard	48,322	44,099
Plastic	57,122	45,641
Glass	52	54,39
Metal	12	7,769
Others	1,692	1,469
TOTAL	**130,549**	**112,209**

RECYCLED INPUT MATERIALS [301-2]

Based on the information received from the suppliers of packaging materials regarding the composition of their materials, we have calculated the recycled fibre content of the different types of packaging we use.

RECYCLED FIBRE CONTENT IN PACKAGING MATERIALS (T)	2020	2019
Recycled paper	2,131	3,201
Recycled cardboard	31,890	31,280
Recycled plastic	1,116	100
Recycled glass	0	0
Recycled metal	0	0
Other recycled inputs	0	0
TOTAL	**35,137**	**34,581**

GRI 302: Energy

This indicator is reported under standard GRI 303 (2016).

ENERGY CONSUMPTION WITHIN THE ORGANISATION [302-1]

We separate energy consumption within the organisation into Scope 1 (direct consumption) and Scope 2 (indirect consumption).

To calculate the Scope 1 energy consumption, we take into account:

→ Consumption of non-renewable fuels in stationary and mobile sources

- Consumption of renewable fuel:
  - Rice husk, a by-product of our industrial processes, used by Ebro India, Herba Ricemills and Mundiriso
  - Wood chips used by Ebro Frost
  - Charcoal used by Ebro India
- Self-generated energy in photovoltaic and cogeneration facilities
- Self-generated energy sold from photovoltaic and cogeneration facilities

Direct consumption (Scope 1)

NON-RENEWABLE FUEL CONSUMED (GJ)	2020		2019	
Natural Gas	3,689,626	96.11%	3,493,689	97.34%
Other non-renewable fuel	78,459	2.04%	95,308	2.66%
TOTAL NON-RENEWABLE FUEL CONSUMED	**3,768,085**	**98.15%**	**3,588,996**	**100.00%**

RENEWABLE FUEL CONSUMED (GJ)	2020		2019	
Biomasa/Carbón	64,843	1.69%	101	0.00%
TOTAL RENEWABLE FUEL CONSUMED	**64,843**	**1.69%**	**101**	**0.00%**

SELF-GENERATED ENERGY (GJ)	2020		2019	
Photovoltaic panels	6,810	0.18%		0.00%
Stationary combustion/Cogeneration	91,271	2.38%		0.00%
TOTAL AUTOGENERACIÓN	**98,082**	**2.55%**	**0**	**0.00%**

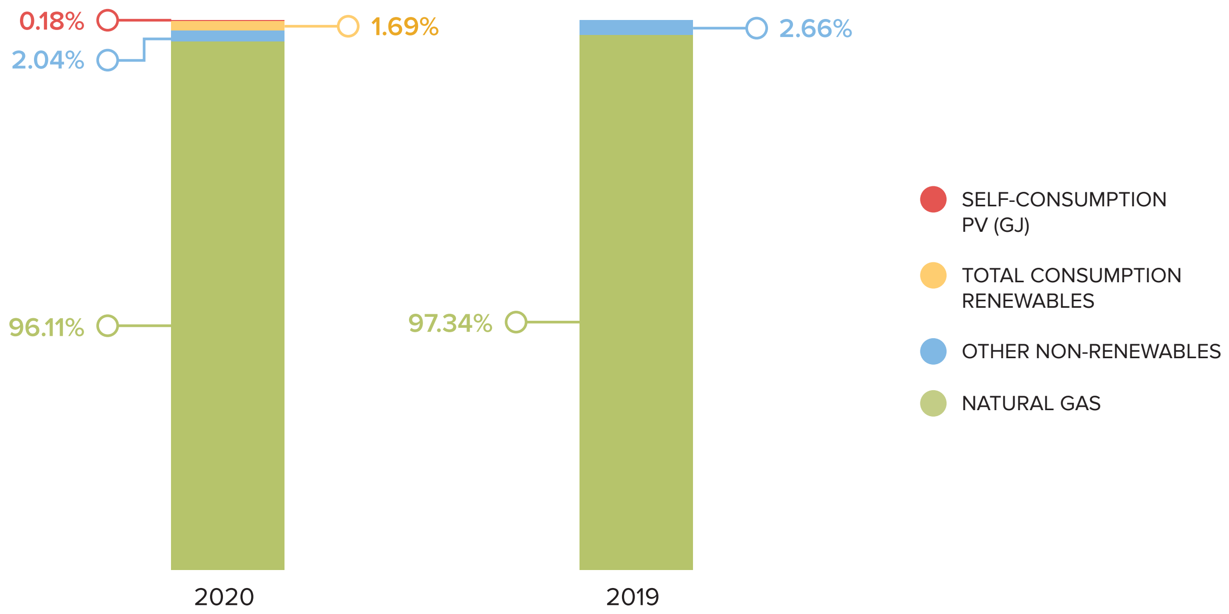
SELF-GENERATED ENERGY SOLD (GJ)	2020		2019	
Photovoltaic panels	0	0.00%		0.00%
Cogeneration	637	0.02%		0.00%
TOTAL SELF-GENERATION SOLD	**637**	**0.02%**	**0**	**0.00%**

	2020		2019	
Self-consumption PV (GJ)	6,810	0.18%	0	0.00%
TOTAL SCOPE 1	**3,839,101**	**100.00%**	**3,589,097**	**100.00%**

2.6% of the Scope 1 energy is self-generated by our facilities in photovoltaic or cogeneration plants:

- Photovoltaic facilities of Bertagni, Garofalo, Geovita and Mundiriso
- Cogeneration facilities of Ebro Frost Germany and Garofalo.

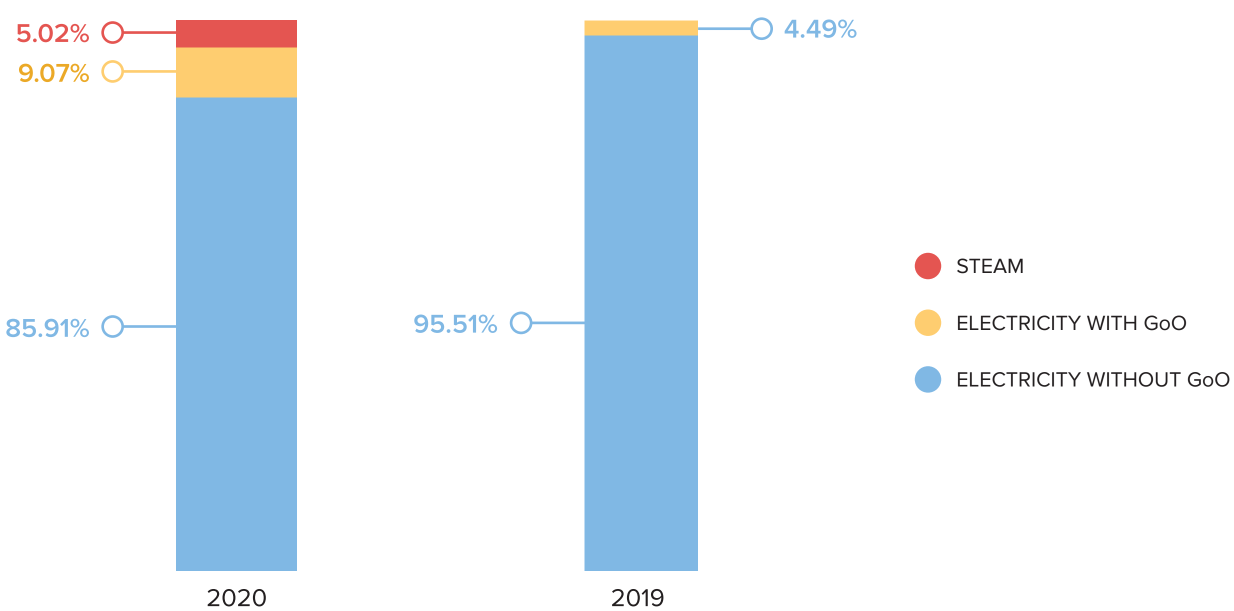
BREAKDOWN SCOPE 1



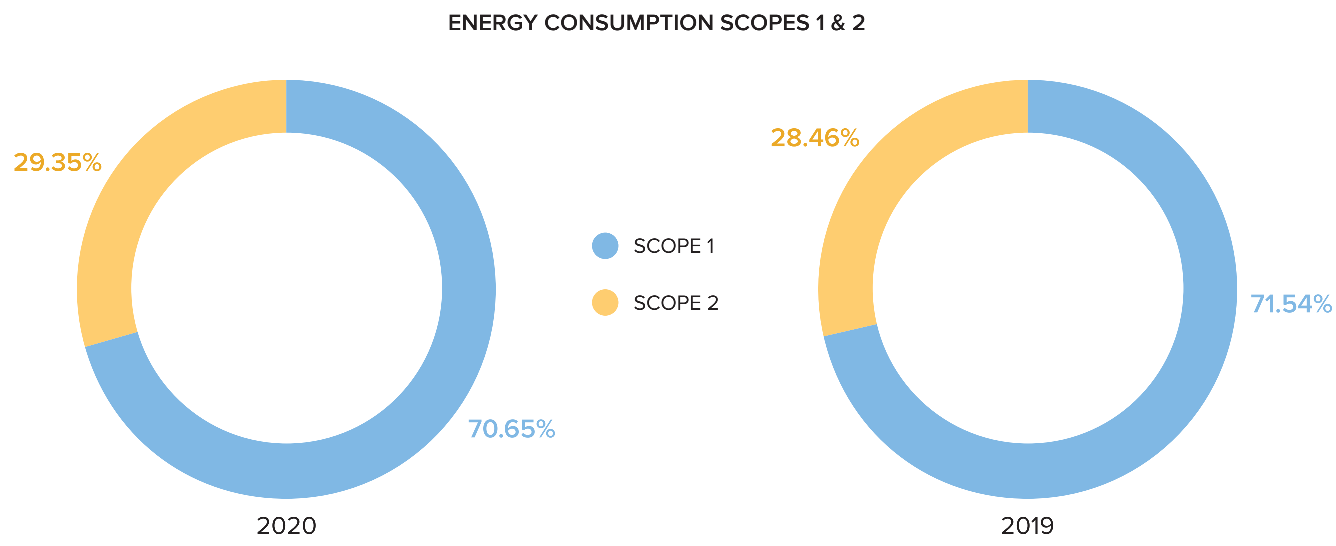
Indirect consumption (Scope 2)

CONSUMPTION SCOPE 2 (GJ)	2020		2019	
Electricity without GoO	1,369,897	85.91%	1,363,502	95.51%
Electricity with GoO	144,585	9.07%	64,135	4.49%
Steam	80,107	5.02%	0	0.00%
Heat	0	0.00%	0	0.00%
Cooling	0	0.00%	0	0.00%
TOTAL	**1,594,589**	**100%**	**1,427,637**	**100.00%**

BREAKDOWN SCOPE 2



TOTAL ENERGY CONSUMPTION (GJ)	2020		2019	
Scope 1	3,839,101	70.65%	3,589,097	71.54%
Scope 2	1,594,589	29.35%	1,427,637	28.46%
TOTAL SCOPES 1&2 (GJ)	**5,433,690**	**100.00%**	**5,016,734**	**100.00%**

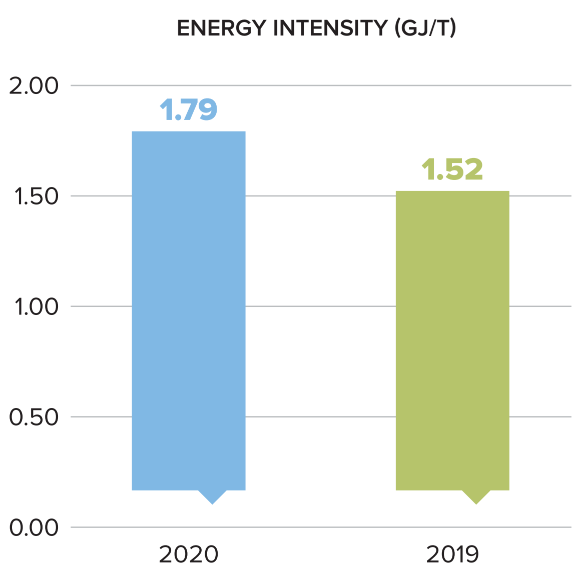


ENERGY CONSUMPTION OUTSIDE OF THE ORGANISATION [302-2]

We do not have the metodologies or activity data to calculate energy consumption outside of the organisation.

ENERGY INTENSITY [302-3]

ENERGY INTENSITY (GJ/T PRODUCT)	2020	2019
Total produced (t)	3,035,468	3,290,565
Total energy consumed (GJ)	5,433,690	5,016,734
ENERGY INTENSITY (GJ/T PRODUCT)	**1.79**	**1.52**



REDUCTION OF ENERGY CONSUMPTION [302-4]

Five companies in the Ebro Group have reported different initiatives to reduce their energy consumption, by a total of EUR 708,155.

COMPANY	PLANT	INITIATIVE	COST (€)
Mundi Riso	Vercelli	New photovoltaic plant	342,920
Roland Monterrat	Feillens	Installation heat pump	320,000
Catelli	Delta	Economiser	17,532
Harinas Santa Rita	Loranca de Tajuña	Enhanced process efficiency	24,000
Boost Nutrition	Schoten	LED lighting	2,000
Arroceiras Mundiarroz	Coruche	LED lighting	1,703
TOTAL			**708,155**

NB: *This amount is included in Resources allocated to environmental risk prevention*

GRI 303: Water and Effluents

This indicator is reported under standard GRI 303 (2018).

INTERACTIONS WITH WATER [303-1]

Water consumption in Ebro includes water consumed in offices and in the manufacturing process. The production processes of pasta and precooked food are more water-intensive than the dry rice production process.

MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS [303-2]

All efffluent is discharged to the sewage networks, except from the Herba Ricemills Algemesí plant, which discharges its effluent into the Real del Júcar irrigation system, and Ebro India.

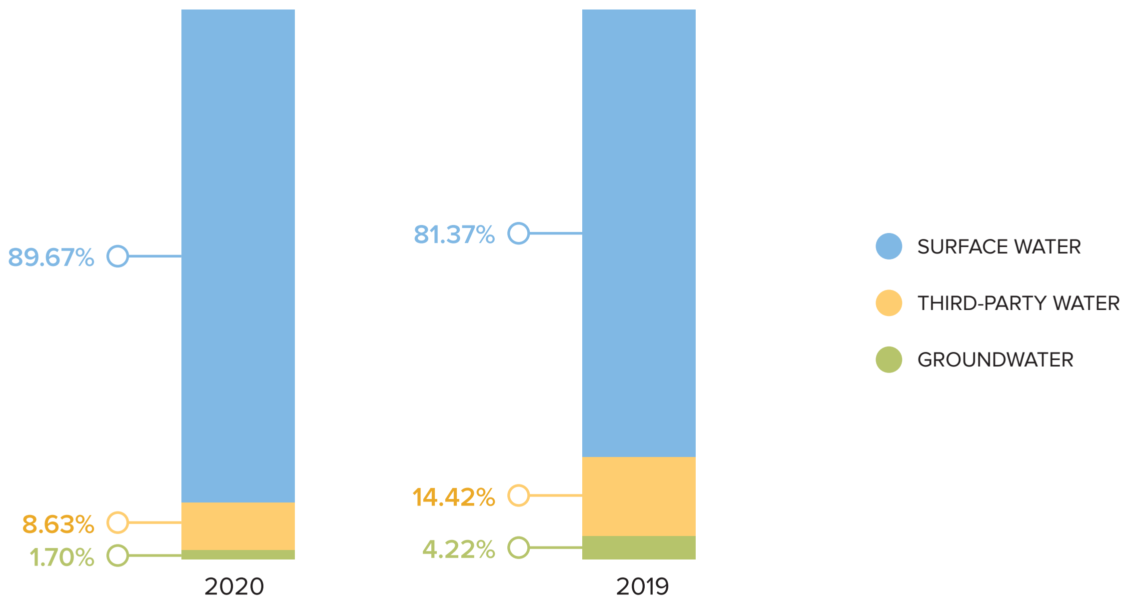
WATER WITHDRAWAL [303-3]

The water withdrawn and used by Mundi Riz for its rice crop in Morocco represents 90% of the total consumption by the group. The remaining water withdrawal is from the municipal water supply (third-party water) (84%) and groundwater (16%).

WATER WITHDRAWAL (M^3)	2020	%	2019	%
Third-party water	3,255,054	8.63%	2,981,480	14.42%
Groundwater	642,301	1.70%	871,575	4.22%
TOTAL INDUSTRIAL PROCESSES	**3,897,355**	**10.33%**	**3,853,055**	**18.63%**
Inland surface freshwater	33,840,000	89.67%	16,824,000	81.37%
Inland surface salt water	0	0.00%	0	0.00%
TOTAL WATER WITHDRAWN	**37,737,355**		**20,677,055**	
Total Extracción agua dulce (SS<1000 mg/l)	37,737,355		20,677,055	
Total Extracción otras aguas (SS>1000 mg/l)	0		0	

NB: *Surface water is not consumed in our industrial processes, but in the agricultural activity performed by the Mundiriz Group in Morocco.*

WATER WITHDRAWAL



Water withdrawal by areas of water stress

Using the World Resources Institute (WRI) classification of water stress areas, the group's water withdrawal by areas of water stress is as follows:

WATER WITHDRAWAL BY AREAS OF WATER STRESS (M³)	2020	2019
Low	0.38%	0.88%
Low-medium	4.54%	7.55%
Medium-high	2.86%	5.44%
High	92.19%	85.88%
Extremely high	0.04%	0.24%
TOTAL WATER WITHDRAWN (M³)	**100%**	**100%**

NB: *97% of the water withdrawn in areas of high water stress corresponds to the agricultural activities of Mundi Riz.*

WATER DISCHARGE [303-4]

DESTINATION OF DISCHARGE (M³)	2020	2019
Third party water (Sewage network, treatment plants)	2,638,117	2,012,624
Inland water	25,093	27,056
Seawater	0	0
TOTAL	**2,663,210**	**2,039,680**

DISCHARGE TREATMENT (M³)	2020
No treatment	1,852,999
Primary/secondary treatment	805,614
Tertiary treatment	4,597
TOTAL	**2,663,210**

TYPE OF DISCHARGE (M³)	2020
Freshwater (SS<1000 mg/l)	2,663,210
Other water (SS>1000 mg/l)	0
TOTAL	**2,663,210**

DISCHARGE BY AREAS OF WATER STRESS (M³)	2020	
	FRESHWATER DISCHARGED (SS<1000 MG/L)	OTHER WATER DISCHARGED (SS>1000 MG/L)
Low	108,435	0
Low-medium	1,017,703	0
Medium-high	728,892	0
High	803,582	0
Extremely high	4,597	0
TOTAL DISCHARGE (M³)	**2,663,210**	**0**

NB: *Discharge details not available for 2019*

No accidental discharge occurred in 2020.

WATER CONSUMPTION [303-5]

WATER CONSUMPTION (M³)	2020	2019
Water withdrawal	37,737,355	20,677,055
Water discharge	2,663,210	2,199,031
Water sold	3,168	0
TOTAL WATER CONSUMPTION (M³)	**35,070,977**	**18,478,024**

NB: *The volume of water used in the rice crop has not been considered discharge*

DISCHARGE BY AREAS OF WATER STRESS (M³)	2020	2019
Low	34,708	52,774
Low-medium	695,059	546,883
Medium-high	345,851	708,296
High	33,984,691	17,146,889
Extremely high	10,668	23,181
TOTAL DISCHARGE	**35,070,977**	**18,478,024**

GRI 304: Biodiversity

This indicator is reported under standard GRI 304 (2016).

OPERATIONAL SITES IN OR ADJACENT TO PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS [304-1]
The Riviana plant in Freeport, Texas (USA) is adjacent to a protected area of wetland, Brazos River.

Tilda has a jetty on the River Thames (UK).

SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY [304-2]
There have been no impacts in any areas considered of high biodiversity value.

HABITATS PROTECTED OR RESTORED [304-3]
No restoration measures have been implemented in protected habitats.

Climate Change and protection of Biodiversity

Global warming is a serious threat to the planet and to our Group, owing to our direct dependence and impact on natural resources such as land or water and its importance for the correct development of our business activities. Accordingly, we have set up a work group to investigate and classify the potential impacts that climate change may have on our organisation and establish the appropriate mitigation and/or adaptation measures for each one, based on a prior matrix of identified risks (see Chapter 5 of this Report).

Apart from the specific measures we take to mitigate impacts and adapt the Ebro Group to climate change, our sustainability plan HEADING FOR 2030 (caringforyouandtheplanet.com), put into place in 2019, contemplates a number of actions and goals, such as: 1) increasing efficiency in water and energy consumption, 2) recovery and reduction of waste, 3) recycling packaging, 4) optimising logistics and 5) application of new technologies and sustainable agriculture models designed to care for the planet and preserve biodiversity.

On this point, the Ebro Group takes an active approach to the promotion and investigation of environmentally sustainable growing techniques for application in the production of its principal agricultural raw materials (rice, durum wheat and tomatoes) and to contribute towards greater preservation of the environment, biodiversity and mitigation of climate change by applying growing techniques to reduce crop emissions. This work is done through own initiatives and specific collaborations with stakeholders and sectoral associations, particularly the Sustainable Agriculture Initiative Platform (SAI Platform) and the Sustainable Rice Platform.

In durum wheat and tomatoes, the French subsidiary Panzani continues its “Nature” programme with a view to changing the growing practices of the suppliers in its supply chain so that their raw materials are free from pesticide residues by 2025.

With regard to rice, the Group has continued working in collaboration with other stakeholders on the development of projects to enhance environmental sustainability and preserve biodiversity in different production areas. The most representative examples of this work are:

→ **Thailand: Sustainable Aromatic Rice Initiative of Thailand (SARI-T):**

Joint project with Mars, GIZ and the Thai Rice Department to enhance the economic viability of 1,200 rice growers in the province of Roi Et and the sustainable production of high quality Hom Mali aromatic rice.

The project organises numerous activities, such as teaching farmers about the Sustainable Rice Platform (SRP) standard and agronomic technologies, providing access to high quality seeds, improving growers' skills and enhancing gender equity for reasons of food security and quality.

The programme completed its third year of rice production in 2020.

→ **Spain: Oryzonte Programme: developed at the Guadalquivir Marshes (Seville) together with Mars Food and Danone.**

This project, which began in 2018, seeks to improve the sustainability of the rice crop in the province of Seville (Andalusia, Spain), focusing on three key areas: water, GHG emissions and biodiversity.

- With regard to water, the programme has assessed the potential of different practices to reduce the use of water in the rice fields in the Seville area. We have been working with a rice irrigation association to monitor salinity in different parts of their water circuit with a view to defining actions to improve water management and salinity over the coming years. In addition, in cooperation with the Institute of Sustainable Agriculture of the National National Council for Scientific Research (CSIC), Oryzonte has developed a water and salinity model to assess the potential to implement field-proven practices at the farm level. This model highlights the importance of working with irrigation associaitons to improve water management in the area.
- With regard to GHG emissions, the project has sampled and analysed GHG emissions from rice fields under different models of water management, both during cultivation and in fallow periods. This work has enabled us to check whether the implementation of specific practices aligned with the guidelines of the Intergovernmental Panel on Climate Change (IPCC), such as Alternate Wetting and Drying (AWD) techniques, actually reduce GHG emissions from the Sevillian rice fields. The GHG emissions were measured by the Institute of Agrifood Research and Technology (IRTA).
- In the area of biodiversity, after an initial assessment of possible measures to support biodiversity in the area, the project has installed vertical structures and nests for bats and birds of prey of special interest, such as the barn owl or the lesser kestrel. Predatory bird rining schemes have also been run in collaboration with members of different conservation organisations. These actions are designed to increase the presence in the area of birds of prey and bats, which do not have an adverse impact on the crop.

→ **India: During 2020, our subsidiary Ebro India continued developing three projects providing training for growers and technical assistance for the entire process, from sowing to harvesting.**

- EKTA: A training programme for growers in their everyday farming activities, educating them in the latest agricultural practices and the optimum use of pesticides and fertilizers, and helping them to increase the yield from their crops and lower costs.

- Control Farming: One of the greatest challenges in India is compliance with the MRL (maximum residue limits) permitted in the European Union. Through the control farming programme we work closely with the growers, monitoring all the agricultural practices they use from sowing to harvesting and educating them in the correct use of pesticides and fungicides in terms of quantity, quality and timing.
- Organic farming: We work with around 830 growers for the production of organic basmati and non-basmati rice.

In 2019 we set up a collaboration framework with the Royal Academy of Engineering (Spain) to carry out a research project on GHG emissions in the Spanish food and agriculture sector with a view to identifying measures to reduce GHG emissions. The conclusions of this project were presented in 2020 with the publication of the report "Greenhouse gas emissions in the agrifood system and carbon footprint of food in Spain". The study covers the entire food chain, includes emission factor refinements adapted to the Mediterranean climate conditions and adds emission sources in the agricultural systems that had not been contemplated previously, thus supplementing the bases on which the official national inventories that calculate the emissions of the Spanish agricultural sector build. The basic methodology used in this work is the Life Cycle Analysis (LCA) and unlike other studies, this one is based on farm-level data specifically pertinent to Spain, which have been harmonised with those of the aggregate national statistics. The study adds a historic perspective to the calculation of the current situation, with which it is possible to modulate the partly positive evolution of recent decades when compared also with earlier pre-industrial agriculture periods; these, in turn, can provide clues for mitigation, with regard to tillage reduction, fertilization or the circular economy in agriculture. With the results obtained, we have been able to identify emission hotpoints throughout the chain and determine the responsibility for mitigation actions not only in production and marketing, but also in the diet and consumption options of each consumer. The Report can be consulted at: http://www.raing.es/es/publicaciones/libros/emisiones-de-gases-efecto-invernadero-en-el-sistema-agroalimentario-y-huella-de

Furthermore, in order to address the challenges of climate change and follow any changes in law in this area, the Ebro Group is a member of the Climate Change Cluster promoted by Forética (www.foretica.org). In that Cluster, a group of large companies work together to lead the strategic positioning addressing climate change in the business agenda, discuss and exchange views and good practices, participate in the global debate and become key players in the decisions made at the administrative level.

GRI 305: Emissions

This indicator is reported under standard GRI 305 (2016).

The methodology employed under ISO 14064-1:2019 is of calculation, using the activity data of each company/plant and emission factors taken from official sources (Annex 3), applied to all the group's plants. All the gases are included in the calculation: CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3.

Ebro's GHG emissions are consolidated under the operational control approach, including: (a) direct GHG emissions and (b) indirect GHG emissions for imported energy.

DIRECT (SCOPE 1) GHG EMISSIONS [305-1]

The sources of direct (Scope 1) GHG emissions are:

- Emissions of CO_2, CH_4 and N_2O from fossil fuel consumption by stationary sources
- Emissions of CO_2 from fossil fuel consumption by mobile sources (vehicle fleet and machinery)
- Leaks of cooling gases (HFC) from HCAV equipment
- Emissions of CH_4 from the rice crop
- Emissions of N_2O from elimination of nutrients in water treatment
- Direct emissions of CH_4 and N_2O from Biomass (rice husk, wood and charcoal)

In accordance with the IPPC guidelines, direct emissions of CH_4 and N_20 from the consumption of fossil fuels in mobile sources are not included in scope 1 as they are negligible.

INDIRECT (SCOPE 2) GHG EMISSIONS 305-2

The sources of indirect (Scope 2) GHG emissions are:

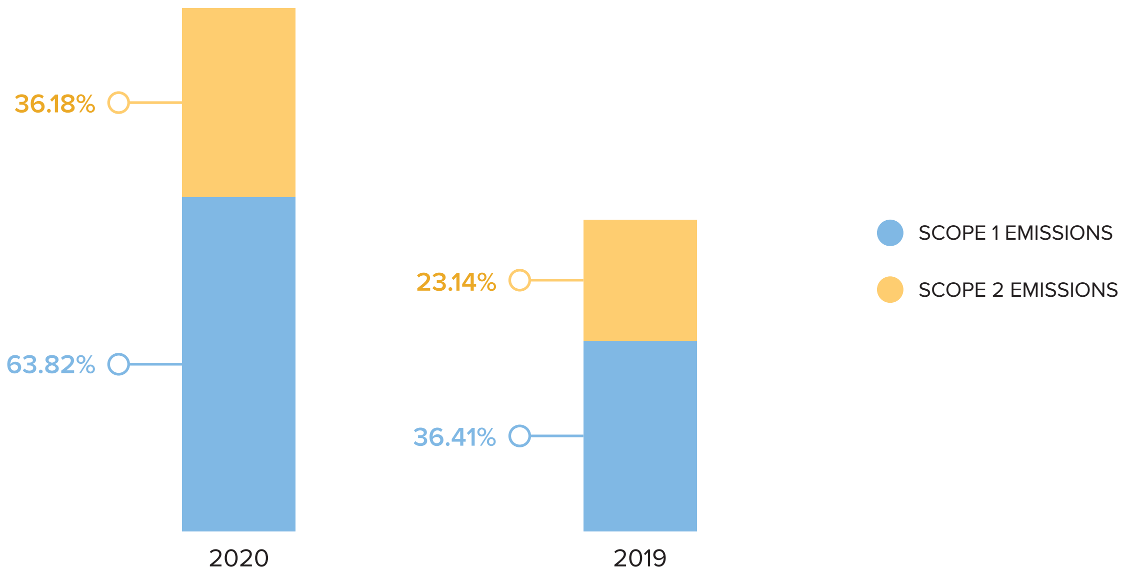
- Emissions of CO_2 from energy consumption (electricity, heat, steam and cold) in installations and processes.

We calculate the Scope 2 emissions according to the location, using specific emission factors of each country.

GHG EMISSIONS (TM CO_2E)	2020	2019
Scope 1 emissions	234,016	202,411
Scope 2 emissions	132,647	128,642
TOTAL EMISSIONS	**366,662**	**331,053**

The Mundi Riz rice crop in Morocco accounts for 6% of the scope 1 emissions and 4% of the total emissions of the Group.

GHG EMISSIONS



OTHER INDIRECT (SCOPE 3) GHG EMISSIONS [305-3]

Biogenic CO_2 emissions

Biogenic CO_2 emissions are produced in the combustion of renewable fuels, in our case rice husk, wood chips and charcoal.

BIOGENIC CO_2 EMISSIONS	2020	2019
Biogenic CO_2 (t CO_2)	**6,885**	**10,051**

Emissions from maritime logistics

In 2015, the Group's rice division contracted its main shipping logistics provider, EccoFreight, to calculate the carbon footprint of shipping our raw materials and other products.

This is calculated with the Eccoprint tool developed by EccoFreight and includes 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.

In 2020, EccoFreight handled approximately 47% of the shipments of the entire rice division, with 319,211 tonnes shipped and GHG emissions of 110,001 tonnes of CO_2e.

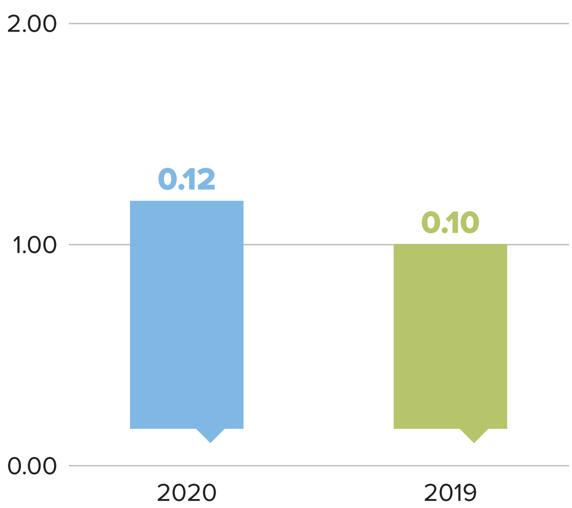
By choosing more efficient routes instead of other alternative routes available with larger carbon footprints, we avoided the emission of 89,074 t CO_2e, which is a 13.64% reduction of our Scope 3 emissions.

Moreover, Ebro Foods is participating in the AECOC Lean & Green Programme to calculate the carbon footprint of its domestic overland logistics.

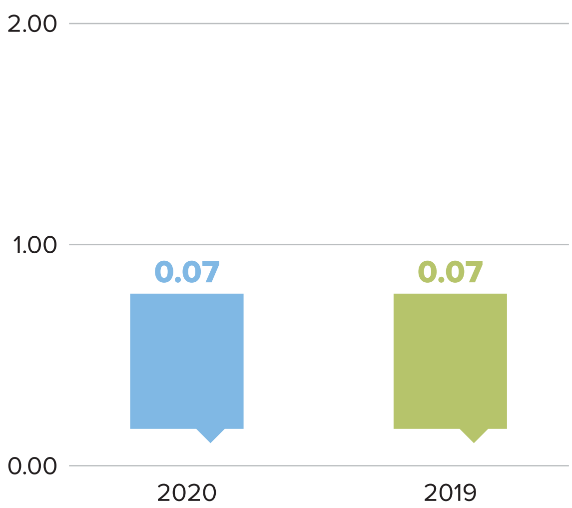
GHG EMISSIONS INTENSITY [305-4]

	2020	2019
Total produced (t)	3,035,468	3,290,565
Total GHG emissions (t CO_2e)	366,662	331,053
GHG emissions intensity (t CO_2e /t product)	0.12	0.10
GHG emissions intensity (t CO_2e /GJ)	0.07	0.07

EMISSIONS INTENSITY (T CO_2E/T PRODUCT)



EMISSIONS INTENSITY (T CO_2E/GJ)



REDUCTION OF GHG EMISSIONS [305-5]
We take 2020 as the base year for the comparison of GHG emissions.

All the initiatives to reduce energy consumption described in section 302-4 reduce GHG emissions, although we do not have any direct measurements.

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) [305-6]
Thanks to the development of specific laws (on an international, European and national level) and the efforts of the sectors affected, ODS production and consumption have been practically phased out. Ebro's activities are not included in any of the main sectors that use or used ODS, so in our opinion this indicator is not material and is not calculated.

NOx, SOx AND OTHER SIGNIFICANT AIR EMISSIONS [305-7]
We calculate the emissions of air pollutants associated with the stationary and mobile combustion processes, as they are the most significant. The NOx, SOx, etc. emissions are obtained by multiplying the GJ by a specific emissions factor for each type of pollutant.

In accordance with the applicable environmental laws and regulations, regular inspections and measurements are made by an external company to check compliance. No non-compliance was detected during the year.

NOx, SOx & OTHER EMISSIONS (T)	NOx	CO	COV	SOx	PM10	PM2,5	PM	TOTAL
Stationary combustion	287	146	106	4	12	12	0	567
Mobile combustion	6	10	2	0	0	0	0	18
TOTAL POLLUTANTS (T)	**293**	**156**	**107**	**4**	**12**	**12**	**0**	**585**

NB: We have no calculations for 2019

Greenhouse gas reduction goals

In order to define emissions reduction goals in line with the recommendations of the scientific community, during 2020 we developed the Greenhouse Gas Emissions Inventory procedure for all Group companies under ISO 14064-1:2019.

2020 is taken as the base year, against which to compare our performance in future years, once the reduction targets have been defined.

GRI 306: Waste

This indicator is reported under standard GRI 306 (2020).

WASTE GENERATION [306-1]
Most of the waste generated by our business is classified as non-hazardous waste. There is also a small proportion of hazardous waste generation, mainly waste from the packaging of chemical products used in maintenance work at our facilities.

MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS [306-2]
All waste of whatever type is separated by kind and taken to authorised waste disposal contractors for treatment according to the laws in place in each geographical area, giving priority to recycling and reuse wherever possible.

Circularity measures
To guarantee meeting the reduction, recycling and re-use targets defined in the Packaging and Packaging Waste Act 11/97 of 24 April, our Spanish subsidiary Herba has joined Ecoembalajes España, S.A. (Ecoembes), which has the mission of designing and developing systems for selective collection and recovery of used packaging and packaging waste. Ecoembes uses the "Green Dot" (symbol that appears on the packaging) to show that the packager of the product has paid a sum of money for each package put on the market.

Both the European rice companies and the head offices of Ebro Foods have signed agreements with companies similar to Ecoembes for the destruction of paper and other data carriers. With these agreements, apart from complying with the Data Protection Act, they guarantee a sustainable management of the documentation through the undertaking by these companies to recycle the material.

In addition, within our commitment to making our packaging recyclable and specifically with the aim of finding sustainable alternatives for our flexible packaging, in 2019 we joined CEFLEX (https://ceflex.eu/), a European consortium of companies, associations and organisations that represent the entire flexible packaging value chain and collaborate to enhance the contribution of flexible packaging to the circular economy in Europe, by designing innovative solutions.

As in previous years and in keeping with the circular economy goals set for our packaging, we have continued striving to increase the recyclability of our packaging by changing to paper packaging certain formats that have traditionally been sold in polypropylene flexible packaging. During 2020, two of our dry rice brands, La Fallera (Spain) and Risella (Finland), replaced their biaxially oriented polypropylene (BOPP) film with 100% recyclable paper, thus avoiding putting on the market 73 tonnes a year of non-recyclable plastic that would have ended up in a landfill.

In this process, we are collaborating with other subsidiaries from Spain in changing from plastic to paper packaging, not only for rice products, but also for dry pasta.

Another significant landmark was the redesigning of a very significant item in our product portfolio, La Cigala, in which we eliminated the primary packaging component, consisting of a complex layer of two different polymers, replacing it with a virgin solid board packet, so that it is 100% recyclable.

To make further progress towards our goal of increasing the recyclability of our packaging, we need the market to provide technical solutions for greaseproof paper. This would enable the use of this material in the packaging of certain rice varieties, such as parboiled rice which, as it includes a greasy component, would end up staining any traditional paper packaging.

In line with the maxim that "the best waste is no waste", we are validating new films with a lower calibre and weight for sealing our microwave rice cups. The new specifications will represent a reduction of approximately 26% in the annual quantity of this material sold.

We have also taken the first steps to validate a doypack manufactured with multi-polymer sterilisable, high-barrier complexes, namely polypropylene, to replace complex structures in which the coexistence of different polymeric chains make mechanical recycling impossible. At the end of 2020, we received the first proposals and confirmation of technical specifications and we expect to start testing in the first half of 2021.

Actions to combat food waste

The main internal policy for food surplus within the Group (defining surplus as products suitable for consumption but which, for different reasons -such as packaging defects, being close to their use-by date, etc.- are not suitable for sale to consumers) is donation to food banks.

The Ebro Group also participates actively in the programme "Don't waste food", a collaborative initiative to reduce food waste, led by AECOC, the association of large consumer companies.

The three principal objectives of the project are to:

- Establish prevention and efficiency practices throughout the food chain to reduce waste
- Maximise use of the surplus produced in different stages of the value chain (redistribution, reuse and recycling)
- Make society aware of this problem and the need to reduce food waste.

The initiative is supported by over 350 manufacturers and distributors in the large consumer sector, logistics and haulage operators, business associations, consumer organisations and institutions and is coordinated by AECOC.

The programme aims to inform people about the efforts being made by companies to prevent food waste and promote enhanced collaboration to gradually reduce the problem. Every year some 7.7 million tonnes of food is wasted in Spain. Therefore, the "Don't waste food" programme aims to make consumers throughout the world aware of the problems of food waste and get them to participate in the initiative, encouraging them to collaborate in order to reduce the waste generated by each person.

During 2021, in a move to step up its commitment in this area, Ebro Foods joined Waste Warrior Brands, an initiative promoted and coordinated by Too Good To Go (TGTG), an international platform bringing together major brands from the food and hospitality sectors to fight food waste. In this context, Ebro undertakes to work jointly with TGTG on developing different external and internal actions and initiatives to avoid food waste, and on jointly creating campaigns and actions to raise awareness in this regard among the general public and our own employees.

Within this joint collaboration, both entities launched a social awareness initiative in December aiming to reduce food waste over Christmas, encouraging people to reuse leftovers to prepare new menus, using recipes crated and published on a website (www.eldiaese.es) designed for this purpose.

MEASURES FOR WASTE PREVENTION, RECYCLING, REUSE AND OTHER FORMS OF RECOVERY AND ELIMINATION

All the companies in our Group have contracted the management of hazardous and non-hazardous waste to authorised waste disposal contractors.

Some of the Group's rice companies use the husk from their manufacturing processes as a source of renewable energy. During 2020, Ebro India, Mundi Riso and Herba Ricemills reported the use of rice husk as a renewable fuel to obtain thermal energy.

WASTE GENERADOS [306-3]

WASTE (T)	2020	2019
Hazardous	55	45
Non-hazardous	30,860	28,267
TOTAL WASTE	**30,915**	**28,313**

WASTE DIVERTED FROM DISPOSAL [306-4]

NON-HAZARDOUS WASTE (T)	2020	2019
Recycled	4,025	4,889
Composted	2,011	3,252
Reused	1,746	730
Other recovery operations	3,042	0
TOTAL RECOVERY	**10,824**	**8,872**

HAZARDOUS WASTE (T)	2020	2019
Recycled	8	16
Composted	1	0
Reused	0	0
Other recovery operations	15	0
TOTAL RECOVERY	**24**	**16**

WASTE DIRECTED TO DISPOSAL [306-5]

NON-HAZARDOUS WASTE (T)	2020	2019
Landfilling	15,629	10,876
Incineration	3,511	900
Other disposal operations	897	7,619
TOTAL DISPOSAL	**20,036**	**19,395**

HAZARDOUS WASTE (T)	2020	2019
Landfilling	11	1
Incineration	4	10
Other disposal operations	16	18
TOTAL DISPOSAL	**31**	**30**

GRI 307 Environmental Compliance

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS [307-1]

In 2020, 3 plants reported minor non-compliance with environmental laws and regulations. One of them led to a small fine.

COMPANY	PLANTA	ENVIRONMENTAL NON-COMPLIANCE	FINE (€)	REMEDIAL ACTION
Catelli	Delta	Non-compliace landfill permit	0	Factory visit to review remedial actions
Catelli	Hamilton	Non-compliace landfill permit	0	Virtual visit to review remedial actions
Riviana Arroz	Freeport	Overstepping the annual assignment for the use of solvents. Exceeding the loading performance of trains and lorries	5,502	

Provisions and guarantees for environmental risks

All the Group companies have taken out third party liability insurance covering any damage caused by sudden, unintentional, accidental pollution; that insurance is considered to cover any possible risks of this nature. To date there have been no significant claims for environmental issues, favourable outcomes of audits and inspections, and no allegations in the processing of Integrated Environmental Authorisations, etc.

Environmental assessment and certification procedures

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

The following workplaces have an environmental management system certified under UNE-EN-ISO 14001:

- Panzani Gennevilliers
- Panzani Littoral
- Panzani Saint Just
- Garofalo Gragnano

Resources dedicated to environmental risk prevention

Eighteen of the 32 companies covered by this report have reported investments in measures to reduce / optimise energy consumption, water consumption and GHG emissions:

- Pastificio Lucio Garofalo
- Herba Ricemills
- Riviana Arroz
- Catelli
- Ebro Frost UK
- Mundiriso
- Panzani
- Arrozeiras Mundiarroz
- Bertagni
- Boost Nutrition
- Ebro India
- Harinas Santa Rita
- Herba Bangkok
- Herba Cambodia
- Lassie
- Roland Monterrat
- S&B Herba Foods
- Tilda

	2020 (€)	2019 (€)
Cost of management and control	1,193,472	785,390
Investment to minimise impact	3,338,893	1,320,098
TOTAL	**4,532,366**	**2,105,488**

NB: *The 2019 figure is updated in the light of an error detected and corrected in the CSR 2019 Report published after the Non-Financial Statements.*

The investments reported here include measures to reduce energy consumption, water consumption and emissions, as well as the cost of waste management, inspection of equipment, measurements and analyses. They also include initiatives to adapt to climate change, such as the Oryzonte project, which aims to reduce water consumption and GHG emissions, and FSA assessments in Italy.

The principal investments were:

- New photovoltaic installation in Mundiriso (Italy)
- New chiller using a coolant with a lower global warming potential and new sourdproofed compressor room in Herba Ricemills
- New boiler burner in Garofalo to reduce NOx emissions
- Installation of heat pump in Roland Monterral
- New economiser in Catelli
- Improvements to the dust collector filters and effluent plant in Riviana
- New effluent treatment plant in Ebro Frost UK
- Improvement of the effluent plant and measures to reduce noise in Panzani.

Ebro Foods, S.A.

ANNEX 1

LIST OF SUBSIDIARIES OF THE EBRO GROUP IN 2020

COMPANY	COUNTRY	BUSINESS AREA
AGROMERUAN, S.R.A.L AU	MOROCCO	Rice
ARROZEIRAS MUNDIARROZ, S.A.	PORTUGAL	Rice
AROTZ FOODS, S.A.	SPAIN	Others
BERTAGNI 1882, S.P.A.	ITALY	Pasta
BOOST NUTRITION, C.V.	BELGIUM	Rice
CATELLI FOODS CORPORATION	CANADA	Pasta
EBRO FOODS, S.A.	SPAIN	Parent (Holding)
EBROFROST HOLDING, GMBH	GERMANY, DENMARK AND UK	Rice, pasta and frozen food
EBRO INDIA, PRIVATE LTD.	INDIA	Rice
EURYZA, GMBH	GERMANY	Rice
GEOVITA FUNCTIONAL INGREDIENTS, S.R.L.	ITALY	Ingredients
HERBA BANGKOK, S.L.	THAILAND	Rice
HERBA CAMBODIA CO. LTD	CAMBODIA	Rice
HERBA INGREDIENTS, B.V.	NETHERLANDS AND BELGIUM	Ingredients
HERBA RICEMILLS, S.L.U.	SPAIN	Rice
HERBA RICEMILLS ROM, S.R.L.	ROMANIA	Rice
LASSIE, B.V.	NETHERLANDS	Rice
LA LOMA ALIMENTOS, S.A.	ARGENTINA	Rice
LUSTUCRU FRAIS, S.A.S.	FRANCE	Rice and pasta
MUNDI RISO, S.R.L.	ITALY	Rice
MUNDI RIZ, S.A.	MOROCCO	Rice
NEOFARMS BIO, S.A.	ARGENTINA	Rice
PANZANI, S.A.S.	FRANCE	Pasta
PASTIFICIO LUCIO GAROFALO, SPA	ITALY	Pasta
RICELAND MAGYARORZAG, KFT	HUNGARY	Rice
RIVIANA FOODS, INC.	USA	Rice and pasta
ROLAND MONTERRAT, SA. S	FRANCE	Fresh food
SANTA RITA HARINAS, S.L.U.	SPAIN	Others
S&B HERBA FOODS, LTD.	UK	Rice
TILDA, LTD.	UK	Rice
TRANSIMPEX, GMBH	GERMANY	Rice

LIST OF INDUSTRIAL FACILITIES (PRODUCTION PLANTS AND WAREHOUSES) AND OFFICES OF THE EBRO GROUP IN 2020

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
AROTZ FOOD	SPAIN	Navaleno	Industrial
ARROZEIRAS MUNDIARROZ	PORTUGAL	Coruche	Industrial
		Lisbon Office	Office (lease)
BERTAGNI 1882	ITALY	Vicenza	Industrial
		Avio	Industrial
		Warehouses Avio & Arcugnano	Warehouse
BOOST NUTRITION	BELGIUM	Merksem	Industrial
CATELLI FOODS CORPORATION	CANADA	Montreal	Industrial
		Delta	Industrial
		Hamilton	Industrial
EBRO FOODS HOLDING	SPAIN	Madrid	Office (lease)
		Barcelona	Office (lease)
		Granada	Office (lease)
EBRO INDIA	INDIA	Taraori	Industrial
EBROFROST DENMARK	DENMARK	Orbaek	Industrial
EBROFROST GERMANY	GERMANY	Offingen	Industrial
EBROFROST UK	UK	Beckley	Industrial
EURYZA	GERMANY	Hamburg Office	Office (lease)
GEOVITA FUNCTIONAL INGREDIENTS	ITALY	Bruno	Industrial
		Nizza Monferrato	Industrial
		Verona	Industrial
		Villanova Monferrato	Industrial
HERBA BANGKOK	THAILAND	Nong Khae	Industrial
HERBA CAMBODIA	CAMBODIA	Phnom Phen	Industrial
HERBA INGREDIENTS	BELGIUM	Schoten (4 plants)	Industrial
		Beernen Office	Office (lease)
	NETHERLANDS	Wormer	Industrial
HERBA RICEMILLS	SPAIN	San Juan de Aznalfarache	Industrial
		Jerez de la Frontera	Industrial
		Coria del Río	Industrial
		Isla Mayor	Industrial
		Silla	Industrial
		Algemesí	Industrial
		L'Aldea	Industrial
		La Rinconada	Industrial
		Los Palacios	Industrial
		Warehouses (Cotemsa, Raza & Ecorub)	Almacén
HERBA RICEMILLS ROM	ROMANIA	Herba Ricemills Romania	Office (lease)
LASSIE	NETHERLANDS	Wormer	Industrial

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
LA LOMA ALIMENTOS	ARGENTINA	Los Charrúas	Industrial
		Chajarí	Industrial
		Los Conquistadores	Industrial
		Buenos Aires Office	Office (lease)
LUSTUCRU FRAIS	FRANCE	St Genis Laval	Industrial
		Lorette	Industrial
		Communay	Industrial
MUNDI RIZ	MOROCCO	Larache	Industrial
MUNDI RISO	ITALY	Vercelli	Industrial
NEOFARM BIO	ARGENTINA	Concordia Office	Office (lease)
PANZANI	FRANCE	Saint Just (Bellevue)	Industrial
		Littoral	Industrial
		Gennevilliers	Industrial
		Nanterre	Industrial
		La Montre	Industrial
		Vitrolles	Industrial
		Lyon Office	Office (owned)
		Warehouses (Les Mureaux & Berre)	Warehouse
PASTIFICIO LUCIO GAROFALO	ITALY	Gragnano	Industrial
RICELAND MAGYARORZAG	HUNGARY	Commercial office	Office (lease)
RIVIANA	USA	Memphis	Industrial
		Carlisle	Industrial
		Brinkley	Industrial
		Hazen	Industrial
		Clearbrook	Industrial
		Freeport	Industrial
		Alvin	Industrial
		Winchester	Industrial
		Fresno	Industrial
		St Louis	Industrial
ROLAND MONTERRAT	FRANCE	Feillens	Industrial
S&B HERBA FOODS	UK	Cambridge	Industrial
		Liverpool	Industrial
		Orpington Office	Office (lease)
SANTA RITA HARINAS	SPAIN	Loranca de Tajuña	Industrial
TILDA	UK	Classic	Industrial
		Jazz	Industrial
	INDIA	India Office	Office (lease)
	UAE	Dubai Office	Office (lease)
TRANSIMPEX	GERMANY	Lambsheim Plant	Industrial
		Lambsheim Office	Office (owned)

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ANNEX 2

LIST OF FOOD SAFETY AND QUALITY CERTIFICATIONS OF THE GROUP'S SUBSIDIARIES IN 2020

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
AROTZ FOOD	SPAIN	NAVALENO	IFS
ARROZEIRAS MUNDIARROZ	PORTUGAL	CORUCHE	ISO 9001
			ISO 22000
			FOOD PRODUCT CERTIFICATION
			IFS
BERTAGNI 1882	ITALY	AVIO	BRC
			IFS
		VICENZA	BIOS - ORGANIC CERTIFICATION
			BRC
			IFS
BOOST NUTRITION	BELGIUM	MERKSEM	IFS
			KOSHER
			ORGANIC CERTIFICATION
CATELLI FOODS CORPORATION	CANADA	MONTREAL	KOSHER
			SQF
		DELTA	BRC
		HAMILTON	BRC
EBROFROST DENMARK	DENMARK	ORBAEK	BRC
			KOSHER
			ORGANIC CERTIFICATION
EBROFROST GERMANY	GERMANY	OFFINGEN	BRC
			HALAL
			KAT
			ORGANIC CERTIFICATION
EBROFROST UK	UK	BECKLEY	BRC
EBROFROST NORTHAMERICA	USA	MEMPHIS	SQF
EBRO INDIA	INDIA	TARAORI	ISO 22000
			ORGANIC CERTIFICATION
			BRC
			IPQC
			PPQS
			KOSHER

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
GEOVITA FUNCTIONAL INGREDIENTS	ITALY	BRUNO	BCR
			ORGANIC CERTIFICATION
			KOSHER
			IFS
			HALAL
		NIZZA MONFERRATO	FSSC 22000
			ORGANIC
		VILLANOVA MONFERRATO	BRC
			IFS
			HALAL
			ORGANIC CERTIFICATION
HERBA BANGKOK	THAILAND	SARABURI	ISO 9001
			BRC
			ORGANIC CERTIFICATION
			HALAL
			KOSHER
			GMP & HACCP
			GLUTEN FREE CERTIFICATION
HERBA CAMBODIA	CAMBODIA	PHNOM PENH	ISO 9001
			ORGANIC CERTIFICATION (EU)
			ORGANIC CERTIFICATION (NOP)
			KOSHER
			GMP & HACCP
HERBA INGREDIENTS	BELGIUM	SCHOTEN	ORGANIC CERTIFICATION
	BELGIUM	SCHOTEN	IFS
			KOSHER
			GMP
	BELGIUM	SCHOTEN	IFS
			KOSHER
			GMP
			ECOLOGICAL CERTIFICATION
	NETHERLANDS	WORMER	IFS
			GMP
			KOSHER
			HALAL
			ORGANIC CERTIFICATION
			CHINESE ORGANIC
	NETHERLANDS	WORMER	IFS
			GMP
			ORGANIC CERTIFICATION

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
HERBA RICEMILLS	SPAIN	CORIA DEL RÍO	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			KOSHER
		SAN JUAN DE AZNALFARACHE (Ready foods plant and Rice plant)	ISO 9001
			BRC
			IFS
			ECOLOGICAL CERTIFICATION
			KOSHER
		JEREZ DE LA FRONTERA (Ready foods plant)	ISO 9001
			BRC
			IFS
		SILLA	KOSHER
			ISO 9001
			BRC
			IFS
		ALGEMESÍ (Ready foods plant)	KOSHER
			ISO 9001
			IFS
			BRC
		ALGEMESÍ (Rice plant)	ISO 9001
			KOSHER
		ALGEMESÍ (Flour mill)	IFS
			KOSHER
		LA RINCONADA	IFS
			ECOLOGICAL CERTIFICATION
			KOSHER
		LOS PALACIOS	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			KOSHER
LASSIE	NETHERLANDS	WORMER	ECOLOGICAL CERTIFICATION
			IFS
			GMP
LA LOMA ALIMENTOS	ARGENTINA	LOS CHARRÚAS	HACCP
			GLUTEN FREE CERTIFICATION
			KOSHER
		CHAJARÍ	KOSHER
			GLUTEN FREE CERTIFICATION
LUSTUCRU FRAIS	FRANCE	SAINT GENIS LAVAL (Fresh pasta plant)	IFS
		LORETTE (Fresh pasta plant)	IFS
		COMMUNAY (Fresh pasta plant)	IFS

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
MUNDI RISO	ITALY	VERCELLI	IFS
			BRC
			ISO 22000
			ECOLOGICAL CERTIFICATION
			KOSHER
MUNDI RIZ	MOROCCO	LARACHE	ISO 22000
PANZANI	FRANCE	LA MONTRE	FSSC 22000
			IFS
		GENNEVILLIERS	IFS
			GMP+
			KOSHER
		NANTERRE	IFS
			FSSC 22000
		LITTORAL	GMP+
			HALAL
			IFS
		SAINT JUST	GMP+
			ECOLOGICAL CERTIFICATION
			IFS
		VITROLLES	SQF
			FSSC 22000
			KOSHER
			GLUTEN FREE CERTIFICATION
			ECOLOGICAL CERTIFICATION
		LYON	HALAL
			ECOLOGICAL CERTIFICATION
PASTIFICIO LUCIO GAROFALO	ITALY	GRAGNANO	BRC
			IFS
			KOSHER
			HALAL
			ORGANIC PASTA
			NO-GMO
			IFS

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
RIVIANA FOOD (RICE BUSINESS)	USA	MEMPHIS	KOSHER
			SQF
			GLUTEN FREE CERTIFICATION
		BRINKLEY	SQF
			KOSHER
			ECOLOGICAL CERTIFICATION
		CLEARBROOK	KOSHER
			SQF
		ALVIN	KOSHER
			SQF
			ECOLOGICAL CERTIFICATION
		CARLISLE	KOSHER
			SQF
		FREEPORT	KOSHER
			SQF
RIVIANA FOOD (PASTA BUSINESS)	USA	SAINT LOUIS	SQF
			KOSHER
			ECOLOGICAL CERTIFICATION
		WINCHESTER	SQF
			KOSHER
		FRESNO	SQF
			KOSHER
ROLAND MONTERRAT	FRANCE	FEILLENS	IFS
S&B HERBA FOODS	UK	CAMBRIDGE	BRC
			KOSHER
		LIVERPOOL	BRC
			KOSHER
TILDA	UK	RAINHAM (Classic Site (Mill & Packaging))	BRC
			KOSHER
		RAINHAM (Jack Site (Doy-pack))	BRC
TRANSIMPEX	GERMANY	LAMBSHEIM	IFS
			ORGANIC
			ORGANIC NATURLAND

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ANNEX 3

CALORIFIC POWER OF FUELS, EMISSION FACTORS AND WATER STRESS CLASSIFICATION

TABLE 1. NET CALORIFIC VALUE (NCV) OF FUELS

FUEL IN STATIONARY SOURCES	NCV	UNIT NCV	SOURCE NCV
Natural Gas	0.03822	GJ/m3N	National GHG Inventory of Spain (Annex 7), based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Liquefied Petroleum Gas (LPG)	0.0473	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Propane	0.0462	GJ/kg	Version 15, June 2020 of the EF document of the Ministry for Ecological Transition and Demographic Challenge (MITERD), based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Liquefied Natural Gas (LNG)	0.0442	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Butane	0.04478	GJ/kg	Version 15, June 2020 of the EF document of the MITERD, based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Gasoline	0.0443	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Diesel	0.043	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Charcoal	0.0295	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Biomass (wood chip)	0.0156	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 2)
Biomass (rice husk)	0.0116	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 2)

FUEL IN MOBILE SOURCES	NCV	UNIT NCV	SOURCE NCV
Liquefied Natural Gas (LNG)	0.0442	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Liquefied Petroleum Gas (LPG)	0.0473	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Gasoline	0.0443	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Diesel	0.043	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)

TABLE 2. EMISSION FACTORS OF FUELS AND ACTIVITIES

FUEL IN STATIONARY SOURCES	EF CO_2 ($KGCO_2/GJNCV$)	EF CH_4 ($KGCH_4/GJNCV$)	EF N_2O ($KGN_2O/GJNCV$)	UNIT EF	SOURCE NCV
Natural Gas	56.1	0.001	0.0001	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Liquefied Petroleum Gas (LPG)	63.1	0.001	0.0001	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Propane	63.6	0	0	kg CO_2/GJNCV	Version 15, June 2020 of the EF document of the MITERD, based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Liquefied Natural Gas (LNG)	64.2	0.003	0.0006	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Butane	66.2	0	0	kg CO_2/GJNCV	Version 15, June 2020 of the EF document of the MITERD, based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Gasoline	69.3	0.003	0.0006	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Diesel	74.1	0.003	0.0006	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Charcoal	0	0.2	0.004	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)
Biomass (wood chips)	0	0.03	0.004	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)
Biomass (rice husk)	0	0.03	0.004	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)

FUEL IN MOBILE SOURCES	EF CO_2 ($KGCO_2/GJNCV$)	EF CH_4 ($KGCH_4/GJNCV$)	EF N_2O ($KGN_2O/GJNCV$)	UNIT EF	SOURCE NCV
Liquefied Natural Gas (LNG)	56.1	0	0	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Liquefied Petroleum Gas (LPG)	63.1	0	0	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Gasoline	69.3	0	0	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Diesel	74.1	0	0	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)

OTHER DATA ON ACTIVITY	EF CO_2 ($KGCO_2/GJNCV$)	EF CH_4 ($KGCH_4/GJNCV$)	EF N_2O ($KGN_2O/GJNCV$)	UNIT EF	SOURCE NCV
Rice crop	0	1.3	0	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.4, ch.5) IPCC for fields not flooded for less than 180 days prior to growth, permanently flooded during growth and without organic fertiliser
Elimination of N			0.005	kg CO_2/GJNCV	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.5, ch.6)

TABLE 3. EMISSION FACTOR OF BIOGENIC CO_2

FUEL	EF	UNIT EF
Charcoal	112	kg CO_2e/GJ
Biomass (wood chips)	112	kg CO_2e/GJ
Biomass (rice husk)	100	kg CO_2e/GJ

Source: 2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)

TABLE 4. GLOBAL WARMING POTENTIAL OF GHG

GHG	GWP	SOURCE GWP
CO_2	1	IPPC fourth assessment report
CH_4	28	IPPC fourth assessment report
N_2O	265	IPPC fourth assessment report

TABLA 5. EMISSION FACTOR ELECTRICITY (BASED ON LOCATION)

COUNTRY	EF	UNIT EF	SOURCE EF
GERMANY	0.461	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
ARGENTINA	0.367	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
BELGIUM	0.22	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
CAMBODIA	0.804	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
CANADA	0.186	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
DENMARK	0.36	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
UAE	0.598	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
SPAIN	0.31	kgCO_2e/kWh	Emission Factors, Register of Carbon Footprints, Compensation and CO_2 Absorption Projects. MITERD. June 2020, version 15
FRANCE	0.085	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME
HUNGARY	0.317	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
INDIA	0.912	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
ITALY	0.406	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
MOROCCO	0.718	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
NETHERLANDS	0.415	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
PORTUGAL	0.255	kgCO_2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency

COUNTRY	EF	UNIT EF	SOURCE EF
ROMANIA	0.499	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
THAILAND	0.513	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
UK	0.2556	$kgCO_2e/kWh$	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2019
USA	0.522	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency

TABLE 6. EMISSION FACTORS OF COOLANTS

COOLANTS	EF
Carbon dioxide	1
Methane	28
Nitrous oxide	265
HFC-23	14800
HFC-32	675
HFC-41	92
HFC-125	3500
HFC-134	1100
HFC-134a	1430
HFC-143	353
HFC-143a	4470
HFC-152a	124
HFC-227ea	3220
HFC-236fa	9810
HFC-245fa	1030
HFC-43-I0mee	1640
Perfluoromethane (PFC-14)	7390
Perfluoroethane (PFC-116)	12200
Perfluoropropane (PFC-218)	8830
Perfluorocyclobutane (PFC-318)	10300
Perfluorobutane (PFC-3-1-10)	8860
Perfluoropentane (PFC-4-1-12)	9160
Perfluorohexane (PFC-5-1-14)	9300
Sulphur hexafluoride (SF_6)	22800
HFC-152	53
HFC-161	12
HFC-236cb	1340
HFC-236ea	1370
HFC-245ca	693
HFC-365mfc	794
R717 (ammonia)	0
R448A	1387
R410A	1890
HFC-1234ze (R1234ze)	7

COOLANTS	EF
R717 (ammonia)	0
R404A	3922
R407A	2107
R407C	1774
R407F	1825
R408A	3152
R410A	2088
R507A	3985
R508B	13396
R403A	3124
R407B	2804
R410B	2229
R413A	2053
R-417A	2346
R-417B	3026
R-422A	3143
R-422D	2729
R-424A	2440
R-426A	1508
R-427A	2138
R-428A	3607
R-434A	3245
R-437A	1805
R-438A	2264
R-442A	1888
R-449A	1396
R-452A	2140
R-453A	1765

Unit EF: kg CO_2e/kg coolant
Source: IPCC Fourth Assessment Report

TABLE 7. EMISSION FACTORS OF POLLUTANTS NOX, CO, SOX, COV, PM

	STATIONARY COMBUSTION		
GJ	NATURAL GAS+LNG+LPG+BUTANE+PROPANE	GASOLINE+DIESEL	RICE HUSK +WOOD CHIPS +CHARCOAL
POLLUTANT	FC (G/GJ)	FC (G/GJ)	FC (G/GJ)
NOx	74	513	91
CO	29	66	570
COV	23	25	300
SOx	0.67	47	11
PM10	0.78	20	143
PM2.5	0.78	20	140

	MOBILE COMBUSTION			
GJ	GASOLINE	DIESEL	LPG	LNG
CONTAMINANTE	FC (G/GJ)	FC (G/GJ)	FC (G/GJ)	FC (G/GJ)
CO	1,911.964	77.442	1,790.698	128.959
COV	226.862	16.279	288.372	5.882
NOx	197.065	301.395	321.353	294.118
PM	0.677	25.581		49.774

Source: European Environment Agency (EMEP)
https://www.eea.europa.eu/publications/emep-eea-guidebook-2019/part-b-sectoral-guidance-chapters [eea.europa.eu]

TABLE 8. WATER STRESS CLASSIFICATION (WORLD RESOURCES INSTITUTE)

COUNTRY	WATER STRESS CLASSIFICATION (WORLD RESOURCES INSTITUTE)
GERMANY	Medium-High
ARGENTINA	Low-Medium
BELGIUM	High
CAMBODIA	Low
CANADA	Low
DENMARK	Medium-High
UAE	Extremely High
SPAIN	High
FRANCE	Medium-High
HUNGARY	Low
INDIA	Extremely High
ITALY	High
MOROCCO	High
NETHERLANDS	Low-Medium
PORTUGAL	High
ROMANIA	Low-Medium
THAILAND	Medium-High
UK	Low-Medium
USA	Low-Medium

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ANNEX 4

Index of contents required by Act 11/2018 of 28 December amending the Commercial Code, the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and the Audit Act 22/2015 of 20 July, regarding the disclosure of non-financial and diversity information

GENERAL AREAS

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Business model	Description of the business model: → Business environment → Organisation and structure → Markets in which it operates → Objectives and strategies → Principal factors and trends that may affect its future evolution	102-2, 102-7, 102-3, 102-4, 102-6, 102-15	P.5-11	
General	Mention in the report of the national, European or international **reporting framework** used to select the key non-financial performance indicators included in each section. If the company complies with the non-financial reporting act by issuing a **separate report**, it must expressly state that said information forms part of the management report.	102-54	P.2	
Management focus	**Description of the policies** applied by the group in respect of these matters, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of material risks and impacts and those of verification and control, including the measures implemented.	103-1 103-2	P.12-18	
	The **results of those policies**, including the relevant key non-financial performance indicators enabling the monitoring and assessment of progress and favouring comparison between companies and sectors, according to the national, European or international frameworks used.	103-2 103-3	P.14-15	
	The main risks related with those issues linked to the group's activities, including, where necessary and proportional, its commercial relations, products or services that may have an adverse effect on those areas and how the company manages those risks, explaining the procedures followed to detect and assess them in accordance with the national, European or international frameworks for each area. This should include information on the impacts detected, giving a breakdown, particularly regarding the main risks in the short, medium and long term.	102-15	P.19-25	

ENVIRONMENTAL ASPECTS

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Management focus				
Environmental management	**Existing and foreseeable effects** of the company's activities	Internal framework: internal procedures, Code of Conduct, GRI 307-1	P.65-67, 88	
	Environmental **certification or assessment procedures**	ISO 14001	P.88	
	Resources employed for preventing environmental risks	Internal framework: Accounting	P.89-90	
	Application of the **precautionary principle**	GRI 102-11	P.67	
	Quantity of **provisions and guarantees** for environmental risks	Internal framework: Insurance policy for third-party liability and accidental pollution damage	P.88	
Pollution	**Measures** to prevent, reduce or remedy carbon emissions (including noise and light pollution)	Internal framework: CSR internal reporting tool, 305-5	P.65-66, 83	
Circular economy and waste management and prevention	**Measures** for waste prevention, recycling, reuse and other forms of recovery and elimination	GRI 301-2, 306-1, 306-2	P.69, 84-86	
	Actions to combat food waste	Internal framework: 1) CSR internal reporting tool 2) Donations to food banks	P.84-86, 36-37	
Sustainable use of resources	**Water consumption** and water supply within local limits	GRI 303	P.73-76	
	Consumption of raw materials	GRI 301-1	P.67-69	
	Measures taken to make the use of water more efficient	GRI 302-4	P.73	
	Direct and indirect energy **consumption**	GRI 302-1, 302-2, 302-3, 302-4	P.69-73	
	Measures implemented to enhance energy efficiency	GRI 302-4	P.73	
	Use of renewable energies	GRI 302-1	P.69-71	
Climate change	Important **elements** of the GHG emissions generated	GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	P.80-83	
	Measures taken to adapt to the consequences of climate change	Internal framework: 1) Sustainable agriculture projects 2) Climate change risk matrix	P. 77-79, 22-22	
	Reduction **goals** established voluntarily	GRI 305-5 Internal framework: marine logistics emissions	P.81-83	
Protection of biodiversity	**Measures** taken to preserve or restore biodiversity	Internal framework: CSR internal reporting tool	P.77-79	
	Impacts caused by activities or operations in protected areas	GRI 304-1, 304-2, 304-3 Internal framework: CSR internal reporting tool	P.76	

SOCIAL AND LABOUR ASPECTS

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Management focus				
Employment	Total **number** and distribution of employees by gender, age, country and professional category	GRI 405-1	P.42-44	
	Total **number** and distribution of types of employment contract	GRI 401-1	P.44	
	Annual **average** of permanent, temporary and part-time contracts by gender, age and professional category	GRI 401-1, 405-1	P.44-46	
	Number of dismissals by gender, age and professional category	GRI 401-1	P.46	
	Pay gap	GRI 405-2	P.56	
	Average **remuneration** by gender, age and professional category	GRI 405-2	P-55-56	
	Average **remuneration** of directors by gender	GRI 102-35	P.56	
	Average **remuneration** of executives by gender	GRI 102-35	P.55	
	Implementation of **policies** on disconnection from work	Internal framework: CSR internal reporting tool	P.51	
	Employees with disability	GRI 405-1	P.55	
Organisation of work	**Organisation** of working time	Internal framework: CSR internal reporting tool	P.47	
	Number of hours absenteeism	Internal framework: Quantitative description of number of hours absenteeism	P.47	
	Measures to facilitate work-life balance and responsible joint exercise of those measures by both parents	Internal framework: Quantitative and qualitative description of the measures to help balance work and home life	P.51	
Health and safety	**Conditions** of health and safety at work	Internal framework: CSR internal reporting tool	P.51	
	Number of occupational injuries and disease by gender, frequency rate and severity by gender	Internal framework: CSR internal reporting tool	P.52	
Labour relations	**Organisation** of social dialogue	GRI 403-1, 403-4	P.52	
	Percentage of employees covered by collective agreements by country	GRI 102-41	P.52-53	
	Balance of collective agreements, particularly in the area of health and safety at work	GRI 102-41, 403-4	P.51-52	
Training	**Policies** implemented in the training area	Internal framework: 1) Corporate Code of Conduct 2) CSR internal reporting tool	P.53	
	Total **hours** training by professional category	GRI 404-1	P.54	
Universal accessibility by persons with disability		Internal framework: Qualitative description of the universal accessibility measures for persons with disability	P.55	

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Equality	**Measures** implemented to promote equal treatment and opportunities between women and men	Internal framework: 1) Corporate Code of Conduct 2) CSR internal reporting tool	P.54	
	Equality plans Measures taken to promote employment, protocols against sexual and gender-related harassment	Internal framework: 1) Corporate Code of Conduct 2) CSR internal reporting tool	P.54	
	Integration and universal accessibility of persons with different abilities	Internal framework: Qualitative description of integration & accessibility by persons with disability	P.55	
	Policy against all forms of discrimination and, where appropriate, diversity management	Internal framework: 1) Corporate Code of Conduct 2) CSR internal reporting tool	P.54-55	

INFORMATION ON RESPECT FOR HUMAN RIGHTS

AREA	REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Management focus			
Application of due diligence procedures in respect of human rights	GRI 103-2, 412-2	P.26-28	
Prevention of the risks of violating human rights and, where necessary, **measures** to mitigate, manage and redress possible abuse committed	GRI 412-2	P.26-28	
Complaints of violation of human rights	GRI 406-1	P.27	
Promotion and compliance with the ILO fundamental conventions related with respect for the freedom of association and right to collective bargaining, elimination of discrimination in employment and occupation, elimination of forced or mandatory labour and effective abolition of child labour	Internal framework: Corporate Code of Conduct	P.26	

INFORMATION ON ANTI-CORRUPTION AND BRIBERY

AREA	REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Management focus			
Anti-corruption and bribery **measures**	GRI 205-1, 205-2	P.29-31	
Anti-money laundering **measures**	GRI 205-2	P.32	
Contributions to foundations and not-for-profit entities	GRI 201-1	P.35-40	

INFORMATION ON THE COMPANY

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Management focus				
Company's commitments to sustainable development	**Impact** of the company's activities on local development and employment	Internal framework: Qualitative description of the company's impact on employment and local development	P.35-40	
	Impact of the company's activities on local populations and region	Internal framework: CSR internal reporting tool	P.35-40	
	Relations with local communities and forms of dialogue with them	Internal framework: Qualitative description of the relations with local communities	P.35-40	
	Association or sponsorship **actions**	GRI 102-12, 102-13	P.35-40	
Outsourcing and suppliers	**Inclusion** in the procurement policy of social, gender equality and environmental issues	Internal framework: Supplier Code of Conduct CSR internal reporting tool	P.63-64	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	Internal framework: Supplier Code of Conduct CSR internal reporting tool	P.63-64	
	Supervision and audit **systems** and results	Internal framework: CSR internal reporting tool	P.64	
Consumers	**Measures** to guarantee consumer health and safety	Internal framework: Qualitative description of the measures for consumer health and safety	P.58-59 ANNEX 2	
	Grievance **systems**	GRI 418-1	P.59-60	
	Complaints received and solution provided	GRI 103-2, 416-2	P.60-61	
Tax information	**Profit** obtained, country by country	Internal framework: Tax and Finance Departments	P.35	
	Corporate income **tax** paid	Internal framework: Tax and Finance Departments	P.34	
	Government **grants** received	Internal framework: Tax and Finance Departments	P.35	

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Building a better
working world

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

To the Shareholders of Ebro Foods, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2020, of EBRO Foods S.A. and subsidiaries (hereinafter, the Group), which is part of the 2020 Director's Report of the Group.

The content of the NFS includes information additional to that required by current mercantile regulations regarding non-financial information that has not been the object of our verification work. In this sense, our work has been limited exclusively to the verification of the information identified in the Annex 4 "Index of contents required under Law 11/2018" included in the attached NFS.

Responsibility of the Directors

The Board of Directors of EBRO FOODS, S.A. is responsible for the approval and content of the NFS included in the Groups´s consolidated Management Report. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the Annex 4: "Table of contents required under Law 11/2018 of December 28 on disclosure of nonfinancial and diversity information", included in the aforementioned Statement.

The directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of the NFS that is free from material misstatement, whether due to fraud or error.

EBRO FOODS, S.A. administrators are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control procedures

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, that refers exclusively to 2020. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guide for Non-Financial Statement verification engagements, issued by the Spanish Institute of Chartered accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review
- Analyzing the scope, relevance and integrity of the content included in the 2020 NFS based on the materiality analysis made by the Group and described in the section "Social Responsibility Model", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2020 Non-Financial Statement.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2020 NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFS and its correct compilation from the data provided.
- Obtaining a representation letter from the Directors and Management

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter came to our attention that would lead us to believe that the 2020 NFS of the Group has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the Annex 4: "Table of contents required under Law 11/2018 of December 28 on disclosure of non-financial and diversity information", included in the aforementioned Statement.

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Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Alberto Castilla Vida

April 9th, 2021

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

DETAILS OF ISSUER

Year Ended: 31/12/2020

Tax Registration Number: A47412333

Name:

EBRO FOODS, S.A.

Registered Office:

PASEO DE LA CASTELLANA 20 - 3rd AND 4th FLOORS - 28046 MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company:

Date latest modification	Capital (€)	Number of shares	Number of voting rights
11/06/2002	92,319,235.20	153,865,392	153,865,392

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. Give details on the direct and indirect holders of significant interests in your company at year-end, excluding directors:

Name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		Interest / total voting rights (%)
	Direct	Indirect	Direct	Indirect	
SOCIEDAD ANÓNIMA DAMM	0.00	11.69	0.00	0.00	11.69
CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	0.00	0.00	11.69
ARTEMIS INVESTMENT MANAGEMENT LLP	0.00	3.42	0.00	0.00	3.42
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	0.00	10.36	0.00	0.00	10.36

Details of indirect holdings:

Name of indirect holder	Name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	Interest / total voting rights (%)
SOCIEDAD ANÓNIMA DAMM	CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	11.69
ARTEMIS INVESTMENT MANAGEMENT LLP	ARTEMIS INVESTMENT MANAGEMENT LLP	3.42	0.00	3.42
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	ALIMENTOS Y ACEITES, S.A.	10.36	0.00	10.36

Indicate the principal movements in the shareholding structure during the year:

A.3. Complete the following tables on board members with voting rights in the company:

Name of director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
BELÉN BARREIRO PÉREZ- PARDO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEMETRIO CARCELLER ARCE	0.01	0.08	0.00	0.00	0.09	0.00	0.00
ANTONIO HERNÁNDEZ CALLEJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PEDRO ANTONIO ZORRERO CAMAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	1.50	0.00	0.00
MARÍA CARCELLER ARCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MERCEDES COSTA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSE IGNACIO COMENGE SÁNCHEZ- REAL	0.00	5.20	0.00	0.00	5.20	0.00	0.00
CORPORACIÓN FINANCIERA ALBA, S.A.	14.00	0.00	0.00	0.00	14.00	0.00	0.00
ALIMENTOS Y ACEITES, S.A.	10.36	0.00	0.00	0.00	10.36	0.00	0.00
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	0.00	0.00	0.00	7.83	0.00	0.00
GRUPO TRADIFÍN, S.L.	7.96	0.00	0.00	0.00	7.96	4.26	0.00
HERCALIANZ INVESTING GROUP, S.L.	8.43	0.00	0.00	0.00	8.43	1.82	0.00

Total % of voting rights held by board members	55.38

Details of indirect holdings:

Name of director	Name of direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights	% voting rights that may be transferred through financial instruments
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	0.08	0.00	0.08	0.00
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	5.20	0.00	5.20	0.00

A.4. Indicate family, commercial, contractual or corporate relationships among significant shareholders known to the company, if any, save any that are insignificant or deriving from ordinary commercial business, except those reported in A.6:

Name of related party	Type of relationship	Brief description
SOCIEDAD ANÓNIMA DAMM, CORPORACIÓN ECONÓMICA DELTA, S.A.	Corporate	Sociedad Anónima Damm holds a direct interest of 99.99% in Corporación Económica Delta, S.A.
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES, ALIMENTOS Y ACEITES, S.A.	Corporate	Sociedad Estatal de Participaciones Industriales holds a direct interest of 91.96% in Alimentos y Aceites, S.A.

A.5. Describe the commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:

Name of related party	Type of relationship	Brief description
SOCIEDAD ANÓNIMA DAMM	Commercial	During 2020, Herba Ricemills, S.L.U. (a subsidiary of the Ebro Foods Group) entered into different commercial transactions with subsidiaries of the significant shareholder Sociedad Anónima Damm, for the sale of rice and rice by-products on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.
GRUPO TRADIFÍN, S.L.	Commercial	During 2020, several subsidiaries of the Ebro Foods Group entered into commercial transactions (mainly purchases and sales of rice) on arm's length terms with the significant shareholder and director Grupo Tradifín, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.

Name of related party	Type of relationship	Brief description
GRUPO TRADIFÍN, S.L.	Contractual	During 2020, several subsidiaries of the Ebro Foods Group entered into contractual transactions (mainly services rendered and received) on arm's length terms with the significant shareholder and director Grupo Tradifín, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2020, several subsidiaries of the Ebro Foods Group entered into commercial transactions (mainly purchases and sales of rice) on arm's length terms with the significant shareholder and director Grupo Hercalianz Investing Group, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2020, several subsidiaries of the Ebro Foods Group entered into contractual transactions (mainly services rendered and received) on arm's length terms with the significant shareholder and director Grupo Hercalianz Investing Group, S.L. and closely related parties. See in this respect the information on related party transactions and comments set out in section D.3 of this Report.

A.6. Describe the relationships, save any that are insignificant for both parties, between the significant shareholders or those represented on the board and the directors, or their representatives in the case of corporate directors.

Explain how the significant shareholders are represented, where appropriate. Indicate specifically any directors appointed on behalf of significant shareholders, those whose appointments have been promoted by significant shareholders or who are related to significant shareholders and/or companies in their respective groups, specifying the nature of those relationships. In particular, indicate the existence, identity and office of board members or representatives of directors of the listed company, if any, who are also directors or representatives of directors in companies holding significant interests in the listed company or in companies of its group:

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	Demetrio Carceller Arce was appointed director of Ebro Foods, S.A. at the proposal of the significant shareholder Corporación Económica Delta, S.A., in which Sociedad Anónima Damm has a direct interest of 99.998%. Mr Carceller Arce has an indirect interest in Corporación Económica Delta, S.A. through Sociedad Anónima Damm, in which he has a 0.89% interest (0.004% direct and 0.886% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm and Chairman of the Board of Corporación Económica Delta, S.A.
JAVIER GÓMEZ-TRENOR VERGÉS	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Javier Gómez-Trenor Vergés has an indirect interest of 12.586% in Empresas Comerciales e Industriales Valencianas, S.L. through the direct interest of 50.415% he has in Inversiones Caspatró, S.L., which in turn has a direct interest of 24.964% in Empresas Comerciales e Industriales Valencianas, S.L. Inversiones Caspatró, S.L. is a director of Empresas Comerciales e Industriales Valencianas, S.L. Javier Gómez-Trenor Vergés represents Cultivos Valencia, S.L., which is Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L.
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	GRUPO TRADIFÍN, S.L.	GRUPO TRADIFÍN, S.L.	Blanca Hernández Rodríguez has a direct interest of 33.25% in Grupo Tradifín, S.L. She is Chairman and Managing Director of that company.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
ANTONIO HERNÁNDEZ CALLEJAS	HERCALIANZ INVESTING GROUP, S.L.	HERCALIANZ INVESTING GROUP, S.L.	Antonio Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L. He does not hold any office in that company.
FÉLIX HERNÁNDEZ CALLEJAS	HERCALIANZ INVESTING GROUP, S.L.	HERCALIANZ INVESTING GROUP, S.L.	Félix Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L. He is Joint and Several Director of that company.
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	María Carceller Arce was appointed director of Ebro Foods, S.A. at the proposal of the significant shareholder Corporación Económica Delta, S.A., in which Sociedad Anónima Damm has a direct interest of 99.998%. Ms Carceller Arce has a 0.05% interest in Corporación Económica Delta, S.A. and represents the director Seegrund BV on the Board of Directors of Corporación Económica Delta, S.A. and Sociedad Anónima Damm.
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso was appointed director at the proposal of Corporación Financiera Alba, S.A., with which he has an employment relationship. He is General Manager of that company.
ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	Sociedad Estatal de Participaciones Industriales has a direct interest of 91.9625% in Alimentos y Aceites, S.A.
TOMÁS HEVIA ARMENGOL	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Tomás Hevia Armengol has an employment relationship with Corporación Financiera Alba, S.A.. He is a member of the Investment Department.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	MENDIBEA 2002, S.L.	José Ignacio Comenge Sánchez-Real has an indirect interest of 73% in Mendibea 2002, S.L. which is the direct holder of the significant indirect interest held by Mr Comenge Sánchez-Real in Ebro Foods, S.A. He is the Sole Director of Mendibea 2002, S.L.
MARÍA JESÚS GARRIDO SOLÍS	ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	María Jesús Garrido Solís was appointed proprietary director at the proposal of Sociedad Estatal de Participaciones Industriales on the Boards of several of its investees. She is also Deputy Director of Investee Companies of Sociedad Estatal de Participaciones Industriales. She does not hold any office in Alimentos y Aceites, S.A.

Hercalianz Investing Group, S.L., Grupo Tradifín, S.L., Corporación Financiera Alba, S.A., Alimentos y Aceites, S.A., Empresas Comerciales e Industriales Valencianas, S.L. and José Ignacio Comenge-Sánchez Real are directors and significant shareholders of Ebro Foods, S.A. See section A.3 of this report.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it pursuant to sections 530 and 531 of the Corporate Enterprises Act. If any, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate and describe any concerted actions among company shareholders of which the company is aware:

[ ] Yes
[√] No

Expressly indicate any change or break-up of those agreements or concerted actions, if any, that has taken place during the year:

N/A

A.8. Indicate any individuals or entities that exercise or may exercise control over the company in pursuance of section 5 of the Securities Market Act and identify it/them if appropriate:

[ ] Yes

[√] No

A.9. Complete the following tables on the company's treasury stock:

At year-end:

Number of direct shares	Number of indirect shares (*)	Treasury stock/capital (%)
		0.00

(*) Through:

Name of direct holder of the interest	Number of direct shares
No details	

A.10. Indicate the term and conditions of the authorisation granted by the general meeting to the board to issue, buy or sell own shares:

The Annual General Meeting of Shareholders held on first call on 29 July 2020, under item twelve on the agenda, resolved to authorise the Board of Directors to buy back own shares and reduce the Company's capital and to authorise subsidiaries to acquire shares in the parent company, by purchase or on any other payment basis, subject to the limits and other requisites stipulated in law.

a. Conditions of the authorisation

To authorise the Board of Directors, with the power to delegate, to buy back shares in Ebro Foods, S.A., directly or through its subsidiaries, by purchase, swap or under any other title and on one or several occasions, on the terms and conditions established in sections 146 et seq and sections 509 et seq of the Corporate Enterprises Act, and the following conditions:

- The par value of the shares purchased directly or indirectly, together with those already held by the Company or its subsidiaries, shall not exceed 10% of the subscribed capital.

- The buy-back, when added to the shares previously acquired by the Company, or any person acting in their own name but on behalf of the Company, and held as treasury stock, shall not have the effect of reducing equity to below the amount of the capital plus the legal or restricted statutory reserves. For this purpose, equity shall be the amount considered as such according to the principles for drawing up the annual accounts, less the amount of gains attributed directly thereto, plus the amount of uncalled subscribed capital and the par value and share premium of the subscribed capital recognised in liabilities.

- The shares thus acquired shall be fully paid up.

- The cap and floor values for buy-back shall be the market value of the shares on an official secondary market at the date of buy-back and a value equivalent to the par value of the own equity instruments acquired, respectively.

b. Contents of the authorisation

- To authorise the Board, by direct resolution or delegation to the Executive Committee, or by delegation to such person or persons as the Board of Directors may authorise for this purpose, to buy back own shares to hold them in its treasury stock, dispose of them or, as the case may be, put a motion to the General Meeting for their redemption, within the legal limits and complying with the conditions established in this resolution. This authorisation is also extended to the possibility of buying back own shares for delivery, on one or several occasions, to the Company or group employees, directly or following exercise of their stock option rights, pursuant to section 146.1(a), third paragraph, of the Corporate Enterprises Act.

The authorisation is also extended to acquisitions of shares in Ebro Foods, S.A. by its subsidiaries.

- To authorise the Board of Directors to reduce the capital in order to redeem the own equity instruments purchased by the Company or other companies in its group against the capital (for their par value) and unrestricted reserves (for the cost of the acquisition in excess of that par value), by such amounts as it may deem fit from time to time and up to the maximum own shares held at any time.

- To delegate to the board to implement the foregoing resolution to reduce the capital, which it may do on one or several occasions or declare it null and void, within a period not exceeding 5 years from the date of this General Meeting, taking such actions for this purpose as may be necessary or required by law.

The Board of Directors is especially authorised so that it may, within the times and limits indicated in this resolution, proceed to: (i) make or declare void the reduction of capital, naming if appropriate the specific date(s) of the transactions, taking account of any internal or external factors that may influence this decision; (ii) specify in each case the amount by which the capital is reduced; (iii) determine the destination of the amount of the reduction of capital; (iv) in each case adjust Articles 6 ("Capital") and 7 ("Shares") of the Articles of Association to reflect each new amount of capital and new number of shares; (v) apply in each case for delisting of the redeemed shares; and (vi) in general adopt such resolutions as may be considered necessary for redemption and the consequent reduction of capital, designating who is to put it on record.

c. Term of the authorisation

The authorisation contemplated in this resolution is granted for a maximum of five years from the date of the General Meeting (29 June 2020) and covers all transactions in own equity instrument made hereunder, without requiring reiteration for each acquisition made. It also covers any provisions or earmarking of reserves made in accordance with the Corporate Enterprise Act.

The resolutions adopted at the Annual General Meeting on 29 July 2020 on treasury stock, reduction of capital and delegation to the Board rendered void, to the extent that they had not been used, those adopted on the same issues at the General Meeting of 3 June 2015 and at the date of this report they are still in force, not having been revoked.

A.11. Estimated free float:

	%
Estimated free float	29.51

A.12. Indicate any constraints (statutory, legal or other) on the transferability of shares and/or any restrictions on voting rights. In particular, indicate the existence of any constraint or limitation that may hamper takeover of the company through the acquisition of its shares on the market, and any authorisations or prior notifications of acquisitions or transfers of the company's financial instruments required by sector laws and regulations.

[ ] Yes
[√] No

A.13. Indicate whether the general meeting has resolved to apply the breakthrough rule against a takeover bid, under Act 6/2007.

[ ] Yes
[√] No

If yes, explain the measures approved and the terms on which the restrictions will become ineffective:

A.14. State whether the company has issued any shares that are not traded on an EU regulated market:

[ ] Yes
[√] No

If appropriate, indicate the different classes of shares and the rights and obligations conferred for each class:

B. GENERAL MEETING

B.1. Indicate whether there are any differences between the quorums established for general meetings and the minimums stipulated in the Corporate Enterprises Act and, if any, explain:

[ ] Yes
[√] No

B.2. Indicate whether there are any differences in respect of the system stipulated in the Corporate Enterprises Act for adopting corporate resolutions and, if any, explain:

[ ] Yes
[√] No

B.3. Indicate the rules for alteration of the company's articles of association. In particular, indicate the majorities stipulated for altering the articles of association and the rules, if any, protecting shareholders' rights in any alteration of the articles.

Ebro Foods, S.A. has not established any requirements for altering the Articles of Association other than those stipulated in the Corporate Enterprises Act.

B.4. Give details of attendance of general meetings held during the year of this report and the two previous years:

	Details of attendance				
Date of general meeting	% in person	% by proxy	% distance voting		Total
			Electronic vote	Others	
05/06/2018	39.94	27.94	0.00	11.16	79.04
Of which free float	0.19	15.91	0.00	0.80	16.90
01/06/2019	29.12	51.48	0.01	0.10	80.71
Of which free float	0.17	15.37	0.01	0.10	15.65
29/06/2020	10.37	70.55	0.01	0.10	81.03
Of which free float	0.00	14.16	0.01	0.10	14.27
16/12/2020	0.00	69.58	0.01	10.36	79.95
Of which free float	0.00	2.73	0.01	10.36	13.10

With regard to the figures set out in this section B.4, it should be borne in mind that the general meetings held in 2020 were exclusively online owing to the Covid-19 pandemic.

B.5. State whether there have been any items on the agenda for the general meetings held during the year that was not approved by the shareholders for any reason:

[ ] Yes
[√] No

B.6. Are any restrictions established in the articles of association requiring a minimum number of shares to attend general meetings or for distance voting?

[ ] Yes

[√] No

B.7. State whether certain decisions other than those established by law, involving an acquisition, disposal, transfer of essential assets to another company or other similar corporate operations must be laid before the general meeting of shareholders for approval:

[ ] Yes
[√] No

B.8. Indicate the address and access to the company's website and where to find information on corporate governance and other information on general meetings that must be made available to shareholders through the company's website:

The corporate website of Ebro Foods (http://www.ebrofoods.es/en/) is set up as a vehicle of information, continuously and permanently updated for shareholders, investors and markets in general.

In this respect, the home page includes a specific section called "Information for shareholders and investors", which contains all the information required under the applicable legal provisions.

Pursuant to current legislation, this section includes the chapter on Corporate Governance at the following address:
http://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/regulations-of-the-general-meeting/

That section includes all the information that the Company makes available to shareholders for general meetings, specifically at the following URLs:

- http://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-meeting-of-shareholders-exercise-of-the-right-to-information/

- https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/extraordinary-general-shareholders-meeting-december-2020/, which is the direct link to the Extraordinary General Meeting of Shareholders held on 16 December 2020; and

- https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-meeting-of-shareholders-exercise-of-the-right-to-information/general-shareholders-meeting/, which is the link to the Annual General Meeting of Shareholders held on 29 July 2020.

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Furthermore, since the general meetings held in 2020 were exclusively online, the company enabled the corresponding link on the corporate website to the live broadcast of those general meetings. The links to the live broadcast of each of the general meetings (annual and extraordinary) were maintained on the website throughout their duration.

The 'Corporate Governance' section is structured in the following sub-sections:

- Regulations of the General Meeting
- General Meeting of Shareholders: exercise of the right to information
- Extraordinary General Shareholders' Meeting - December 2020 (this sub-section always refers to the latest general meeting held, whether annual or extraordinary)
- Board of Directors
- Regulations of the Board
- Annual Corporate Governance Report
- Remuneration of Directors
- Board Committees
- Internal Code of Market Conduct
- Shareholders' Forum

The contents of this section are structured and hierarchical, with a concise, explanatory title, to permit rapid, direct access to each section in accordance with legal recommendations, at less than three clicks from the home page.

All these sections have been designed and prepared according to the principle of easy access, aiming to enable fast location and download of the required information.

The corporate website offers all the information in this section in Spanish and English.

C. MANAGEMENT STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 State the maximum and minimum numbers of directors stipulated in the articles of association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by general meeting	14

C.1.2 Give details of the board members:

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
BELÉN BARREIRO PÉREZ-PARDO		Independent	DIRECTOR	25/01/2017	01/06/2017	RESOLUTION PASSED AT AGM
DEMETRIO CARCELLER ARCE		Proprietary	VICE-CHAIRMAN	01/06/2010	16/12/2020	RESOLUTION PASSED AT AGM
ANTONIO HERNÁNDEZ CALLEJAS		Executive	CHAIRMAN	24/01/2002	05/06/2018	RESOLUTION PASSED AT AGM
PEDRO ANTONIO ZORRERO CAMAS		Independent	DIRECTOR	13/12/2018	04/06/2019	RESOLUTION PASSED BY BOARD
FERNANDO CASTELLÓ CLEMENTE		Independent	DIRECTOR	29/05/2012	05/06/2018	RESOLUTION PASSED AT AGM
MARÍA CARCELLER ARCE		Proprietary	DIRECTOR	21/03/2018	16/12/2020	RESOLUTION PASSED AT AGM
MERCEDES COSTA GARCÍA		Independent	LEAD INDEPENDENT DIRECTOR	27/07/2016	01/06/2017	RESOLUTION PASSED AT AGM

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
JOSE IGNACIO COMENGE SÁNCHEZ-REAL		Proprietary	DIRECTOR	29/05/2012	16/12/2020	RESOLUTION PASSED AT AGM
CORPORACIÓN FINANCIERA ALBA, S.A.	TOMÁS HEVIA ARMENGOL	Proprietary	DIRECTOR	31/01/2018	16/12/2020	RESOLUTION PASSED AT AGM
ALIMENTOS Y ACEITES, S.A.	MARÍA JESÚS GARRIDO SOLÍS	Proprietary	DIRECTOR	23/07/2004	16/12/2020	RESOLUTION PASSED AT AGM
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	JAVIER GÓMEZ-TRENOR VERGÉS	Proprietary	DIRECTOR	18/12/2013	16/12/2020	RESOLUTION PASSED AT AGM
GRUPO TRADIFÍN, S.L.	MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Proprietary	DIRECTOR	21/12/2016	16/12/2020	RESOLUTION PASSED AT AGM
HERCALIANZ INVESTING GROUP, S.L.	FÉLIX HERNÁNDEZ CALLEJAS	Executive	DIRECTOR	21/12/2016	16/12/2020	RESOLUTION PASSED AT AGM
JAVIER FERNÁNDEZ ALONSO		Proprietary	DIRECTOR	29/07/2020	16/12/2020	RESOLUTION PASSED AT AGM

Total number of directors	14

Indicate any retirements from the board during the reporting period, through resignation or whatsoever other circumstance:

Name of director	Category of director at time of retirement	Date of last appointment	Date of retirement	Specialist committees of which the director was a member	State whether retirement occurred before end of term of office
No details					

C.1.3 Complete the following tables with the details and types of the board members:

EXECUTIVE DIRECTORS		
Name of director	Position in company's organisation	Profile
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	Antonio Hernández Callejas was born in Tudela (Navarre). He has a degree in Economics from the University of Seville and a diploma in Law. He began his career in 1979 in Arrocerías Herba, a rice producer founded by the Hernández family. In 2002 he was appointed Director, Vice-Chairman and member of the Executive Committee of Ebro Foods, S.A. and since then he has been a key figure in Ebro's transformation and international expansion. In 2004 he was appointed CEO of the Company and in 2005 he became Executive Chairman of the Ebro Group. Under his leadership, the Ebro Group has become number one in the rice sector and second world producer of pasta, operating in more than 70 countries in Europe, America, Africa and Asia, with a portfolio of over 70 brands. Over the course of his professional career, he has received numerous prizes and awards, such as the "Dinero" Business Awards for the best business management, Officer of the National Order of Merit of the Republic of France, Prize awarded by the Social Council of the University of Seville and the Seville Business Confederation (CES) for his Outstanding Business Career, the Gold Medal of the city of Seville, the Joly Group Farming Innovation Award and the Manuel Clavero Award. He speaks English, French and Italian.
HERCALIANZ INVESTING GROUP, S.L.	Executive and director in several Group companies	Félix Hernández Callejas (representative of the director Hercalianz Investing Group, S.L.) was born in Tudela (Navarre). He has a Law degree and extensive experience in the rice and food industry in general. He has held several executive positions and directorships in different rice companies and is currently an executive of a subsidiary in the Ebro Group and director of several group companies. See the Explanatory Note Two in section H of this report listing the Ebro Group companies in which Félix Hernández Callejas is a director.

Total number of executive directors	2
% of board	14.29

With regard to the classification of Hercalianz Investing Group, S.L. as Executive Director, this director:

(i) does not perform executive or management duties in Ebro Foods, S.A. or in any Group subsidiary, so receives no remuneration as such;

(ii) has been classified as executive director on the grounds that its representative on the Board of Directors of Ebro Foods, S.A. is an executive and director of several Group subsidiaries;

(iii) holds office as a director because it is a significant shareholder of the Company, with an interest of 8.434%.

Hercalianz Investing Group, S.L. will continue to be a director of Ebro Foods, S.A. as long as it is a significant shareholder, regardless of who is its representative and the executive position that said representative may have within the Group.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	Demetrio Carceller Arce was born in Madrid. He has a degree in Business Administration from the Private Financial Studies University 'Colegio Universitario de Estudios Financieros' (CUNEF) of Universidad Complutense de Madrid. He subsequently did an MBA at Duke University (Fuqua School of Business), an American business school in which he is on the Board of Visitors. He is Executive Chairman of Sociedad Anónima Damm and Chairman of Corporación Económica Delta, SA. and DISA Corporación Petrolífera, S.A. He is also Vice-Chairman and member of the Executive Committee of Sacyr, S.A. and Director of Freixenet ('cava' producers). In 2019, he was elected Chairman of Cerveceros de España (Spanish Brewers Association). He also chairs the Board of Trustees of the Damm Foundation.
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	María Carceller Arce was born in Madrid. She has a degree in Business Studies from the European Business School, specialising in marketing and international business, and has a postgraduate degree from IESE (Management Development Programme PDD-C). She has over 20 years' experience in national and international companies in the food and drink sector. She has been on the Food and Drink Advisory Board of the IESE Business School since 2001 and Managing Director of Grupo Rodilla since 2012. Before joining the Grupo Rodilla, she held different management positions in Pepsico and McDonald's, receiving the President Award, among others. She had previously been Manager of the Commercial and Marketing areas in different prestigious companies in the sector, such as Yoplait and Bodegas y Bebidas, S.A. She is bilingual Spanish-German and also speaks English.
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	José Ignacio Comenge Sánchez-Real was born in San Sebastián. He is an Economist and has a degree in International Banking. He has a lengthy track record in business management and administration in companies operating in different areas of the Spanish economy, including the financial, insurance, beverages and renewable energy sectors. He has been an executive and director in different financial and insurance entities, such as Banco Hispano Americano, Mutua Madrileña and Axa Winterthur, among others. He is Chairman of Ball Beverage Packaging Iberica S.L. and Arbitraje&Inversiones S.L. and Director of ENCE Energía y Celulosa, S.A., CVNE, S.A. (Compañía Vinícola Nacional de España), Olive Partners, S.A., Barbosa&Almeida, S.A. Grupo Apex (Aperitivos y Extrusionados, S.A.U.) and Coca-Cola European Partners.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Tomás Hevia Armengol (representative of the director Corporación Financiera Alba, S.A.) was born in Mieres (Asturias). He has a degree in Business Management & Administration and Law from Comillas Pontifical University (Universidad Pontificia Comillas) in Madrid (ICADE). He also has an MBA from the IESE Business School of Navarre University. He is a member of the Investment Department of Corporación Financiera Alba. He previously worked in the Mergers & Acquisitions and Equity Capital Markets Departments of Royal Bank of Scotland and ABN AMRO in Madrid and in London. He is currently a director and member of the Executive Committee of Acerinox and a member of the Investment Committee of Parques Reunidos. He has been on the boards of Clínica Baviera, ACS Servicios y Concesiones, Dragados and Antevenio. He speaks English.
ALIMENTOS Y ACEITES, S.A.	ALIMENTOS Y ACEITES, S.A.	María Jesús Garrido Solís (representative of the director Alimentos y Aceites, S.A.) was born in Madrid. She has a BA in Business Studies and Law E-3 ICADE, MBA-Business Administration, Master in Taxation from the Postgraduate Institute of Universidad Pontificia Comillas and 'Programa Promociona' organised by ESADE. She has a lengthy track record in business administration, management and control within the government institutions and as a lecturer of public management, financial management and management control in bilingual groups and tutor directing degree projects, among other positions, at Universidad Carlos III in Madrid. She is a proprietary director representing Sociedad Estatal de Participaciones Industriales (SEPI) on several boards of directors. At present, she is proprietary director and Deputy Director of the Investees Department at SEPI. She speaks English and French.
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Javier Gómez-Trenor Vergés (representative of the director Empresas Comerciales e Industriales Valencianas, S.L.) was born in Barcelona. He has a degree in Economics and Business Studies from the University of Valencia. He has a lengthy track record in the business sector, as executive and director of numerous companies in the beverages, agricultural, livestock and concentrated juice sectors. He is currently the representative of the corporate Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L. and the corporate Vice-Chairman of the Board of Olive Partners S.A., he is Chairman of the Board of Inversiones Caspatró, S.L. and is on the boards of several financial investment, property and agricultural companies.
GRUPO TRADIFÍN, S.L.	GRUPO TRADIFÍN, S.L.	Blanca Hernández Rodríguez (representative of the director Grupo Tradifín, S.L.) was born in Seville. She has a degree in Economics and Business Studies from the University of Seville, a degree in Humanities from the European University of Madrid and a Master of Finance from CUNEF. She has extensive experience in the financial sector. She is Founder and Managing Director of Magallanes Value Investors, S.A., S.G.I.I.C. and Director of PharmaMar, S.A. She is on the Board of Trustees of Proyecto Hombre and the Capacis Foundation and chairs the Ebro Foods Foundation.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso was born in Bilbao. He has a degree in Business Management and Administration from Deusto University (La Comercial), specialising in Finance and graduating Cum Laude. With extensive experience in business management and administration, he is Investment Manager in Corporación Financiera Alba, S.A. He is also on the Boards of Directors of Euskaltel, S.A., Rioja Acquisition, S.à.r.L., Artá Capital S.G.E.I.C., S.A. and Deyá Capital IV S.C.R., S.A. and on the Investment Committee of Artá Capital, among other responsibilities. He has been on the boards of several companies including, among others, Acerinox, S.A., Actividades de Construcción y Servicios, S.A. and Parques Reunidos Servicios Centrales, S.A. He speaks English.

Total number of proprietary directors	8
% of board	57.14

NON-EXECUTIVE INDEPENDENT DIRECTORS	
Name of director	Profile
BELÉN BARREIRO PÉREZ- PARDO	Belén Barreiro Pérez-Pardo was born in Madrid. She has a PhD in Political Science, Sociology and Social Anthropology from the Autonomous University of Madrid and a Master in Social Science from the Juan March Institute of Studies and Research. With over 20 years' experience, she is dedicated to the scientific analysis of society and counselling on public opinion research. She has published several books and academic articles and is a visiting lecturer for different university courses. She is on the Advisory Board of the Spanish Association of Foundations and on the Economic Affairs Advisory Board of the Ministry of Economic Affairs and Digital Transformation, and is CEO and founding member of 40dB., a social and market research agency.
PEDRO ANTONIO ZORRERO CAMAS	Pedro Antonio Zorrero Camas was born in Seville. He graduated as Agricultural Engineer from the University of Almería, and as Technical Agricultural Engineer from the University of Seville. Civil servant in the regional government of Andalusia, as a specialist Agricultural Engineer. He has a lengthy track record within the public sector in the fields of audit, control and management of European funds. In the private sector, he has extensive experience in agricultural engineering, having designed several technical projects in the agricultural sector and worked as engineering consultant and adviser at different farms to promote intensive farming and extensive stockbreeding.
FERNANDO CASTELLÓ CLEMENTE	Fernando Castelló Clemente was born in Mollerusa (Lleida). He is an Industrial Engineer and has an MBA from IESE. He has held several important executive and management positions in companies operating in the dairy sector and in distribution in the food sector. He is on the Boards of several companies in the wine sector and others engaged in alternative energies and construction.

MERCEDES COSTA GARCÍA	Mercedes Costa García was born in Lleida. She has a Law degree from the Central University of Barcelona and LL.M. from IE Law School. She has extensive professional experience as a commercial lawyer in the law firm of José Mario Armero, and as a lecturer and researcher of the entire negotiation process. She is currently Manager of the Negotiation and Mediation Centre and negotiation lecturer in the Master Programmes, Advanced Courses and Executive Education Programmes at IE Business School in Madrid, both on-site and online, Manager of the Negotiate Forum and member of the Good Governance Centre at IE Business School.

Total number of independent directors	4
% of board	28.57

State whether any director qualified as independent receives from the company or any other company in its group any sum or gain other than directors' emoluments, or has or has had a business relationship with the company or any other company in its group during the past year, in their own name or as significant shareholder, director or senior executive of a company which has or has had such a relationship.

If appropriate, include a reasoned statement by the board explaining why it considers that the director in question can perform their duties as an independent director.

Name of director	Description of the relationship	Reasoned statement
BELÉN BARREIRO PÉREZ-PARDO	N/A	N/A
PEDRO ANTONIO ZORRERO CAMAS	N/A	N/A
FERNANDO CASTELLÓ CLEMENTE	N/A	N/A
MERCEDES COSTA GARCÍA	N/A	N/A

OTHER NON-EXECUTIVE DIRECTORS			
Name any other non-executive directors and explain why they cannot be considered proprietary or independent directors and their relationships, with the company or its executives or with the shareholders:			
Name of director	Reasons	Company, executive or shareholder with which it is related	Profile
No details			

Total number of other non-executive directors	N/A
% of board	N/A

Indicate any variations during the year in the type of each director:

Name of director	Date of change	Previous category	Current category
No details			

C.1.4 Complete the following table with details of the number of female directors over the past 4 years and the type of female directors:

	Number of female directors				Female directors / total directors of each type (%)			
	2020	2019	2018	2017	2019	2018	2017	2016
Executive					0.00	0.00	0.00	0.00
Proprietary	3	3	3	3	37.50	42.86	42.86	50.00
Independent	2	2	2	2	50.00	50.00	50.00	50.00
Other non-executive					0.00	0.00	0.00	0.00
Total	5	5	5	5	35.71	38.46	38.46	41.67

C.1.5 Indicate whether the company has diversity policies for the board of directors of the company regarding issues such as age, gender, disability, training and professional experience. In accordance with the definition set out in the Auditing Act, small and medium-sized enterprises must inform at least on the policy they have established with regard to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If yes, describe those diversity policies, their goals the measures established, how they have been implemented and the results obtained during the year. Describe also the specific measures taken by the board of directors and the nomination and remuneration committee to achieve a balanced, diverse composition of directors.

If the company does not apply a diversity policy, explain why not.

Description of the policies, goals, measures and implementation and the results obtained

Ebro Foods, S.A. has implemented a Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, the scope of which is extended to the appointment, ratification and re-election of directors by the General Meeting of Shareholders and the appointments made directly by the Board of Directors. For candidate directors who are legal persons, the principles and criteria of the Policy must be observed in respect of the individuals who are to represent them on the Board.

According to that Policy, all proposals for candidates must be based on a prior analysis of the needs of the Board, the results of which will be set out in the corresponding report by the Nomination and Remuneration Committee, to be published when calling the General Meeting at which the ratification, appointment or re-election of each director is to be submitted for approval.

The goals established in the Policy are:

- Avoid any implicit bias in the processes for selecting directors that may imply discrimination against any of the candidates on any grounds whatsoever.

- Under equal conditions, opt for the candidate whose gender is least represented on the Board at that time.

- Favour diversity of expertise, professional experience and gender within the composition of the Board.

- Achieve a composition where the gender least represented on the Board accounts for at least 40% of the total Board members by and beyond the end of 2022.

To achieve these goals set in the Policy, the Company has established the following measures to be applied in each appointment of directors:

- prior analysis of the composition of the Board of Directors in aspects regarding the categories of directors, presence of the least-represented gender, profile and professional experience of the directors and capital represented on the Board of Directors;
- analysis of the legal, statutory and regulatory requirements applicable to both the classification of director of the candidate and the procedure for their appointment;
- analysis of the experience, qualification and vocational training of the candidate and their availability for adequate performance of their duties;
- verification that the appointment of the candidate complies with the requirements of diversity, non-discrimination and equal treatment established in the Code of Conduct and the Policy for Selection of Directors and Diversity.

Through its implementation of the Policy on the Selection of Directors and Diversity in the Composition of the Board and correct monitoring of the measures described above, Ebro Foods, S.A. has a pluralistic, diverse Board of Directors in terms of gender, expertise, experience and professional profiles of its members.

With women representing 35.71% on the Board of Directors, the company is aware that it has to work on increasing women's presence on the board, as the gender least represented on that body, with a view to achieving a 40% presence by 2022.

C.1.6 Explain any measures agreed by the nomination committee to ensure that the selection procedures are not implicitly biased against the selection of female directors and that a conscious effort is made to include women with the target profile among the candidates so that a balance may be struck between male and female directors. State also whether these measures include encouraging a significant number of female senior executives in the company:

Explanation of the measures

With regard to the procedures for selecting female directors, although the Nomination and Remuneration Committee has not adopted specific measures in this regard, in accordance with the gender diversity measures and the principles of non-discrimination and equal treatment applied by the Company when selecting candidate Directors, the Company will: (i) seek at all times a diversity of expertise, experience and gender in the composition of the Board; and (ii) under equal conditions, it will opt for the candidate whose gender is least represented on the Board at that time.

The main principle followed by the Company in this regard is that the selection procedure must avoid any implicit bias that might imply discrimination against any of the candidates on any grounds.

In addition, the aforesaid Policy on the Selection of Directors and Diversity in the Composition of the Board expressly includes the target that by and beyond 2022 the gender least represented on the Board of Directors of the Company must account for at least 40% of the total Board members.

The Company is working on encouraging the presence of women on the Board of Directors. At present, five of the fourteen members are women, so female directors represent 35.71%, following the incorporation during 2020 of a new male proprietary director.

See section C.1.5 of this Report.

Furthermore, the Code of Conduct of the Ebro Foods Group promotes and defends the principle of equal treatment and equal opportunities for all professionals regardless of their gender or sexual orientation. This principle is behind the Human Resources policies applied in both hiring and training, career opportunities, pay levels and all other aspects of the relationship between the company and its professionals of any category, including senior management.

The company's actions in respect of the selection, hiring, training and internal promotion of all its professionals (executives or otherwise, men or women) are based on clear criteria of capacity, competence and professional merit.

Therefore, there is no positive or negative discrimination of any nature in the procedures followed by the company for selecting and contracting its executive personnel, so it is not necessary to introduce any new measures to encourage the hiring of women for executive positions.

It is put on record in this regard that as established in the Senior Executive Remuneration and Incentives Policy of the Ebro Foods Group, "Senior Executive" or "Executive" means any employee of the Company or any other company in the Group holding the position of manager or head of a specific department or activity (or similar position in foreign companies), regardless of whether they have a special senior management contract and even though they may not report directly to the directors or chief executive. The Vice-Secretary of the Board of Directors of the Company is also considered an Executive.

If, despite the measures taken, if any, there are few or no female directors or executives, explain the reasons that justify this situation:

Explanation of the measures

N/A

C.1.7 Explain the conclusions of the nomination committee on compliance with the policy intended to favour an appropriate composition of the board.

During 2020, every time a possible appointment or re-appointment of a director has been contemplated, the Nomination and Remuneration Committee has analysed the composition of the Board of Directors from the point of view of director categories and the presence of women.

In this regard, the Nomination and Remuneration Committee has:

(i) Assessed the extent of compliance with Recommendation 16 of the Code of Good Governance.

Although the directors classified as proprietary (8) account for 66.67% of the total non-executive directors (12) and represent 57.13% of the capital, in the opinion of the Nomination and Remuneration Committee special circumstances exist that attenuate the principle of proportion recommended by the Code of Good Governance, since there are seven (7) significant shareholders, unrelated with one another, present or represented on the Board that represent 65.47% of the capital. The Nomination and Remuneration Committee has considered it necessary to take account of the fact that the director Hercalianz Investing Group, S.L. is classified as an executive director, even though it is a significant shareholder, on the grounds that its representative on the Ebro Board is a directive of several subsidiaries in the Ebro Group.

Based on the foregoing, the Nomination and Remuneration Committee has considered that the principle behind Recommendation 16 is respected.

(ii) Assessed the extent of compliance with Recommendation 17 of the Code of Good Governance, which provides that: "in companies that are not large cap (as is the case of Ebro), the number of independent directors should represent at least one-third of the total directors."

Since the number of independent directors (4) is still somewhat less than one-third (4.66) of the total Board members (14) recommended for non-large cap companies, the Nomination and Remuneration Committee considers it necessary to continue working to increase the number of independent directors until it is at least equal to the recommended one-third.

(iii) Assessed, finally, the extent of compliance with Recommendation 15 of the Code of Good Governance, which provides that: "the number of female directors should represent at least 40% of the Board members by and beyond the end of 2022, and should previously not be less than 30%."

Since the percentage of women on the Board of Directors (5 women) is 35.71%, the Nomination and Remuneration Committee has maintained its intention, with respect to future incorporations of new directors, to promote as far as possible, and in accordance with the Policy on the Selection of Directors and Diversity in the Composition of the Board, increasing the presence of women on the Board, with the aim of reaching the recommended 40% before the end of 2022.

See sections C.1.5, C.1.6 and G of this Report.

C.1.8 Explain, if appropriate, why proprietary directors have been appointed at the request of shareholders holding less than 3% of the capital:

Name of shareholder	Justification
No details	

State whether any formal requests for presence on the board have been rejected from shareholders holding interests equal to or greater than others at whose request proprietary directors have been appointed. If appropriate, explain why such requests were not met:

[ ] Yes

[√] No

C.1.9 Indicate the powers delegated by the board to particular directors or committees, if any:

Name of director or committee	Brief description
ANTONIO HERNÁNDEZ CALLEJAS	Antonio Hernández Callejas has no powers delegated by the Board of Directors. Mr Hernández Callejas is a class A general attorney of the Company by virtue of the power of attorney granted in deed no. 4802, executed on 4 December 2014 before the notary Andrés Domínguez Nafría and entered in the Madrid Trade Register, volume 29950, folio 202, section 8, page M-272855. In addition, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2001, the following actions by Antonio Hernández Callejas shall require prior authorisation from the Board of Directors or notification to the Executive Committee: a) for investments/divestments or strategic expenditure, if exercise of the powers entails the acquisition of economic obligations or commitments in excess of two million euros, a resolution must previously be adopted by the Board of Directors; and for less than two million euros but more than three hundred thousand euros, the Executive Committee must be notified; b) for corporate operations, a prior resolution of the Board of Directors is required if they are for more than two million euros, and the Executive Committee must be notified if they are for less than two million euros but more than three hundred thousand euros.
Executive Committee	The Board of Directors has delegated all its powers to the Executive Committee, save any, which may not legally be delegated. This notwithstanding, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2001, the powers of the Executive Committee in these areas are internally limited to the sum of two million euros per investment/divestment, expenditure or corporate operation. See section C.2.1 of this Report for the duties attributed to the Executive Committee in the Articles of Association and applicable regulations.

C.1.10 Name Board members, if any, who are also directors, representatives of directors or executives of other companies in the same group as the listed company:

Name of director	Name of group company	Position	With executive duties?
ANTONIO HERNÁNDEZ CALLEJAS	VOGAN, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	GEOVITA FUNCTIONAL INGREDIENTS, S.R.L.	CHAIRMAN	YES
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP PROPERTY, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HERBA INGREDIENTS BELGIUM B, B.V.B.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP & SONS, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	A.W. MELLISH, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	ANGLO AUSTRALIAN RICE, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HEAP COMET, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	PASTIFICIO LUCIO GAROFALO, S.P.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BERTAGNI 1882, S.P.A.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	RIVIANA FOODS, INC.	CHAIRMAN	YES
ANTONIO HERNÁNDEZ CALLEJAS	N&C BOOST, N.V.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BOOST NUTRITION, CV	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO RICE HANDLING, BVBA	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO FOODS, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	T.A.G. NAHRUNGSMITTEL, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BERTOLINI IMPORT UND EXPORT, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HERBA GERMANY, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	PANZANI, S.A.S.	DIRECTOR	YES

Name of director	Name of group company	Position	With executive duties?
ANTONIO HERNÁNDEZ CALLEJAS	S&B HERBA FOODS, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	ARROZEIRAS MUNDIARRROZ, S.A.	CHAIRMAN	YES

Antonio Hernández Callejas is a director of Riso Scotti, S.p.A., an associate outside the Ebro Foods Group, in which Ebro Foods, S.A. holds a 40% interest. This investment is consolidated by the equity method. Riso Scotti, S.p.A. is an Italian company engaged in an activity similar to the objects of Ebro Foods, S.A.

He is also a member of the Board of Trustees of the Ebro Foods Foundation.

C.1.11 Name the company directors or representatives of corporate directors, if any, who are board members or representatives of corporate directors of non-group companies listed on regulated markets, insofar as the company has been notified:

Name of director	Name of listed company	Position
DEMETRIO CARCELLER ARCE	SACYR, S.A.	VICE-CHAIRMAN
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	ENERGÍA Y CELULOSA, S.A. (ENCE)	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	EUSKALTEL, S.A.	REPRESENTATIVE OF DIRECTOR
CORPORACIÓN FINANCIERA ALBA, S.A.	EUSKALTEL, S.A.	DIRECTOR
TOMÁS HEVIA ARMENGOL	ACERINOX, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	PHARMA MAR, S.A.	DIRECTOR

In respect of the information set out in this section, Javier Fernández Alonso represents the director Alba Europe, SARL on the Board of Directors and the Remuneration Committee of Euskaltel, S.A.

C.1.12 Indicate and, where appropriate, explain whether the company has established rules on the maximum number of directorships its directors may hold, if so, indicating where those rules can be found:

[√] Yes
[ ] No

Explanation of the rules and identification of the document in which they are regulated

Article 32.2 of the Regulations of the Board establishes, among the "General Duties of Directors", that the Directors shall dedicate such time and attention to the Company as may be necessary to guarantee the effective and adequate fulfilment of each and all of the duties corresponding to their position. Consequently, the maximum number of other directorships they may hold will be such as to ensure that they are able at all times to meet each and all of their obligations to the Company.

C.1.13 Indicate the amounts of the following items in the overall remuneration of the board:

Remuneration accrued during the year in favour of the board (thousand euros)	6,898
Amount of the vested rights of current directors in pension schemes (thousand euros)	
Amount of the vested rights of former directors in pension schemes (thousand euros)	

The amount indicated in this section C.1.13 of this report as the remuneration accrued during 2020 in favour of the Board of Directors includes the attendance fees received by the Chairman of the Board of Ebro Foods, S.A., Antonio Hernández Callejas, as director of a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in a sum of 5,000 euros paid by that company.

In addition, the Chairman of the Board received 5,200 euros from the associate Riso Scotti, S.p.A. in attendance fees as director of that company.

C.1.14 Name the members of top management who are not executive directors and indicate the aggregate remuneration accrued in their favour during the year:

Name	Position(s)
ANA MARÍA ANTEQUERA PARDO	COMMUNICATIONS AND CSR MANAGER
LUIS PEÑA PAZOS	SECRETARY OF THE COMPANY AND BOARD
PABLO ALBENDEA SOLÍS	CHIEF OPERATING OFFICER (COO)
MARÍA JOSÉ GARRETA RODRÍGUEZ	PATENTS AND TRADEMARKS MANAGER
ALFONSO FUERTES BARRO	FINANCE MANAGER
GABRIEL SOLÍS PABLOS	TAX MANAGER
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER
MANUEL DE LUNA GONZÁLEZ	INVESTOR RELATIONS AND FINANCIAL INSTITUTIONS MANAGER
ALBERTO GARCÍA AMEZCUA	SYSTEMS TECHNOLOGY MANAGER

Number of women in top management positions	4
Percentage of total members of top management	0.36

Total remuneration top management (thousand euro)	2,453

The company executives named in this section C.1.14 include the Chief Operating Officer (COO), who is the highest-ranking executive of the Ebro Foods Group after the Executive Chairman, and the heads of the principal departments of Ebro Foods, S.A. even if they do not have a senior management employment relationship with the company.

C.1.15 State whether any modifications have been made during the year to the Regulations of the Board:

[√] Yes
[ ] No

Description of modifications

On 16 December 2020, after the Extraordinary General Meeting of Shareholders held that same day, the Board of Directors unanimously resolved to amend the Regulations of the Board to adjust them as appropriate to the current Code of Good Governance, following its revision and publication by the National Securities Market Commission (CNMV) in June 2020. That amendment of the Regulations was previously assessed by the Audit and Compliance Committee, which submitted a favourable report, in pursuance of Articles 3.2 and 3.3 of the Regulations.

The amendments made to the Regulations of the Board are summarised below:

- Article 22.10, regarding the possibility that Board Committee meetings may be attended by the Chairman of the Board.

- Article 24.4(j), on who the Internal Audit Manager reports to.

- Article 42.5, regarding immediate reporting to the CNMV of corporate information.

- Article 23.2, on the composition of the Executive Committee.

- Article 24.1 and 24.2, regarding the specific expertise and experience required of members of the Audit and Compliance Committee.

- Article 24.4, regarding the specific powers of the Audit and Compliance Committee, in addition to any others corresponding to it by law, regulations or the Articles of Association.

- Article 31.2(c), 31.3 and 31.4, regarding the events in which directors may step down before the end of their term of office and the formalities to be met in such cases.

The recast text of the Regulations of the Board was entered in the Madrid Trade Register on 16 February 2021. It has been published on the website of the National Securities Market Commission www.cnmv.es and on the company's corporate website www.ebrofoods.es, and the shareholders will be duly informed at the Annual General Meeting held in 2021.

C.1.16 Describe the procedures for selection, appointment, re-election and removal of directors. Indicate the competent bodies, the formalities and the criteria to be followed in each of these procedures.

The procedures for selection, appointment, re-election and removal of the directors are regulated in the Articles of Association and the Regulations of the Board.

There is also a Policy for Selection of Directors and Diversity in the Composition of the Board of Directors, which specifically and verifiably establishes the basic criteria and principles to be followed in the selection of candidates.

The Policy is applicable in the appointment, ratification and re-election of directors by the General Meeting and any appointments made by the Board. For candidates who are legal persons, the principles and criteria of the Policy must also be observed in respect of the individuals representing them on the Board.

A. Procedure for selection, appointment and re-election of Directors

Procedures for selecting directors shall be designed to favour diversity of expertise, professional experience and gender within the Board, avoiding any implicit bias that may imply discrimination against any of the candidates on any grounds. Under equal conditions, the Company will opt for the candidate whose gender is least represented on the Board at that time.

The General Meeting is responsible for deciding on the number of directors the company is to have, within the minimum (7) and maximum (15) established in the Articles of Association, and for appointing or re-electing directors as proposed by the Board, subject to a favourable report by the Nomination and Remuneration Committee.

The Board may also appoint directors by cooptation, subject to a report by the Nomination and Remuneration Committee and by the Board of Directors on the terms stipulated in law.

In any case, the initiative of the Board regarding the incorporation of members by no means detracts from the sovereign power of the General Meeting to appoint and remove directors, or from any potential exercise by shareholders of their right to proportional representation.

The proposals for the appointment or re-election of directors made by the Board of Directors, or by the Nomination and Remuneration Committee in appointments or re-elections of Independent Directors, must be based on a prior analysis of the needs of the Board, the results of which are set out in the corresponding report by the Nomination and Remuneration Committee, published when calling the General Meeting at which the ratification, appointment or re-election of each director is submitted for approval.

B. Procedure for removal of Directors

The removal of directors is regulated in Article 31 of the Regulations of the Board. See section C.1.19 of this Report in this respect.

Without prejudice to the initiative of the Board regarding the inclusion of its members, the General Meeting has sovereign power to resolve on the removal of directors.

The Nomination and Remuneration Committee is competent to study, issue reports and prepare proposals for the removal of directors.

Following a report by the Nomination and Remuneration Committee, the Board of Directors shall table a motion at the General Meeting of Shareholders for removal of the director in question if the director in question fails to resign in the circumstances contemplated in Article 31.2 of the Regulations of the Board.

If a director retires from office before the end of their term, through resignation or by virtue of a resolution adopted by the General Meeting, they shall explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the grounds for their removal by the General Meeting, in a letter sent out to all the Board members. Although the Annual Corporate Governance Report shall contain the appropriate information on the foregoing, to the extent that it is important for investors, the company shall publish news of the director's retirement as soon as possible, including a sufficient account of the reasons or circumstances indicated by the director.

If a director opts to resign following adoption by the Board of decisions on issues on which that director has expressed qualifications or reservations in the sense contemplated in Article 32.5 of the Regulations of the Board ("…/…whenever they consider that some of the decisions proposed to the Board may go against the corporate interests and/or those of the shareholders not represented on the Board."), they shall explain the reasons as per the preceding paragraph.

The measures described in the preceding two paragraphs shall also be applicable to the Secretary of the Board, regardless of whether the secretary is a director.

C.1.17 Explain to what extent the annual assessment of the board has given rise to major changes in its internal organisation and the procedures applicable to its activities:

Description of changes

The annual assessment of the Board, Committees and Chairman made in 2020 in respect of 2019 did not reveal the need for any major changes in the Company's internal organisation or the procedures applicable to its activities.

Describe the process of assessment and the areas assessed by the board, assisted where necessary by an external consultant, on the performance and composition of the board and its committees and any other area or aspect that has been assessed.

Description of assessment process and areas assessed

A. Assessment process:

A self-assessment process is carried out every year on the Board, its Committees and the Executive Chairman of the Company.

That process is based on: (i) a report prepared by the Nomination and Remuneration Committee for presentation to the Board, (ii) the activity reports of the Audit and Compliance Committee and the Nomination and Remuneration Committee, and (iii) the resolutions adopted by the Board of Directors in view of the foregoing.

B. Methods used:

The methods used in two years ago by the external adviser that assisted the Company in this process (assessment made in 2018 in respect of 2017) were repeated, as far as possible, in the assessment process conducted in 2020 in respect of 2019.

- The directors (and representatives of corporate directors) completed a questionnaire previously approved by the Nomination and Remuneration Committee, which was essentially the same as the one used by the external adviser for the assessment made in the previous year. The questionnaires were especially adapted to the condition of each director.

- Once all the questionnaires had been completed, the data collected were sent to the Secretary of the Nomination and Remuneration Committee who, after analysing them, drew up a summary of the replies (anonymous) for the Committee, which then issued the corresponding Assessment Report that was finally submitted to the Board.

In the assessment process made in 2020, it was not considered appropriate to supplement the results of the questionnaires with a personal interview with the Lead Independent Director, since that director, Mercedes Costa García, had participated intensely in the assessment process as a member of the Nomination and Remuneration Committee.

- Both the questionnaires completed by all the directors and the Assessment Report have been filed by the Secretary of the Board.

C. Areas assessed:

- Board of Directors: assessment by all the directors of: (i) the quantitative and qualitative composition of the Board, (ii) the balance and diversity of expertise on the Board, (iii) the independence and dedication of the directors, (iv) the adaptation of the Board procedures to the provisions of law, articles and regulations applicable to the Board, and v) the calling and holding of meetings and transaction of business within the governing body.

- Committees of the Board: assessment by all the directors of the existing committees, their composition and work (and reporting to the Board) from the point of view of the Board as recipient of that work.
- Executive Committee: assessment by the members of the Executive Committee of specific issues regarding its internal procedures, composition and powers.
- Audit and Compliance Committee: assessment by the members of the Audit and Compliance Committee of specific issues regarding its internal procedures, composition and powers and its relationships with other committees in the company (the Risks Committee and Compliance Unit) and the external auditor.
- Nomination and Remuneration Committee: assessment by the members of the Nomination and Remuneration Committee of specific issues regarding its internal procedures, composition and powers.
- Strategy and Investment Committee: assessment by the members of the Strategy and Investment Committee of specific issues regarding its internal procedures, composition and powers.
- Executive Chairman: assessment by all the directors (except the Executive Chairman) of different aspects of the Chairman both in his duties as such (aspects relating to management of the Board) and as chief executive of the group (aspects regarding the rendering of accounts and reporting on management affairs).
- Lead Independent Director: assessment by all the directors (except the Lead Independent Director) of the performance by the Lead Independent Director of her duties.
- Decision-making: assessment by all the directors of the information they receive and how especially important matters are processed (depth, time, debate) within the Board.

C.1.18 In any years in which an external consultant was called in to assist with assessment, describe any business relations between the consultant or any company in its group with the company or any other company in its group.

N/A

C.1.19 State the events in which directors are obliged to step down.

The retirement and resignation of directors are regulated in Article 31 of the Regulations of the Board:

- Directors must step down at the end of the term for which they were appointed and in all other events stipulated in law, the Articles of Association and the Regulations of the Board.

- Directors must also tender their resignations and step down in the following cases:

a) When they are affected by one of the causes of incompatibility or disqualification established in law, the Articles of Association or the Regulations of the Board.

b) When they step down from the executive post to which their appointment as Director was linked, when the shareholder they represent on the Board disposes of all its shares in the Company or reduces its interest to an extent requiring a reduction in the number of Proprietary Directors and, in general, whenever the reasons for their appointment disappear.

c) When the Board, following a report by the Nomination and Remuneration Committee, considers that: (i) the Director is in a situation, related or not with their actions within the company, that could jeopardise the company's prestige and reputation, (ii) the Director has seriously defaulted their obligations, or (iii) there are reasons of corporate interest so requiring.

C.1.20 Are special majorities differing from those stipulated in law required for any type of decision?

[ ] Yes
[√] No

If yes, describe the differences.

C.1.21 Are there any specific requirements, other than those established for directors, to be appointed chairman of the board?

[ ] Yes
[√] No

C.1.22 Do the Articles of Association or Regulations of the Board establish an age limit for directors?

[ ] Yes
[√] No

C.1.23 Do the Articles of Association or Regulations of the Board establish a limited term of office for independent directors other than as stipulated in law?

[ ] Yes
[√] No

C.1.24 Do the Articles of Association or Regulations of the Board establish specific rules for the delegation of votes to other directors at board meetings, how they are to be delegated and, in particular, the maximum number of proxies that a director may hold, and whether any limitation has been established regarding the categories to which proxies may be granted, other than those established in law? If yes, include a brief description.

Both the Articles of Association (Article 24) and the Regulations of the Board (Article 20) contemplate the possibility of Directors attending Board meetings through a duly authorised proxy.

The proxy must be made in advance, in writing, specially for each Board meeting, in favour of another Director.

The represented Director may issue specific voting instructions for any or all of the items on the agenda.

Non-executive directors may only grant proxies to other non-executive directors.

No limit is established on the number of proxies any one Director may hold, nor is there any constraint on the categories to which proxies may be granted.

C.1.25 State the number of meetings held by the Board of Directors during the year, indicating, if appropriate, how many times the Board has met without the Chairman. Proxies made with specific instructions will be considered attendances.

Number of board meetings	12
Number of board meetings held without the chairman	0

Indicate the number of meetings held by the lead independent director with the other directors without the attendance or representation of any executive director:

Number of meetings	0

Indicate the number of meetings held by the different Committees of the Board:

Number of meetings of the Audit and Compliance Committee	6
Number of meetings of the Strategy and Investment Committee	1
Number of meetings of the Nomination and Remuneration Committee	5
Number of meetings of the Executive Committee	4

Owing to the restrictions imposed in view of the COVID-19 pandemic, the lead independent director has not held any face-to-face meetings with the other non-executive directors, although she has been in touch with them individually on several occasions to discuss matters within her remit.

C.1.26 State the number of meetings held by the Board during the period and details of attendance by its members:

Number of meetings attended in person by at least 80% of the directors	12
Attendance / total votes during the year (%)	95.63
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	12
Votes cast with attendance in person or by proxies with specific instructions / total votes during the year (%)	100.00

C.1.27 Are the separate and consolidated annual accounts submitted to the Board for approval previously certified?

[ ] Yes
[√] No

If yes, name the person(s) who certify the separate or consolidated annual accounts of the company before they are approved by the Board:

C.1.28 Explain the mechanisms, if any, established by the Board to ensure that the annual accounts that the Board laid before the General Meeting are drawn up in accordance with the applicable accounting standards.

Article 24.4 of the Regulations of the Board gives the Audit and Compliance Committee the following powers, among others:

- Supervise and promote the policies, procedures and systems used for drawing up and controlling the company's financial information, checking the services performed in this regard by the Internal Audit Department, the Financial Department and the Management Committee and making sure they are correctly distributed throughout the Group.

- Ensure that (i) the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company and make sure that any interim financial statements are drawn up according to the same accounting principles as the annual accounts, considering the possibility of asking the external auditors to make a limited audit if necessary; and (ii) the Board of Directors endeavours to submit the annual accounts to the General Meeting with an unqualified auditors' report.

- See that the internal control systems are adequate and effective in respect of the accounting practices and principles used for drawing up the company's annual accounts, supervising the policies and procedures established to ensure due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from both the Internal Audit Manager and the External Auditors to perform these duties.

In addition, the Group has a Risks Control and Management Policy and internal control of financial reporting (ICFR), which lay down, among others, the basic principles and the general framework for internal control of the financial reporting by the company and the Ebro Group.

The Group has procedures in place for checking and authorising financial reporting and a description of the financial reporting internal control system (ICFR), for which the Economic-Finance Department is responsible. See section F.3.1 in this respect.

Finally, the responsibility for the aforesaid procedures for checking and authorising financial reporting and the description of the financial reporting internal control system (ICFR) lies with the Economic Department, the Risks Committee, the economic and finance departments of the different business units, the Audit and Compliance Committee and the Board.

C.1.29 Is the Secretary of the Board a Director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
LUIS PEÑA PAZOS	

C.1.30 Describe the specific mechanisms established by the company to preserve the independence of the external auditors, if any; the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies; and how the legal provisions are implemented.

A. With regard to the external auditors:

Both the Articles of Association and the Regulations of the Board vest in the Audit and Compliance Committee the power to contact the auditors and receive information on any issues that may jeopardise their independence, for examination by the Audit Committee, as well as any other issues relating to the auditing of accounts. The Committee shall also receive information from and exchange communications with the auditors in accordance with prevailing auditing standards and legislation, notwithstanding the ultimate responsibility of the Board of Directors, which, pursuant to Article 8.1.3.(a) of the Regulations of the Board, is responsible for ensuring the independence and professional suitability of the external auditor.

Article 43 of the Regulations of the Board addresses relations with the auditors, obliging the Board to establish an objective, professional, continuous relationship with the External Auditors of the Company appointed by the General Meeting, guaranteeing their independence and putting at their disposal all the information they may require to perform their duties. It further establishes that the aforesaid relationship with the External Auditors of the Company and the relationship with the Internal Audit Manager shall be conducted through the Audit and Compliance Committee.

Article 24.4 of the Regulations of the Board establishes the following powers, among others, of the Audit and Compliance Committee in this respect:

- Ensure that (i) the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue in accordance with current legislation give a true and fair view of the equity, financial position and results of the Company and make sure that any interim financial statements are drawn up according to the same accounting principles as the annual accounts, considering the possibility of asking the external auditors to make a limited audit if necessary; and (ii) the Board of Directors endeavours to submit the annual accounts to the General Meeting with an unqualified auditors' report.

- See that the internal control systems are adequate and effective in respect of the accounting practices and principles used for drawing up the company's annual accounts, supervising the policies and procedures established to ensure due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from both the Internal Audit Manager and the External Auditors to perform these duties.

- Establish regular contact with the external auditors to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts, receiving information from and exchanging communications with the external auditors in accordance with prevailing auditing standards and legislation.

- Submit to the Board, to be tabled at the General Meeting, proposals for the selection, appointment, re-appointment and replacement of the company's External Auditors and their terms of contract, the scope of their commission and the renewal or revocation of their engagement.

- Ensure the independence of the external auditors and the existence of a discussion procedure enabling the external auditors, the Internal Audit Department and any other expert to inform the company of any significant weaknesses in its internal control detected while checking the annual accounts or any other processes in which they have worked. The Committee shall issue an annual report, prior to issuance of the auditor's report, expressing an opinion on the independence of the external auditors and any supplementary services they may have provided.

In accordance with the foregoing and through the Audit and Compliance Committee, the Company keeps a strict, constant watch for any circumstances that might affect the independence of the external auditors. Accordingly: (i) once a year, once the external auditors have provided the necessary information, the Audit and Compliance Committee issues an annual report on their independence, which is submitted to the Board of Directors and made available to shareholders as from the call to the General Meeting; and (ii) constantly throughout the year, the Commission receives timely notification of any potential engagement of the external auditors to provide services in addition to auditing the annual accounts. In this regard, in February 2017 the Audit and Compliance Committee established a protocol for the notification, review and, if appropriate, authorisation of the potential contracting of the external auditors by any company in the Group for non-audit services. That protocol covers the "pre-approval" required for the events contemplated in Article 5(3) of Regulation EU 537/2014 and any other potential service.

Finally, Article 43 of the Regulations of the Board ("Relations with Auditors") provides that the Board shall establish an objective, professional, ongoing relationship with the external auditors of the company appointed by the General Meeting, guaranteeing their independence and putting at their disposal all the information they may require in order to perform their duties. This relationship with the external auditors is channelled through the Audit and Compliance Committee.

B. With regard to relations with analysts, investment banks and rating agencies:

In addition to the legal provisions and rules on corporate governance, the Regulations of the Board, Code of Conduct, Internal Code of Market Conduct, and the relevant corporate policies established within the Group are applicable in this area.

Article 42 of the Regulations of the Board regulates the Company's relations with shareholders and investors (particularly institutional investors).

The Code of Conduct establishes that relations with investors and financial analysts should be channelled through the unit responsible for the Company's relations with investors (Investor Relations Department), through which communications and information for investors in general are channelled.

The Internal Code of Market Conduct regulates the Company's dealings with investors regarding the disclosure of significant information (not classified as inside information) and treasury stock.

The Company also has a Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors, which contemplates the following general principles applicable in this matter: (i) communication and relations with shareholders, institutional investors and proxy advisors is conducted in accordance with the principles of transparency, truth and permanent, adequate, timely reporting; (ii) the principle of non-discrimination and equal treatment is recognised for all shareholders who are in the same conditions and not affected by conflicts of interest or competence; (iii) the rights and legitimate interests of all shareholders are protected; (iv) continuous, permanent communication with shareholders and investors is encouraged; (v) reporting and communication channels are established with shareholders and investors to ensure compliance with these principles.

Finally, the company has a Policy on Communication of Financial, Non-Financial and Corporate Information (supplementing the above-mentioned policy), which establishes the following principles and criteria governing the Company and its Group in respect of the communication of financial, non-financial and corporate information: (i) the communication of financial, non-financial and corporate information through any available channels shall in all cases respect the legal provisions in place from time to time on market abuse and the principles of transparency, truth and permanent, adequate, timely reporting; (ii) respect the principles of non-discrimination and equal treatment in all cases for all shareholders who are in the same conditions and not affected by conflicts of interest or competence; and (iii) continuous, permanent communication shall be encouraged with shareholders, investors and other stakeholders through all the channels considered appropriate for this purpose.

The Company's Audit and Compliance Committee is responsible for overseeing compliance with the rules and principles set out in the Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors and the Policy on Communication of Financial, Non-Financial and Corporate Information.

C.1.31 Indicate whether the external auditors have changed during the year. If so, name the incoming and outgoing auditors:

[ ] Yes
[√] No

Explain any disagreements with the outgoing auditor:

[ ] Yes
[√] No

C.1.32 State whether the firm of auditors does any work for the company and/or its group other than standard audit work and if so, declare the amount of the fees received for such work and the percentage that amount represents in respect of the total fees invoiced to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group companies	Total
Charge for non-audit work (thousand euros)	127	147	274
Charge for non-audit work / Amount invoiced for audit work (%)	34.70	6.95	11.05

C.1.33 Indicate whether the auditors' report on the annual accounts of the previous year was qualified. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of the qualifications.

[ ] Yes
[√] No

C.1.34 State the number of years in succession that the current firm of auditors has been auditing the annual accounts of the company and/or its group. Indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

	Separate	Consolidated
Number of years in succession	7	7

	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	23.33	23.33

C.1.35 Indicate, with details if appropriate, whether there is an established procedure for directors to obtain sufficiently in advance any information they may need to prepare the meetings of the governing bodies:

[√] Yes
[ ] No

Details of procedure

According to the obligations and duties assigned by law, the Articles of Association and the Regulations of the Board, the Secretary of the Board is responsible for channelling the relations between the Company and the Directors in all matters concerning the procedures of the Board of Directors and the Board Committees in which he participates, following instructions received from the respective Chairman, and for implement and foster exercise by the Directors of their right to information (Article 15.2(c) and (d) of the Regulations of the Board).

At each year-end, the Secretary of the Board sends all the Directors an annual calendar of meetings previously agreed among all the Directors, setting the dates and times of the meetings of the Board of Directors, Committees, General Meetings and meetings with analysts for the following year. That calendar is also sent to the different professionals of the Company involved in preparing the documentation and information for the Directors for each meeting, to enable them to plan their work and make sure that the corresponding information and documentation are prepared sufficiently before each meeting.

When the documentation for each meeting is complete, it is sent to the Secretary of the Board, who sends it to the Directors, if possible together with the notice of call to the meeting, or in highly justified cases, as soon as possible after sending the notice of call.

C.1.36 Indicate, with details if appropriate, whether the company has established any rules obliging Directors to report and, if necessary, retire if any situation arises, related or not with their actions within the company, that could jeopardise the company's prestige and reputation:

[√] Yes
[ ] No

Explain the rules

Article 31 of the Regulations of the Board provide that Directors must step down and tender their resignations, among other cases, if the Board, following a report by the Nomination and Remuneration Committee, considers that: (i) the Director is in a situation, related or not with their actions within the company, that could jeopardise the company's prestige and reputation, (ii) the Director has seriously defaulted their obligations, or (iii) there are reasons of corporate interest so requiring.

The Regulations further stipulate that if a Director fails to tender their resignation when so obliged, the Board of Directors shall, subject to a report by the Nomination and Remuneration Committee, tender a motion to the General Meeting of Shareholders for their removal.

C.1.37 Indicate, unless special circumstances have occurred and been put on record, whether the Board has been informed or has otherwise become aware of any situation affecting a director, related or not with their actions within the company, that could jeopardise the company's prestige and reputation:

[ ] Yes
[√] No

C.1.38 Describe any significant agreements entered into by the company that enter into force or are modified or terminated in the event of a takeover of the company following a takeover bid, and the effects thereof.

Most of the financing agreements signed by Ebro Foods, S.A. include takeover clauses on the usual terms for this type of contract. By virtue of those provisions, the lender reserves the right to terminate the financing agreement in the event of a takeover of the Company. Although there is no universal definition of "takeover" for this purpose, the lender's right is triggered if there is a substantial change in the Company's significant shareholders.

C.1.39 Indicate individually for directors and globally in other cases, and describe in detail any agreements made between the company and its directors, executives or employees contemplating golden handshake clauses or any other indemnities in the event of resignation or unfair dismissal or termination of employment following a takeover bid or any other type of transaction.

Number of beneficiaries	2
Type of beneficiary	Description of agreement
N/A	N/A

State whether, apart from the cases contemplated in law, these contracts have to be notified to and/or approved by the governing bodies of the company/group companies. If yes, specify the procedures, events contemplated and nature of the bodies responsible for approval and notification:

	Board of Directors	General Meeting
Body authorising the clauses	√	

	Yes	No
Is the general meeting informed of the clauses?	√	

C.2. Committees of the Board

C.2.1 Give details of the different committees, their members and the proportion of executive, proprietary, independent and other non-executive directors in each committee:

Audit and Compliance Committee		
Name	Position	Category
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MERCEDES COSTA GARCÍA	CHAIRMAN	Independent
GRUPO TRADIFÍN, S.L.	MEMBER	Proprietary
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	40.00
% independent directors	60.00
% other non-executive directors	0.00

Explain the duties attributed to this committee, including any duties additional to those stipulated in law, and describe the procedures and rules of organisation and procedure. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

The Audit and Compliance Committee is governed by the applicable legal provisions, the specific rules on its composition, organisation, procedure and powers set out in Article 28.2 of the Articles of Association and Article 24 of the Regulations of the Board, and by the provisions on organisation and procedure common to all the Committees, set out in Article 22 of the Regulations of the Board.

This Committee has a minimum of three directors and a maximum of five.

All the members must be Non-Executive Directors, at least most of whom must be Independent Directors and they will, as a whole, be appointed on the basis of their expertise and experience in accounting, auditing and the management of financial and non-financial risks, or any of these areas.

The Committee Chairman shall be appointed by the Board, subject to a report by the Nomination and Remuneration Committee, from among the committee members who are Independent Directors, taking into account their expertise and experience in accounting, auditing and the management of financial and non-financial risks, or any of these areas. The Committee Chairman shall be replaced every four years and will become eligible for re-election one year after his retirement as such.

The Audit and Compliance Committee shall meet as and when called by its Chairman, or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

In addition to the powers and duties established by law, the articles of association and regulations, the Audit and Compliance Committee has the duties of supervision, assessment, oversight, control and reporting to the Board of Directors established in Article 24.4 of the Regulations of the Board in each of the following areas:

- Risk management and internal control
- Policies, procedures and systems for the preparation and checking of the company's financial and non-financial reporting
- Information sent regularly to the Stock Exchange Councils, issue prospectuses and any public financial information offered by the Company and, in general, all information prepared for distribution among shareholders.
- Internal systems used for control and preparation of the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue
- External auditors, in aspects concerning their selection, appointment, re-appointment and replacement, their terms of contract and the scope of their commission. Independence and the provision of supplementary services.
- Internal auditors, in respect of the appointment of the department manager and annual work plan.
- Intragroup transactions and related party transactions, and the Group company or subsidiaries that are going to be submitted for authorisation by the Board
- Whistleblowing channel
- Internal codes of conduct and corporate governance rules, including the policies falling within its remit.

During 2020, the Audit and Compliance Committee performed activities of supervision, control, monitoring and reporting to the Board of Directors in respect of the matters falling within its competence, including financial reporting, non-financial reporting, annual accounts, relations with the external and internal auditors, risk management (including tax risks) and control systems, related party transactions, conflicts of interest, whistleblowing channel, review of and reporting on the corporate policies within its area of competence, and compliance, especially the Crime Prevention Form and adaptation to the RGDP on personal data protection.

During 2020, the Committee also approved its 2019 activity report, made available for shareholders for the Annual General Meeting held on 29 July 2020..

The Company will issue a detailed report of all the activities performed by the Audit and Compliance Committee during 2020, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2021.

Name the member(s) of the audit committee appointed on account of their expertise and experience in accounting, auditing or both and indicate the date of appointment of the chairman of this committee.

Names of directors with experience	PEDRO ANTONIO ZORRERO CAMAS / FERNANDO CASTELLÓ CLEMENTE / MERCEDES COSTA GARCÍA / GRUPO TRADIFÍN, S.L. / JAVIER FERNANDEZ ALONSO
Date of appointment to this office of the chairman of the committee	22/11/2018

Strategy and Investment Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	CHAIRMAN	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	MEMBER	Executive
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MEMBER	Proprietary
HERCALIANZ INVESTING GROUP, S.L.	MEMBER	Executive
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	40.00
% proprietary directors	60.00
% independent directors	0.00
% other non-executive directors	0.00

Explain the duties delegated or attributed to this committee other than those described in section C.1.9 and describe the procedures and rules of its organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

Article 28.4 of the Articles of Association stipulates that the Regulations of the Board shall also contemplate the existence of a Strategy and Investment Committee, on which any Directors may sit.

The composition, organisation and procedure of the Strategy and Investment Committee are governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board and the specific provisions established in Article 24 of the Articles of Association, its powers being regulated in Article 24.3.

This Committee has a minimum of three and a maximum of five Directors, including a Chairman, appointed by the Board of Directors subject to a report by the Nomination and Remuneration Committee.

Meetings are held when called by its Chairman or at the request of two of its members, and in any case whenever the Board of Directors requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

The Committee is competent to study, issue reports, review and submit proposals for the Board on the following matters:

- setting of targets for growth, yield and market share;

- strategic development plans, new investments and restructuring processes;

- coordination with subsidiaries in the matters contemplated in paragraphs (a) and (b) above, for the common interests and benefit of the Company and its subsidiaries.

During 2020, the Strategy and Investment Committee analysed the principal strategic affairs of the Ebro Foods Group, paying special attention to the divestments in Canada and the dry pasta business in USA, and reflected on a possible review of the Strategic Plan of the Ebro Foods Group 2019-2021.

Nomination and Remuneration Committee		
Name	Position	Category
BELÉN BARREIRO PÉREZ-PARDO	MEMBER	Independent
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
FERNANDO CASTELLÓ CLEMENTE	CHAIRMAN	Independent
MERCEDES COSTA GARCÍA	MEMBER	Independent
GRUPO TRADIFÍN, S.L.	MEMBER	Proprietary

% executive directors	0.00
% proprietary directors	40.00
% independent directors	60.00
% other non-executive directors	0.00

Explain the duties attributed to this committee, including any duties additional to those stipulated in law, and describe the procedures and rules of organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

The Nomination and Remuneration Committee is governed by the applicable legal provisions, the specific rules on composition, organisation and procedure established in Article 28.3 of the Articles of Association and Article 25 of the Regulations of the Board and the provisions on organisation and procedure common to all the committees set out in Article 22 of the Regulations of the Board.

The powers of the Nomination and Remuneration Committee are regulated in Article 25.4 of the Regulations of the Board, without prejudice to any others that may be assigned to it by law, the Articles of Association or the Regulations of the Board.

This Committee has a minimum of three and a maximum of five non-executive directors, at least two of which must be Independent Directors. The members are appointed by the Board of Directors.

The Board shall appoint one of the Independent Directors who are members of the Nomination and Remuneration Committee to chair it, subject to a report by that Committee.

Meetings are held when called by its Chairman, or at the request of two of its members and at least once every three months. It shall also meet whenever so required by law or when the Board of Directors requests the issuance of reports, submission of proposals or adoption of resolutions within the scope of its duties.

Pursuant to Article 25.4 of the Regulations of the Board, the Nomination and Remuneration Committee is competent to study, issue reports and submit proposals to the Board on the following matters:

- selection of candidates to join the Board of Directors;

- appointment of the Chairman, and Vice-Chairman if any, of the Board, Managing Director(s), Lead Independent Director and the Secretary, and Vice-Secretary if any, of the Board;

- succession of the Chairman and chief executive;

- appointment of directors to the Committees of the Board of Directors;

- appointment and possible dismissal of senior executives and their termination benefit clauses;

- directors' emoluments, according to the system of remuneration established in the Articles of Association and the executive directors' relationship with the Company;

- remuneration of directors and executives indexed to the value of the shares in the Company or its subsidiaries or consisting of the delivery of shares in the Company or its subsidiaries or the granting of options thereover;

- selection policy for directors, targets for the representation of the least represented gender on the Board and issuance of guidelines on how to achieve them;

- remuneration policy for directors and senior management of the Company and Group subsidiaries;

- management training, promotion and selection policy in the Company and Group subsidiaries;

- Annual Report on Directors' Remuneration.

With regard to the activities of the Nomination and Remuneration Committee during 2020, following the appropriate studies and assessments, the Committee has drawn up the proposals and issued the corresponding favourable reports to the Board of Directors in respect of the following: (i) appointment and re-election of directors and their assignment to the different Committees of the Board of Directors, and assessment of the appointment of the representative of a corporate director; (ii) analysis of the composition of the Board with regard to the afore-mentioned appointments and re-elections; (iii) review of the Remuneration Policy and other policies falling within its remit; (iv) remuneration systems and remuneration of directors, including the Executive Chairman, and of the key executives of the Company and its Group; (v) Corporate Governance Report and Directors' Remuneration Report for 2020; and (vi) self-assessment procedure for the Board of Directors, Chairman and Committees for 2019.

The Committee also approved during 2020 its 2019 activity report, made available for shareholders for the Annual General Meeting of 29 July 2020.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2020, which will be made available to all shareholders for the forthcoming Annual General Meeting 2021.

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIRMAN	Executive
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	25.00
% proprietary directors	50.00
% independent directors	25.00
% other non-executive directors	0.00

Explain the duties delegated or attributed to this committee other than those described in section C.1.9 and describe the procedures and rules of its organisation and functioning. For each of these duties, indicate the committee's most important actions during the year and how it has performed in practice each of the duties attributed to it, by law, in the articles of association or by virtue of other corporate resolutions.

Articles 19 and 27 of the Articles of Association contemplate the delegation of powers of the Board of Directors to the Executive Committee.

The composition, organisation and procedure of the Executive Committee is governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board, and the specific regulations established in Article 28.1 of the Articles of Association and Article 23 of the Regulations of the Board.

The powers of this Committee are set out in Article 23.2 of the Regulations of the Board, without prejudice to what the Board may establish in its resolution to delegate powers.

The Executive Committee shall have no fewer than three nor more than seven members, including the Chairman and Vice-Chairman of the Board, who will form part of this Committee. At least two of the Executive Committee members shall be non-executive directors and one of them shall be independent.

The Committee shall be presided by the Chairman of the Board. In general, one Executive Committee meeting will be held a month. Its meetings may be attended by such members of the management, employees and advisers of the Company as the Committee may deem fit.

Without prejudice to the autonomy of decision of the Executive Committee in respect of the delegated powers, its resolutions normally being fully valid and effective without ratification by the Board, if the Chairman or three members of the Committee consider this necessary in the circumstances, the resolutions adopted by the Executive Committee shall be submitted to the Board for ratification. This will also be applicable when the Board has delegated the Committee to study certain matters while reserving for itself the ultimate decision, in which case the Executive Committee shall merely submit the corresponding proposal to the Board.

During 2020, the Executive Committee assessed several investments, divestments and sales of assets, as well as the strategic decisions to be adopted in respect of the different business lines.

C.2.2 Complete the following table with information on the number of female directors on the board committees over the past four years:

	Number of female directors							
	2020		2019		2018		2017	
	No.	%	No.	%	No.	%	No.	%
Audit and Compliance Committee	2	40.00	2	40.00	3	60.00	2	40.00
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Nomination and Remuneration Committee	3	60.00	3	60.00	2	50.00	1	25.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 Indicate the existence, if appropriate, of regulations of the board committees, where they are available for consultation and any modifications made during the year. State whether an annual report has been issued voluntarily on the activities of each committee.

In general, Article 28 of the Articles of Association establishes the basic regulation of the Committees of the Board, contemplating the existence and composition of: (i) the Executive Committee, (ii) the Audit and Compliance Committee and (iii) the Nomination and Remuneration Committee. It also refers to the Regulations of the Board regarding the possible existence of a Strategy and Investment Committee.

The Regulations of the Board regulate the Board committees in the following specific provisions:

- General provisions applicable to all the Committees: Article 22
- Executive Committee: Article 23
- Audit and Compliance Committee: Article 24
- Nomination and Remuneration Committee: Article 25
- Strategy and Investment Committee: Article 26

The Regulations of the Board also contemplate in different articles the powers of the different Committees of the Board in different areas (e.g. modification of the Regulations).

As a result of the amendment of the Regulations of the Board to adapt them to the current Code of Good Governance, following review by the National Securities Market Commission in June 2020, which was approved by the Board of Directors on 16 December 2020, changes have been made to the regulation of the Executive Committee and the Audit and Compliance Committee in such aspects as have been deemed fit. See section C.1.15 in this respect.

Both the Articles of Association and the Regulations of the Board are available for consultation on the corporate website (www.ebrofoods.es). The Regulations of the Board are also published and available for consultation on the website of the National Securities Market Commission (www.cnmv.es). Both texts are delivered to the Directors when they are appointed, together with the Regulations of the General Meeting, the Internal Code of Market Conduct, the Internal Code of Conduct and the Policies of the Ebro Foods Group, among other documents.

Both the Audit and Compliance Committee and the Nomination and Remuneration Committee issue annual activity reports, which are submitted to the Board of Directors for its information and consideration within the assessment of the Board and its Committees. Those activity reports are made available for shareholders on the corporate website www.ebrofoods.es coinciding with the call to the Annual General Meeting.

D. RELATED PARTY AND INTER-COMPANY TRANSACTIONS

D.1. Explain the procedure, if any, and competent bodies for approval of related party and inter-company transactions.

Apart from cases which, by law, require approval by the General Meeting, related party transactions are approved by the Board subject to a report by the Audit and Compliance Committee.

Article 24 of the Regulations of the Board establishes the power of the Audit and Compliance Committee to report to the Board prior to the adoption of any decisions on related party transactions submitted for its authorisation and to supervise and report to the Board on intragroup and related party transactions of the Company or subsidiaries of the Group.

With regard to related party transactions, Article 37.3 of the Regulations of the Board expressly establishes that other than in the cases in which this power is reserved by law to the General Meeting, any transactions made by the Company or Group companies with Directors, significant shareholders, other related parties or shareholders represented on the Board must be authorised by the Board. That authorisation is not necessary when the transactions meet all of the following three conditions:

(i) they are made under contracts with standard terms and conditions applied "en masse" to numerous clients;

(ii) they are made at prices or rates established generally by the supplier of the goods or provider of the services in question;

(iii) the amount thereof does not exceed 1% of the Company's annual revenue.

General, prior authorisation by the Board, subject to a report by the Audit and Compliance Committee, for a line of transactions and their conditions will be sufficient for bilateral or recurring transactions made in the normal course of the company's business. Finally, in cases where urgent action is necessary, related party transactions may be authorised by the Executive Committee, subject to subsequent ratification by the Board.

Finally, the company makes intragroup transactions on arm's length terms, documenting them according to the requirements of the laws (essentially tax laws) in place in each jurisdiction. This is one of the practices required by the Risk Management and Control Policy established in the Ebro Group.

D.2. List any transactions for a significant amount or object between the company and/or companies in its group and significant shareholders of the company:

Name of significant shareholder	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
SOCIEDAD ANÓNIMA DAMM	HERBA RICEMILLS, S.L.U.	Corporate	Sale of goods (finished or otherwise)	4,855
CORPORACIÓN ECONÓMICA DELTA, S.A.	EBRO FOODS, S.A.	Corporate	Dividends and other distributions	45,131
ARTEMIS INVESTMENT MANAGEMENT, LLP	EBRO FOODS, S.A.	Corporate	Dividends and other distributions	13,412

See section A.5 of this Report regarding the related party transaction between Sociedad Anónima Damm and Herba Ricemills, S.L.U. mentioned in this section D.2.

D.3. List any transactions for a significant amount or object between the company and/or companies in its group and the directors or executives of the company:

Name of director or executive	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
GRUPO TRADIFÍN, S.L.	CABHER 96, S.L.	CORPORATE	Purchase of goods (finished or otherwise)	135
GRUPO TRADIFÍN, S.L.	---	---	Dividends and other distributions	30,745
HERCALIANZ INVESTING GROUP, S.L.	---	---	Dividends and other distributions	32,180
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Purchase of goods (finished or otherwise)	14,058
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Services rendered	31
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Services received	216
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Sale of goods (finished or otherwise)	1,717
ANTONIO HERNÁNDEZ CALLEJAS	LUIS HERNÁNDEZ GONZÁLEZ	RELATIVE	Operating leases	42
ANTONIO HERNÁNDEZ CALLEJAS	ANTONIO HERNÁNDEZ GONZÁLEZ	RELATIVE	Dividends and other distributions	79
ANTONIO HERNÁNDEZ CALLEJAS	LUIS HERNÁNDEZ GONZÁLEZ	RELATIVE	Dividends and other distributions	124
ALIMENTOS Y ACEITES, S.A.	---	---	Dividends and other distributions	40,010
FERNANDO CASTELLÓ CLEMENTE	---	---	Dividends and other distributions	5,793
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	---	---	Dividends and other distributions	8
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	CORPORATE	Dividends and other distributions	20,023
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	---	---	Dividends and other distributions	30,227
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	CORPORATE	Dividends and other distributions	298

Name of director or executive	Name of group company	Relationship	Type of transaction	Amount (thousand euros)
MARÍA CARCELLER ARCE	---	---	Dividends and other distributions	18
CORPORACIÓN FINANCIERA ALBA, S.A.	---	---	Dividends and other distributions	54,082
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Operating leases	390
HERCALIANZ INVESTING GROUP, S.L.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	CORPORATE	Licence agreements	340
ANTONIO HERNÁNDEZ CALLEJAS	---	---	Sale of goods (finished or otherwise)	1
DEMETRIO CARCELLER ARCE	---	---	Dividends and other distributions	19

With regard to the transactions made with Instituto Hispánico del Arroz, S.A. and mentioned in this section C.3, the Directors Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L. each own 50% of Instituto Hispánico del Arroz, S.A., with which the Ebro Foods Group habitually conducts commercial transactions on arm's length terms. The transactions made by the Ebro Foods Group with that company and its subsidiaries in 2020 have been reported in this section as made with the related party Hercalianz Investing Grupo, S.L. (Director), although they should also be considered related with the Director Grupo Tradifín, S.L. by virtue of its 50% interest in Instituto Hispánico del Arroz, S.A.

It should also be noted that during 2020 Ebro Foods, S.A. distributed a sum of 111 thousand euros as dividends to the executives listed in section C.1.14 of this Report.

D.4. Report any significant transactions with other companies in the group that are not eliminated in the consolidated financial statements and which, by virtue of their object or terms, do not correspond to the normal business of the Company.

In any case, inform on any inter-company transaction with companies established in countries or territories considered tax havens:

Name of group company	Brief description of the transaction	Amount (thousand euros)
No details		N/A

Ebro Foods, S.A. has a 40% interest in Riso Scotti S.p.A., an associate consolidated by the equity method.

Riso Scotti S.p.A. is an Italian company with business activities similar to the objects of Ebro Foods, S.A.

The transactions made from 1 January to 31 December 2020 between companies in the Ebro Group and Riso Scotti (an associate that is not part of the Ebro Group) are indicated below:

- Ebro Foods, S.A.: Services rendered (income) 3 thousand euros;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise) 347 thousand euros;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise) 250 thousand euros;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise) 918 thousand euros;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise) 1,328 thousand euros;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise) 81 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise) 283 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise) 661 thousand euros; and
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise) 1,342 thousand euros.

D.5. Report any significant transactions made between the company or group companies and other related parties that have not been reported in the preceding sections.

Name of related party	Brief description of the transaction	Amount (thousand euros)
FÉLIX HERNÁNDEZ CALLEJAS	Services rendered (income) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	2
FÉLIX HERNÁNDEZ CALLEJAS	Services received (expense) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	300
FÉLIX HERNÁNDEZ CALLEJAS	Services rendered (income) between a subsidiary of the Ebro Foods Group and Félix Hernández Callejas	1

Hernández Barrera Servicios, S.A. is closely related to Félix Hernández Callejas, who represents the corporate director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.

D.6. Describe the mechanisms established to detect, define and resolve possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders.

Apart from the powers of the General Meeting and the Board of Directors on conflicts of interest of the Directors, under Article 24 of the Regulations of the Board, the Audit and Compliance Committee has the power to settle any conflicts of interest that may arise between the company or the group and its Directors, executives, significant shareholders and listed subsidiaries, if any.

With regard to the Directors, Article 36 of the Regulations of the Board provides that Directors may not perform activities for their own or third party account that effectively or potentially compete with the Company or which otherwise puts them in a permanent conflict of interest with the company; and Article 37.1 establishes the obligation of Directors to take such measures as may be necessary to avoid situations in which their interests, for their own or third party account, may conflict with the corporate interests and their duties to the Company.

For this purpose, Article 38 of the Regulations of the Board stipulates that Directors shall inform the Board of any direct or indirect conflict of interest that they or any of their related parties may have with the Company. Furthermore, pursuant to Article 32.4 of the Regulations of the Board, Directors shall abstain from participating in the corresponding debates and voting on resolutions or decisions in which they or any person related to them has a direct or indirect conflict of interest, except in the cases in which they are authorised by law to participate in the discussion and voting.

The current Internal Code of Market Conduct establishes for Relevant Persons (Directors, senior executives and their closely related parties) certain prohibitions and limitations on trading in the Company's shares and disclosure of information, and also a penalty system for any breaches thereof.

It also stipulates that Relevant Persons other than directors may submit queries to the Compliance Unit regarding the application of the prohibited actions contemplated in Rule 6. Directors may submit any queries they may have directly to the Company Secretary.

Every year, when preparing the Financial Reporting, annual accounts and Annual Corporate Governance Report, the Directors (and representatives of corporate directors) are asked for information on: (i) any transactions that they or their related parties may have made with the Company and/or subsidiaries of the Group (the same information is also requested of the significant shareholders of the company); (ii) possible conflicts of interest as per section 229 of the Corporate Enterprises Act directly or indirectly involving the director, its representative or related parties; and (iii) any other possible conflicts of interest.

D.7. Indicate whether the Company is controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code and has business relations, directly or through its subsidiaries, with that entity or any of its subsidiaries (other than those of the listed company) or performs activities related with those of any of the latter.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax risks:

As an integral part of the corporate policies passed by the Board, the Risk Management and Control Policy lays down the basic principles and the general framework for control and management of the business risks, including tax risks, and internal control of financial reporting to which Ebro Foods, S.A. and other companies in its Group are exposed.

Within this general framework, the integral, homogenous Risk Management and Control System is based on the preparation of a business risk map, through which, by pinpointing, assessing and grading of the risk management capacity, the risks are ranked from greater to lesser impact for the Group and by probability of occurrence. The risk map also identifies methods for mitigating or neutralising the risks detected.

The risk universe is structured in four main groups: compliance, operational, strategic and financial, and they are all subdivided into a large number of categories.

The risk classification process dynamically assesses both the inherent risk and the residual risk after application of the internal controls and action protocols established to mitigate them. These controls include preventive controls, adequate separation of duties, clear levels of authorisation and definition of policies and procedures. These controls can in turn be grouped into manual and automatic, made by data processing applications. This model is both qualitative and quantitative and can be measured in the Group's results, for which purpose the risk level is considered acceptable or tolerable on a corporate level.

The Risk Management and Control System is dynamic, so the risks to be considered will vary according to the circumstances in which the Group's business is performed. During the reporting period (2020), a complete review was made, with the incorporation of new risks such as: (i) climate change, (ii) cybersecurity and (iii) the risks deriving from new social networks and how the Company relates with them. The risks associated with the COVID-19 pandemic and its numerous internal aspects (supply chain, safety at work, security associated with teleworking...) and external aspects (changes in consumer habits, explosion of demand...) were especially important during the reporting period.

E.2. Name the corporate bodies responsible for preparing and implementing the Risk Management and Control System, including tax risks:

The Risk (including tax risks) Management and Control System and control of financial reporting is based essentially on the following structure:

- The Board of Directors, as ultimately responsible, defines the policy for control and management of risks, including tax risks, and control of financial reporting. Article 17.3 of the Regulations of the Board provides that the Board shall receive information on the most important aspects of business management and any foreseeable risk situations for the Company and its subsidiaries, together with the actions proposed by the senior management in respect thereof.

- The Audit and Compliance Committee, through the Risks Committee, performs the duties of oversight and monitoring of the financial reporting and risk control systems, reporting regularly to the Board on any significant aspects arising in these areas. It is responsible for supervising and promoting internal control of the Group and the risk management systems and submitting recommendations to the Board on the risk control and management policy and possible mitigation measures in those areas.

- The Risks Committee, based on the policy established by the Board of Directors and under the supervision of and reporting to the Audit and Compliance Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and control of the Group's financial reporting. The Risks Committee also analyses and assesses the risks associated with new investments.

- The Management Committees of the core business units of the Group, on which the Chairman of the Board and the Chief Operating Officer (COO) sit, assess the risks and decide on mitigation measures.

- Risk officers of the core business units of the Group. The major subsidiaries of the Group have officers responsible for monitoring the financial reporting risk (including tax risks) control and management systems and reporting to the Risks Committee.

- Internal Audit Department. Within the internal audits of the different subsidiaries, the Company's Internal Audit Department checks that the testing and control of the financial reporting and risk management systems have been performed adequately in accordance with the indications by the Risks Committee and Audit and Compliance Committee.

E.3. Define the main risks, including tax risks and, to the extent that they may be significant, those deriving from corruption (the latter within the scope of Royal Decree Law 18/2017), that could have a bearing on achievement of the company's business goals:

The main risks that might have a bearing on achievement of the business goals set by the Ebro Foods Group are listed below and explained in greater detail in Explanatory Note Three in section H of this Report.

A. OPERATIONAL RISKS:

- Food safety risk
- Commodity supply risk
- Market risk (prices) risk
- Customer concentration risk
- Technological risk
- Cybersecurity

B. RISKS RELATED WITH THE ENVIRONMENT AND STRATEGY:

- Environmental risk
- Climate risk
- Competition risk
- Reputational risk
- Social network exposure
- Changes in lifestyle
- Country or market risk
- Natural disasters, fires
- Strategic planning and assessment of strategic opportunities for investment or divestment

C. COMPLIANCE RISKS:

- Sectoral regulatory risk
- General regulatory risk
- Tax risks

D. FINANCIAL RISKS:

- Foreign exchange risk
- Interest rate risk
- Liquidity risk
- Credit risk

E.4. State whether the company has a risk tolerance level, including one for tax risks:

Risks are measured by both inherent and residual risk.

A scorecard is made each year of the principal ten risks to which the Group may be exposed (the TOP TEN), which are rated and measured as far as possible. If the economic consequences of a risk could cause a loss (or a loss of profit) of more than 5% of the consolidated EBITDA budgeted, or over 20% of the individual EBITDA of a business, it is considered a threat requiring corporate action.

In general, the heads of the different business units and the Management Committee of each unit define the risks affecting their respective businesses, assess the possible economic impact of those risks and, in view of the specific prevailing circumstances, establish whatever mitigation measures they deem fit.

Without prejudice to the supervision by the Risks Committee and Audit and Compliance Committee, the Management Committee of each unit implements and monitors the mitigation measures taken and assesses the results thereof.

This notwithstanding, when a threat is identified that requires action on a corporate level (as mentioned in the first paragraph above), the persons responsible for risk management and control in the corresponding unit inform the Risks Committee of the situation, proposing such mitigation measures as they may consider adequate. The Risks Committee assesses the situation and the sufficiency and suitability of the proposed mitigation measures, supplementing them with additional measures should it deem fit, reporting to the Audit and Compliance Committee.

The Board of Directors is promptly informed on the risks that have materialised and the mitigation measures adopted, both through the report submitted regularly on the matter by the Audit and Compliance Committee and through the information given at all Board meetings on the development of business.

E.5. What risks, including tax risks, have occurred during the year?

The following risks occurred within the Ebro Group during 2020:

COVID-19

2020 was entirely marked by the worldwide pandemic unleashed in the first quarter of the year. This has required the Ebro Group to manage certain aspects that have been a major challenge:

a) The Group reacted swiftly to the initial shock, establishing protective measures at its workplaces, concentrating production on the products in greatest demand, establishing quotas for orders based on the records from previous years wherever orders exceeded production capacity and cutting out any promotions that did not contribute value in the new situation.

b) For months, the high levels of consumption maintained a high plant occupation, which enabled us to improve our productivity and yield. Overall, the demand for dry products has been explosive, while the performance of fresh products has been more stable. In any case, the management of production and logistics have represented a considerable challenge throughout the year.

c) There has been a significant change in consumption, in both the products demanded and how they are consumed. Broadly speaking, the Group has been less affected than others by these changes as our activity focuses on staple products with small unit prices. The pandemic has led to an increase in meals at home, to the detriment of the HORECA/Food Service channel, in which the Group has a smaller exposure.

d) Uncertainty has become a variable requiring management and affecting, among many other aspects, planning and returns on certain marketing actions or investments. Moreover, the situation of uncertainty, which continues at present despite the arrival of vaccines, could generate false expectations on the capital market.

Numerous measures have been taken to mitigate the risks deriving from the pandemic. The most visible measures are those related with safety in the workplace, with a direct cost of 155 million euros by year-end. Other measures have been put into place alongside those relating to safety: commercial changes to adapt supply to the needs of the market, an enormous logistic and production effort, changes in the platforms of systems related with teleworking, measures to boost an adequate work-life balance in a changing scenario depending on the evolution of the pandemic, etc. It has taken considerable effort to adapt and try to manage operations in a vastly changing playing field, with alternating easing and new waves of the pandemic.

SUPPLY RISKS

A problem arose in the last quarter of the year regarding the availability of sea freight, especially in containers from southeast Asia, owing to the increased demand to meet growing exports from China combined with a reduced supply of containers. As a result, freight prices soared (+400%) in that geographical area, which is so important for the shipping of rice. This reveals a risk of disruptions in our supply chain and increased cost of supplies. Logistic alternatives have been put into place in an effort to mitigate this risk, consisting mainly of chartering entire combined cargo bulk carriers for different European destinations, in order to supply to different destinations. It is hoped that these measures will mitigate the risk until the market stabilises.

Special attention is also focused on detecting possible pesticides and fungicides, stepping up the detection tests and controls. Consumers have also demonstrated increased concern regarding possible allergens, requiring us to intensify our efforts and checks of finished products.

With regard to farm prices, the cost of rice has risen in general, with some important sources suffering the consequences of extended drought or smaller sowing areas. Even so, the commodity price variations have kept within expected ranges and on the whole it has been possible to pass them on over a reasonable period of time and/or offset them with alternative sources. We must, nevertheless, draw attention to the chronic shortage of certain rice varieties grown in Spain as a result of drought and narrowing of supply. We are working on sourcing from other countries (such as Argentina, where the Group is already present) and reaching agreements with more Spanish producers to offset this shortage.

In the pasta division, the lastest French durum wheat harvest was small, pushing the price up. On the American continent (the other major region for this crop), prices were also higher than in the previous year. However, the good crop in Canada and timely measures taken (purchasing strategy, passing on in sales, cutting promotions and increasing productivity) forestalled significant problems in the sourcing of this raw material for the Group.

COUNTRY RISK

The uncertainty regarding the consequences of Brexit and whether or not a withdrawal agreement would finally be reached between the UK and the EU prevailed throughout 2020. This caused a degree of volatility in exchange rates and made it necessary to arrange currency hedges and adjust product storage and supply times as far as possible to cope with potential contingencies. Although a deal was finally reached, certain risks are anticipated in the future deriving from mistrust between the parties.

E.6. Explain the response and supervision plans for the main risks, including tax risks, to which the company is exposed and the procedures followed to ensure that the board of directors provides solutions for any new challenges that may arise:

The Management Committees of each business unit are responsible for monitoring its risk supervision system. Management committees usually meet monthly to analyse any risks that may have materialised and design and monitor the contingency plans and actions taken to mitigate them. Control and monitoring of the economic variables in each subsidiary against the corresponding budget also ensures the immediate detection of unforeseen risk situations. The subsidiaries with greatest weight within the Group, such as the North American subsidiaries, have "Crisis Management Plans" (CMP), which specify the main risks to which the company is exposed, the protocols for responding to them and the company officers responsible for implementation.

This notwithstanding, when a threat is identified that requires action on a corporate level (see section E.4), the persons responsible for risk management and control in the corresponding unit must inform the Risks Committee of the situation, proposing such mitigation measures as may be considered adequate. The Risks Committee assesses the situation and the sufficiency and suitability of the proposed mitigation measures, supplementing them with additional measures should it deem fit. The Risks Committee reports regularly to the Audit and Compliance Committee on the actions taken and plans proposed and the latter in turn reports on all this to the Board of Directors (without prejudice to the Board's knowledge of the most important situations through its detailed monitoring of business at each Board meeting).

The measures to control, reduce and, as the case may be, mitigate the risks are established according to the following basic criteria:

- They shall seek to neutralise the risk detected, maintaining coherence between the importance of the risk and the cost and means required to neutralise it.

- If neutralisation is not feasible, measures shall be designed to reduce the potential economic consequences, if possible to within tolerance levels.

- The management and control shall, as far as possible, forestall rather than remedy.

- The control mechanisms shall adequately separate management and oversight.

- The different people responsible for risk management shall coordinate their actions to be efficient, seeking the utmost integration between control systems.

- Maximum transparency shall be ensured in the identification and assessment of risks, specification and implementation of mitigation measures and assessment of the results of those measures.

- Compliance must be guaranteed with the requirements of internal reporting to the bodies responsible for supervision and control.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS FOR FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the internal control over financial reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1 What bodies and/or units are responsible for: (i) the existence and maintenance of an adequate and effective ICFR, (ii) its implementation and (iii) its oversight?

As established in its Regulations, the Board of Directors is ultimately responsible for the existence, maintenance and oversight of an adequate, effective internal control system for the company's financial reporting (ICFR).

The Audit and Compliance Committee is responsible for: (i) supervising and promoting the procedures and systems used to prepare and control the company's financial reporting; (ii) checking any public financial information; and (iii) ensuring implementation of and compliance with the internal regulations and codes applicable to the risk management and control systems in relation to the financial reporting process.

The Management Committee is responsible for the design, implementation and functioning of the ICFR through the Group Finance Department and the Finance Departments of the different business units. The different general managements are responsible for effective implementation of these systems within their respective areas of activity. There are also officers responsible for the different processes documented within the ICFR, who must ensure that those processes are kept up to date, informing the Risks Committee, through the finance department and general management of the corresponding business unit, of any modifications or adaptations required.

The Risks Committee, reporting to the Audit and Compliance Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and controlling the Group's financial reporting.

F.1.2 State whether the following elements exist, especially in respect of the financial reporting process:

· Departments and/or mechanisms responsible for: (i) designing and reviewing the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring that there are sufficient procedures for adequately informing the company:

As established in its Regulations, the Board of Directors is responsible for defining the general strategy and guidelines for management of the Company and its Group and encouraging and supervising the actions taken by the senior officers, establishing an organisational structure that will guarantee the utmost efficiency of the senior management and the management team in general.

According to the Regulations of the Board, the Nomination and Remuneration Committee is responsible for checking the criteria followed regarding the composition and structure of the Board and for selecting candidates for the Board. It also nominates the Chairman, CEO or managing director(s) and Secretary of the Board and proposes the assignment of Directors to the different Board Committees.

In turn, under the policies approved by the Board, the Nomination and Remuneration Committee supervises the senior executive remuneration and incentives policy.

Within each group company, the organisational structure of the units participating in the preparation of financial reporting depends on several factors, such as the volume of operations or type of business, but in all cases it corresponds to the need to cover the main duties of recording, preparing, checking and reporting the operations performed and the economic and financial position of the company. The Executive Chairman, Chief Operating Officer (COO) and executives of the different business units of the Ebro Foods Group participate actively in the management committees of the Group's subsidiaries, thereby ensuring direct communication through the lines of responsibility and authority.

The senior management and the human resources departments of the Group and each of the Group subsidiaries are responsible for designing the organisational structure according to local needs. The most important subsidiaries have organisation charts that include a description of the duties and responsibilities of the main areas participating in the internal control of financial reporting.

The different job descriptions of positions and responsibilities are maintained by the Human Resources Department of each subsidiary and the management of all the subsidiaries, especially the financial management, are informed of any new member of a subsidiary.

· Code of conduct, body responsible for its approval, degree of publicity and instruction, principles and values included (stating whether there is any specific mention of the recording of transactions and preparation of financial reporting), body responsible for analysing default and proposing corrective measures and penalties:

The Code of Conduct of the Ebro Group, an update of the earlier Codes of Ethics and Conduct drawn up by the Ebro Foods Group in 2003, 2008 and 2012, was approved by the board on 25 November 2015 and all levels of the organisation were notified.

The Code of Conduct provides guidance on how to act in the Group's internal and external relationships, strengthening the values that distinguish us and establishing a basic reference to be followed by the Group.

The Code aims to:

- Be a formal, institutional reference for personal and professional conduct
- Guarantee the responsible, ethical behaviour of all the Group's professionals in their work
- Reduce the element of subjectivity in personal interpretations of moral and ethical principles
- Create a standardisation tool to guarantee progressive implementation throughout the Group of the ten principles of the UN Global Compact
- Grow responsibly and committed to all our stakeholders.

As established in the Code of Conduct, the Group assumes a principle of conduct based on transparent reporting, consisting of an undertaking to report reliable financial, accounting or other information to the markets. Accordingly, the company's internal and external financial reporting will give a true and fair view of its real economic, financial and equity situation according to generally accepted accounting principles.

Employees formally sign the Code of Conduct when they join the workforce of most Group companies and all new Group employees during the year were informed and given a copy of the Code.

The Code of Conduct is published in the Intranet, where it can be consulted by any employee, and on the Group's website.

The Audit and Compliance Committee is responsible for monitoring and controlling application of the Code. The Compliance Unit, which has sufficient initiative, autonomy and resources, is responsible, among other duties, for assisting the Audit and Compliance Committee in the supervision of compliance, publication and interpretation of the Code of Conduct.

Ebro Foods, through its Secretary, has an e-mail address to which any Group employee may send queries and suggestions regarding the interpretation of the Code of Conduct.

The Audit and Compliance Committee reports regularly to the Group's Board of Directors on any queries raised in respect of the interpretation and application of the Code of Conduct, how they have been solved and, where appropriate, the interpretation criteria followed.

The Code of Conduct provides that any violation or breach of the Code that is classified as a labour offence shall be penalised according to the labour laws, without prejudice to any other liability that the infringer may incur and the remedial measures that may be established by the different Group companies in pursuance of prevailing laws. On a Group level, the Audit and Compliance Committee, assisted by the Compliance Unit, shall receive reports of any violation of the Code of Conduct and act accordingly.

· Whistleblowing channel, through which the audit committee can be informed of any financial or accounting irregularities, any breaches of the code of conduct and any irregular activities within the organisation, indicating whether this channel is confidential and whether it allows anonymous communications respecting the rights of the reporting person and the person concerned:

As established in the Regulations of the Board, the Audit and Compliance Committee is formally responsible for implementing a confidential whistleblowing channel accessible to all Group employees and defining a protocol for prioritising, processing, investigating and settling reports according to their importance and nature, especially any concerning possible financial or accounting misrepresentations.

For this purpose, in its Code of Conduct the Ebro Group has established a whistleblowing channel, through which any irregular conduct in financial, accounting or other areas and any breach of the code of conduct can be reported confidentially.

Through that whistleblowing channel, therefore, any employees may report whatever conduct they may consider necessary and contact the Chairman of the Audit and Compliance Committee directly to inform on potential breaches. Access to that e-mail account, technologically protected to prevent any unauthorised access, is limited exclusively to the Chairman of the Audit and Compliance Committee who, as an Independent Director, has no relationship with the management structure of the Group.

The Audit and Compliance Committee guarantees the confidentiality of the reports handled, according to a confidentiality commitment signed by all those involved in handling the reports and other precautions included in the "Report Handling Protocol". That protocol, approved by the Audit and Compliance Committee in 2012, establishes the procedure to be followed on receiving reports, regarding their processing, prioritising, solving and notification.

The whistleblowing channel guarantees confidentiality, is accessible to all Group employees and does not expressly establish or rule out the possibility of making anonymous reports.

· Training programmes and regular refresher courses for employees involved in the preparation and checking of financial information and evaluation by the ICFR, covering at least accounting and auditing standards, internal control and risk management:

The Ebro Group has a policy of making sure it has personnel with sufficient training and experience to perform the duties and responsibilities assigned to them. The Ebro employees involved in the preparation and checking of the financial information and ICFR appraisal participate in training and refresher courses regarding the laws and standards in place from time to time and good practices to guarantee the reliability of the financial information generated.

The Ebro Group also encourages and provides means and resources for its employees to keep their accounting knowledge up to date through the attendance of seminars, on-line information and other means, and regular meetings are held with the external auditors to assess in advance the standards in place or those about to enter into force.

During the year the Ebro Group has focused its training for personnel involved in the preparation and checking of financial information and ICFR appraisal on the following aspects:

- Accounting updates
- Management and control of costs for business decision-making
- Training in the tax laws in different countries
- Financial Reporting Internal Control System Manual

In addition, the external auditors of the Company and its Group regularly attend the meetings of the Audit and Compliance Committee to give training on the principal novelties in accounting and auditing, especially those that have or may have a greater effect on the Group's accounts.

F.2. Measurement of risks in financial reporting

Report at least on:

F.2.1 The main features of the risk identification process, including risks of error or fraud, in respect of:

· Whether the process exists and is documented:

Within the risk management and control policy approved by the Board, the financial reporting internal control system is supervised by the Audit and Compliance Committee, assisted by the Risks Committee and the Group Finance Department.

The potential risk events that could affect the organisation are identified and assessed through the financial reporting internal control system, pinpointing and assessing the risks corresponding to each line of business. Through this risk control and management system, the Ebro Group has drawn up a consolidated risk map by compiling and combining the risk maps of its major subsidiaries.

This process is coordinated by the Risks Committee, which manages and establishes the permitted tolerance to the risk and coordinates actions to align the measures addressing risks with the Group's global risk policy so that the exposure to risk assumed by the Ebro Group overall is known at all times.

Based on the results obtained, systems are devised for addressing risks and internal control, to keep the likelihood and impact of those risks on financial reporting within the tolerance levels, thereby providing reasonable certainty regarding achievement of the strategic business goals.

· Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; measurement; presentation, breakdown and comparison; and rights and obligations), whether it is updated and how often:

The Ebro Group has established a continuous improvement process to minimise the risks related with financial reporting by improving the design and effectiveness of existing controls.

For this purpose, it has a process identifying the risks affecting the reliability of financial reporting, based on and beginning with a definition of the scope, according to quantitative criteria of materiality in respect of the consolidated amounts and other qualitative criteria (error, fraud, uncommon transactions, etc.). Companies in the major business units or divisions that meet any of the afore-mentioned criteria and the material accounting items of each one are defined according to those criteria. Once the material items have been defined on a company level, the processes and sub-processes they affect are established, according to a relationship matrix.

For each of the sub-processes included within the scope, the inherent risks and the checks made by the responsible persons to mitigate those risks are identified, setting this information down in a Risks-Controls Matrix. Those risks take account of all the financial reporting objectives (existence and occurrence; integrity; measurement; presentation, breakdown and comparison; and rights and obligations).

The financial reporting risks are identified in the Ebro Group's Risks-Controls Matrix and updated to take account of any changes in the scope of consolidation of the Group or development of its business and their reflection in the financial statements, making a comparative analysis every year of the variations in material processes and sub-processes to establish any risks that have not been previously identified.

· The existence of a process for defining the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, base companies or special purpose vehicles:

The Ebro Group has a process based on internal regulations that guarantees the correct identification of the scope of consolidation through an adequate separation of duties in the requesting, authorising, reporting and recording of any operation entailing the incorporation, merger, division, acquisition or sale of companies and any other corporate operation, directly involving the Legal Department and the Board of Directors.

This process considers the possible existence of complex corporate structures, base companies or special purpose vehicles, among other means by establishing an adequate structure to separate the duties of requesting, authorising and reporting for any corporate operation within the Group. No transactions or complex corporate structures that might entail off-balance sheet transactions that should be recorded within the reporting period were identified this year.

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they affect the financial statements:

The Risk Management and Control System of the Ebro Group is designed to identify potential risk events that might affect the organisation. At present there are four types of risks: Operating, Compliance, Strategic and Financial, and the conclusions are taken into account insofar as the risks may affect financial reporting. For this purpose, the Risks Committee acts as a unit of coordination and interrelation of the effect of the risks detected on the different areas (management, business, financial reporting, legal, reputational etc. risks).

· Which governing body of the company supervises the process:

While the Board has the power, which it may not delegate, to determine the policy for control and management of risks, including tax risks, and supervision of the internal control and reporting systems, the Audit and Compliance Committee is responsible for supervising and promoting the procedures and systems used to prepare and control the Company and Group financial reporting, and controlling the implementation of and compliance with the risk management and control systems, both in general and in respect of the financial reporting process.

F.3. Control activities

Inform whether the company has at least the following, describing their main features:

F.3.1 Procedures for checking and authorising financial information to be published on the stock markets and description of the ICFR, indicating who is responsible for these tasks, and documentation describing the flows of activities and controls (including those checking for the risk of fraud) in the different types of transactions that may have a material effect on the financial statements, including the procedure for closing of accounts and the specific review of judgements, estimates, valuations and significant projections

The priorities established within the Ebro Group include the quality and reliability of the financial information, both internal information for decision-making and external information published for the markets. The information to be provided by the different units is requested by the Group financial department, paying special attention to the processes of closing the accounts, consolidation, measurement of intangibles and areas subject to judgement and estimates.

The Ebro Group has procedures for checking and authorising the financial information and description of the ICFR, responsibility for which corresponds to the Financial Department, the Risks Committee, the Audit and Compliance Committee and the Board of Directors.

The Audit and Compliance Committee checks and analyses the financial statements and any other important financial information, as well as the principal judgements, estimates and projections included and discusses them with the corporate financial department and the internal and external auditors to confirm that the information is complete and the principles applied are consistent with those of the previous full-year accounts.

The procedure for checking and authorising the financial information corresponds to the Group financial department, based on the information checked and validated by the different units. The Audit and Compliance Committee supervises this information to be published on the market and it is approved by the Board of Directors.

The Group has implemented a process to enhance the quality and quantity of documentation and make the generation of financial information and its subsequent supervision more effective and efficient.

The significant processes involved in the generation of the Group financial reporting are documented based on the COSO internal control model. The main processes documented are:

- Closing of Financial Statements and Reporting
- Consolidation
- Sales and Receivables
- Purchases and Payables

- Fixed Assets
- Inventories
- Payroll

The documentation outline is extended progressively, according to the materiality and the general criteria established in the Group's financial reporting internal control system.

The persons responsible for each of the documented processes in each subsidiary have been identified. They are responsible for keeping those processes up to date on an annual basis, reporting any modifications or adaptations to the Risks Committee through the Group's financial department.

Process documentation includes details of the flows and transactions and the financial reporting objectives and controls established to ensure they are met. It also contemplates the risks of error and/or fraud that might affect the financial reporting objectives. The documentation of flows of activities and controls that may have a material effect on the financial statements, including the accounts closing procedure, includes the preparation of narratives on the processes, flow charts and risk and control matrices. The controls identified are both preventive and detective, manual or automatic, describing also their frequency and associated information systems.

F.3.2 Internal control procedures and policies for the IT systems (including access security, track changes, operation, operating continuity and separation of duties) used for the significant processes of the company in the preparation and publication of financial information

The Group has rules for managing financial information security. Those rules are applicable to the systems used to generate financial information and the IT Department is responsible for defining and proposing the security policies.

Within its policies and infrastructure management the Ebro Group has procedures to secure each of the following:

i) Both physical and logical access are controlled to ensure that only authorised internal and external personnel can access the Ebro centres and systems. Ebro has several Data Centres, the main one in Spain where the company's critical systems are housed. The major subsidiaries also have local data centres. They all have their own infrastructure to guarantee adequate control of access to the installations. In small subsidiaries, the general rule is to have external service providers to provide that security. When external service providers are used, the Ebro Group makes internal audits of the information systems and their architecture, including the security aspect.

Logical access control is secured with efficient management of access to our systems, whether internal or external, and through a user management coordinated with the human resources department and the company's group of managers. Ebro has user access control systems and workflow tools to guarantee inter-departmental integration and efficient updating of user status, regularly identifying those who no longer access the systems. Ebro Foods has implemented a system to control the separation of duties and access to critical functions of the SAP GRC SoD system in certain subsidiaries (currently in Riviana Foods Inc and Riviana Foods Canada Corporation, and it is in progress in Herba Ricemills) and there is a plan to extend this implementation to the other major subsidiaries. Its implementation programme contemplates extension to all the major subsidiaries of the Ebro Foods Group. To compile its non-financial information, Ebro has developed a tool that manages the information required to guarantee its integrity, and workflows for approval to guarantee its reliability. All the subsidiaries included in the SAP-based corporate ERP have implemented a procedure to separate duties within IT and the use of privileged users (Firefighter) subject to request, approval and control.

External access is guaranteed through specific users and controlled management. The necessary elements have also been provided on a network level to ensure that only authorised users and processes have access from outside.

ii) The larger subsidiaries mainly use the ERP SAP system. In all those cases, Ebro has procedures underpinned by systems that systematically filter, assess, manage the life cycle and inform on production changes after acceptance by specific users and impact analysis in the systems currently used in production.

iii) The separation of duties is underpinned by the use of roles by groups of users, which allow access only to the information and transactions previously approved by the organisation. The modification or creation of new roles is backed by the same procedure that guarantees management of the user life cycle and is applicable to the major companies of the Ebro Group. Special attention is paid to separation in IT support processes to make sure that the tasks of development, sending to production and administration of the system are duly separated. In addition, as mentioned above, Ebro Foods has implemented the SAP GRC SoD system throughout the Group for the IT Department and is in the process of rolling it out in all subsidiaries, ensuring adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

iv) Ebro has internal tools which, combined with the user support departments and systems (Help Desks), guarantee the management and traceability of any incidents in the IT systems. Programme changes are managed within that system, which is based on best practices and management following the ITIL methods.

The critical information systems are always housed in our data centres and there are individuals assigned to each one who are responsible for proactive monitoring of the automatic processes and proactive assessment of the yield and functioning of the systems.

Ebro has global contracts with security control tool providers, which guarantee the installation of such tools in all the computer and data processing equipment used in the company.

v) Ebro Foods has a cybersecurity policy based on several fundamental pillars for the security of our systems. This includes endpoint security, of both users and servicers, identity security -especially important in view of the increasingly more common cloud migration strategies-, perimeter security for access to our network and data security. Ebro Foods uses the leading tools available on the market and procedures based on best practices to minimise the risk in each of these areas.

vi) Ebro has tools to guarantee the continuity of business support by its IT systems in the event of a fatal error or system crash. There are backup systems and policies in its data centres that guarantee access to information and systems in case of a crash. The use of tape or disk backups and replicating the information in several computers with subsequent triangular distribution are habitual procedures for making incremental or complete backup copies. The current systems allow recovery of the information up to the specific time of the fatal error or system crash.

F.3.3 Internal control procedures and policies to oversee the management of outsourced activities and any aspects of valuation, calculation or measurement commissioned to independent experts, which may have a material impact on the financial statements

In general, the Ebro Group manages all activities that may have a material impact on the reliability of the financial statements, using internal resources to avoid outsourcing. There are very few outsourced activities and the procedures and controls of those activities are regulated in the contracts signed with the service providers in question.

The valuation, calculation or measurement activities commissioned by the Ebro Group to independent experts are mainly concerned with the appraisal of properties, actuarial studies of employee benefits and impairment testing of intangibles.

Only service providers of internationally recognised standing are used for these valuation reports, making sure that they are not affected by any circumstance or event that could compromise their independence.

The reports obtained from these firms are submitted to internal review to check that the most significant assumptions and hypotheses used are correct and that they comply with the International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS). Furthermore, the valuation processes and the hypotheses and assumptions used by independent experts are reported to and considered by the external auditors of the Company and its Group.

F.4. Information and communication

Inform whether the company has at least the following, describing their main features:

F.4.1 A specific department responsible for defining the accounting policies and keeping them up to date (accounting policy department or division) and solving queries or conflicts deriving from their interpretation, maintaining fluent communication with those responsible for operations in the organisation, as well as an updated accounting policy manual distributed among the units through which the company operates

The Ebro Group has adequate procedures and mechanisms to inform the employees involved in the preparation of financial information on the applicable criteria and the IT systems used in that preparation. This is done through the Management Control Unit and the Corporate Financial Department, whose powers include the following, among others:

- Define, administer, update and report on the Group's accounting policies, in compliance with the applicable accounting standards and rules of consolidation for the preparation and presentation of financial information to be disclosed.

- Prepare, update and report on the Accounting Policy Manual to be applied by all financial units in the Group. This manual is updated regularly.

- Settle any queries or conflicts regarding the interpretation and application of the accounting policies, maintaining fluent communication with those responsible for these operations in the organisation.

- Define and create templates, formats and criteria to be used for preparing and reporting the financial information. All financial information distributed on the markets is prepared by consolidating the reports of the different business units, prepared using mechanisms for data input, preparation and presentation that are homogenous for the entire Group. These mechanisms are designed to enable compliance with the standards applicable to the principal financial statements, including accounting criteria, valuation rules and presentation formats, and embrace not only the balance sheet, profit and loss account, statement of changes in equity and statement of cash flows, but also the obtaining of other information that is necessary to prepare the notes to the financial statements.

F.4.2 Mechanisms for collecting and preparing financial information with homogenous formats, applied and used by all business units in the company or group, valid for the main financial statements and notes, and the information given on the ICFR

The Group's financial information is prepared using a process of aggregating separate financial statements at source for subsequent consolidation according to the applicable accounting and consolidation standards, to obtain the consolidated financial information to be presented monthly to the Board and published periodically on the markets.

The process of aggregation and consolidation of the Group's financial statements is based on homogenous, common format templates that include different tables and reports to be completed. They also have automatic internal controls to check the integrity and reasonability of the data input.

These templates are validated each month by a financial manager in each subsidiary before sending them for checking and consolidation. To complete the automatic checks, those data and the estimation, valuation and calculation principles used to obtain them, as well as the accounts closing procedure, are checked by the financial manager at each level of aggregation and consolidation until the Ebro Group consolidated financial information is obtained, prepared and checked by the corporate financial department.

The Ebro Group has established a reporting system for the Financial Reporting Internal Control System, which is available in the Group for all the subsidiaries included within the scope of the ICFR. Through that reporting, the parent coordinates maintenance of the system in the rest of the subsidiaries annually through the assignment of persons responsible for their maintenance and updating in the event of any significant change to be taken into consideration in the documentation. Finally, if any weaknesses are detected in the financial reporting internal control system, the subsidiaries are notified of the necessary action plans and they are monitored by the parent.

F.5. Supervision of the functioning of the system

Inform on at least the following, describing their main features:

F.5.1 The ICFR supervisory activities performed by the audit committee and whether the company has an internal audit department responsible, among its duties, for assisting the committee in its supervision of the internal control system, including the financial reporting internal control system (ICFR). Inform also on the scope of the ICFR appraisal made during the year and the procedure through which the department or body responsible for the appraisal informs on the outcome, whether the company has an action plan defining any possible corrective measures and whether their impact on the financial information has been considered

The Board of Directors is ultimately responsible for the existence, maintenance and supervision of an adequate, effective internal control system for the financial reporting. Among the duties defined in the Regulations of the Board, the Audit and Compliance Committee assists and supports the Board in its supervision of the accounting and financial information, the internal and external audit services and corporate governance.

The Audit and Compliance Committee, assisted by the Risks Committee, must see that the internal audit procedures, the internal control systems in general, including the risk management control system and, in particular, the financial reporting internal control system, are adequate.

The Audit and Compliance Committee also ensures that the external auditor and Internal Audit Manager are selected on the basis of objective, professional qualifications, guaranteeing their independence in the performance of their duties; reports to the board on any related party transactions submitted for its consideration; controls any possible conflicts of interest; and, in general, makes sure that all the company's information and reporting, particularly financial, complies with the principle of truth and maximum transparency for shareholders and markets.

The Risks Committee, as the central control system, monitors adequate fulfilment by the risk officers of the respective units of the following duties: (i) monitoring, updating and review of the business risks map and the different financial reporting processes; (ii) compliance with the reporting protocols for business risks and financial information; (iii) assessment of the measures for mitigating and controlling any risks detected, and (iv) assessment of the effectiveness of the systems and controls by implementing the test processes indicated by the Risks Committee, assisted by the heads of the different units and, where necessary, external advisers. The Risks Committee, based on the policy established by the Board and supervised by and reporting to the Audit Committee, is specifically responsible for coordinating and monitoring the system for management and control of risks, including tax risks, and checking the Group's financial information.

Within the business risks control and the financial reporting internal control system, the Internal Audit Department makes sure that the testing and control of risk management and financial reporting systems have been done properly, within the internal audits carried out on different subsidiaries during the year, under the Internal Audit Plan.

The Internal Audit Department has submitted its annual working plan to the Audit and Compliance Committee and reported directly to said committee on any incidents detected in the performance of that work, proposing the corresponding action plan defining any necessary corrective measures; and at the end of each year, it has submitted an activity report.

The results of audits made by the Internal Audit Department and any incidents detected by the Risks Committee have been reported to the Audit and Compliance Committee. Moreover, the action plan devised for remedying those incidents has been sent to both the person responsible for remedying them and the Audit and Compliance Committee.

F.5.2 Inform on whether the company has a discussion procedure whereby the auditor (according to the provisions of the auditing standards), the internal audit department and other experts can inform the senior management and audit committee or company directors of any significant weaknesses detected in internal control during the auditing or checking of the annual accounts or any other processes commissioned to them. Indicate also whether the company has an action plan to remedy or mitigate the weaknesses observed

The Audit and Compliance Committee has a stable, professional relationship with the external auditors of the principal companies in its group, strictly respecting their independence. That relationship favours communication and discussion of any internal control weaknesses pinpointed during the auditing of annual accounts or any other audit work commissioned to them.

In this regard, the Audit and Compliance Committee receives information from the external auditor at least every six months on the audit plan and outcome of its implementation, and checks that the senior management heeds the auditor's recommendations.

In addition, as established in the Regulations of the Board, it is responsible for overseeing the Internal Audit Services, examining the financial reporting process and internal control systems.

During 2020, the External Auditor attended 5 meetings of the Audit and Compliance Committee and the Manager of the Internal Audit Department attended 4.

F.6. Other significant information

N/A

F.7. External auditor's report

Inform on:

F.7.1 Whether the ICFR information sent to the markets was checked by the external auditor, in which case the company should include the corresponding report in an annex. If not, explain why not.

The report issued by the external auditor is appended hereto.

G. EXTENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of compliance by the company with the recommendations of the Good Governance Code for Listed Companies.

If any recommendation is not followed or is only partly followed, include a detailed explanation of the reasons so that shareholders, investors and the market in general have sufficient information to assess the company's actions. General explanations are not acceptable.

1. The articles of association of listed companies should not limit the maximum number of votes that may be cast by an individual shareholder or impose other restrictions hampering takeover of the company via the market acquisition of its shares.

   Complies [X]   Explanation [ ]

2. When the listed company is controlled, in the sense of Article 42 of the Commercial Code, by another company, listed or otherwise, and conducts business, directly or through its subsidiaries, with that controlling company or any of its subsidiaries (other than those of the listed company) or engages in activities related with those of any of the latter, it should report publicly and precisely on:

   a) The types of activity they are respectively engaged in and any business dealings between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other hand.

   b) The mechanisms in place to solve any conflicts of interest that may arise.

   Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

3. During the annual general meeting, to supplement the written distribution of the annual corporate governance report, the chairman of the board should inform the shareholders orally, in sufficient detail, of the most important aspects of the company's corporate governance, especially:

   a) Any changes made since the previous annual general meeting.

   b) The specific reasons why the company does not follow any of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X]   Partial compliance [ ]   Explanation [ ]

4. The company should define and promote a policy concerning communication and contacts with shareholders and institutional investors, within the framework of their involvement in the company, and proxy advisors that fully respects the laws against market abuse and gives similar treatment to shareholders who are in the same position. And the company should publish that policy on its website, including information on how it has been implemented, naming the contacts or those responsible for such implementation.

   Notwithstanding the legal obligations regarding the disclosure of inside information and other kinds of regulated information, the company should also have a general policy regarding the communication of non-financial economic and financial corporate information through channels considered adequate (media, social networks or other channels), contributing towards maximum disclosure and quality information to the market, investors and other stakeholders.

   Complies [X]   Partial compliance [ ]   Explanation [ ]

5. The board should not table a motion at the general meeting for delegating powers to issue shares or convertible securities excluding the preferential subscription right in a sum of more than 20% of the capital at the time of the delegation.

And when the board approves an issue of shares or convertible securities excluding the preferential subscription right, the company should immediately publish on its website the reports on that exclusion required by commercial law.

Complies [X] Partial compliance [ ] Explanation [ ]

6. Listed companies that prepare the following reports, whether mandatory or voluntary, should publish them on their websites sufficiently in advance of the annual general meeting even though that publication is not compulsory:

a) Report on the independence of the auditor

b) Reports on the functioning of the audit committee and the nomination and remuneration committee

c) Report by the audit committee on related party transactions

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except (c).

The Audit and Compliance Committee checks that all the related party transactions with significant shareholders, directors, representatives of corporate directors and other related parties have been made on arm's length terms, at market prices, transparently, fairly and reasonably, and always in the interests of the Ebro Foods Group, and issues a report to the Board in favour of their approval.

However, after studying this Recommendation the Company does not consider it convenient to publish the contents of that report because it contains sensitive commercial information that is confidential for the Group in respect of its rivals.

7. The company should broadcast general meetings live, through its website.

And the company should have mechanisms to enable online proxies and voting and even, in large cap companies and insofar as is proportionate, online attendance and active participation in the general meeting.

Complies [X] Partial compliance [ ] Explanation [ ]

8. The audit committee should make sure that the annual accounts presented by the board of directors to the general meeting are drawn up in accordance with the applicable accounting standards. And if the auditors have submitted a qualified report, the chairman of the audit committee should explain clearly at the general meeting the opinion of the audit committee on the content and scope of the qualifications included, making a summary of that opinion available to shareholders, together with the other motions and reports by the board, when the notice of call to the general meeting is published.

Complies [X] Partial compliance [ ] Explanation [ ]

9. The company should publish permanently on its website the requirements and procedures it will accept as proof of ownership of shares, right to attend the general meeting and exercise or delegation of shareholders' voting right.

And those requirements and procedures should favour the attendance and exercise by shareholders of their rights, not being in any way discriminatory.

Complies [X] Partial compliance [ ] Explanation [ ]

10. If a legitimate shareholder has exercised their right, prior to the general meeting, to supplement the agenda or submit new proposed resolutions, the company should:

a) Immediately distribute those supplementary items and new proposed resolutions.

b) Publish the model attendance card or proxy form or postal/electronic voting form with the necessary modifications to enable voting on the new items on the agenda and alternative proposed resolutions on the same terms as those proposed by the board of directors.

c) Put all these items or alternative proposals to the vote and apply the same voting rules as those applicable to the proposals by the board, including in particular the presumptions or deductions regarding votes.

d) After the general meeting, report the details of the voting on those supplementary items or alternative proposals.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

11. If the company plans to pay attendance fees for general meetings, it should establish in advance a general policy on those fees and that policy should be stable.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

12. The board should perform its duties with unity of purpose and independence of judgement, give the same treatment to all shareholders in the same position and be guided by the company's interests, namely the achievement of a profitable business sustainable in the long term, promote its continuity and maximise the economic value of the company.

And in its search for the company's interests, apart from respecting the laws and regulations and acting in good faith, ethically and with respect for generally accepted use and good practice, it should endeavour to reconcile the corporate interests with the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as the case may be, and the impact of the company's activities on the community and environment.

Complies [X] Partial compliance [ ] Explanation [ ]

13. The board should have the necessary size to operate effectively, with participation. The recommended size is between five and fifteen members.

Complies [X] Explanation [ ]

14. The board should approve a policy designed to favour an appropriate composition of the board that:

a) Is specific and verifiable;

b) Ensures that nominations for appointment or re-election are based on a prior analysis of the expertise required by the board; and

c) Favours the diversity of expertise, experience, age and gender. For this purpose, any measures designed to ensure that the company has a significant number of female executives are considered to favour gender diversity.

The results of the prior analysis of expertise required by the board should be set out in the report by the nomination committee published when calling the general meeting at which the ratification, appointment or re-election of each director is proposed.

The nomination committee shall check compliance with this policy annually and inform on its conclusions in the annual corporate governance report.

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except the last paragraph of (c).

The company has not considered it necessary to pass a specific policy to stimulate the presence of female executives to comply with the principles behind this Recommendation.

The Code of Conduct of the Ebro Foods Group guarantees the principle of equal treatment and equal opportunities for all professionals, regardless of their gender or sexual orientation, and this principle is applied by the company in its processes of selection, hiring, promotion and career opportunities of all its professionals, regardless of whether they are men or women.

As indicated in section C.1.6 above, there is no positive or negative discrimination of any nature in the procedures followed by the company for selecting and contracting its executive personnel, so it is not necessary to introduce any new measures to encourage the hiring of women for executive positions.

See section C.1.6 also for the definition of "Executive" used by the company.

15. The proprietary and independent directors should represent an ample majority of the board and the number of executive directors should be the minimum necessary, taking account of the complexity of the corporate group and the percentage stake held by the executive directors in the company's capital.

And the number of female directors should represent at least 40% of the board member by the end of 2022 and before that, no less than 30%.

Complies [X] Partial compliance [ ] Explanation [ ]

16. The ratio of proprietary directors to total non-executive directors should not be greater than the ratio of capital represented by those directors to the rest of the capital.

This may be eased:

a) In companies with a high capitalisation, in which shareholdings legally considered significant are scarce.

b) In companies with a plurality of unrelated shareholders represented on the board.

Complies [ ] Explanation [X]

Although proprietary directors represent a higher percentage (66.67%) of the total non-executive directors than the proportion of the company's capital represented by those directors in the total capital (57.13%), it should be borne in mind that (i) the significant shareholders represented on the Board are unrelated, (ii) 67.07% of the capital is represented on the Board, and (iii) 70.49% of the company's capital is held by stable or strategic shareholders.

The company has assessed the monitoring of this Recommendation and considers that the current composition of the Board combines the principles of necessary size, balance and ample majority of non-executive directors recommended by the Code of Good Governance.

17. The number of independent directors should represent at least one-half of the total directors.

This notwithstanding, if the company does not have a large capitalisation or if it has a high level of capitalisation but has one shareholder, or several acting in concert, that controls more than 30% of the capital, the number of independent directors should represent at least one-third of the total directors.

Complies [ ] Explanation [X]

The number of independent directors (4) is considerably lower than one-third (4.6) of the total Board members (14) recommended for companies which, like Ebro Foods, S.A., are not high-cap.

It should be borne in mind in this regard that 67.07% of the capital is represented on the Board.

18. Companies should publish on their websites and keep up to date the following information on their directors:

a) Professional and biographic profile

b) Other directorships held, in listed or unlisted companies, and other remunerated activities performed, of whatsoever nature

c) Indication of the category of director, indicating for proprietary directors the shareholder they represent or with which they are related

d) Date of first appointment as director of the company and subsequent re-elections

e) Shares and stock options held in the company

Complies [ ] Partial compliance [X] Explanation [ ]

All the sections of this Recommendation are met, except (b).

Although there is no specific section on the corporate website containing the information contemplated in paragraph (b), information on the Directors of Ebro Foods, S.A., including directorships held in listed companies and positions and activities performed, remunerated or otherwise, in companies engaged in similar or identical activities as Ebro Foods, is set out in the annual accounts and corporate governance report each year published in the corresponding sections of the website.

After studying this Recommendation, the Company considers that it informs on the directorships held in listed companies and positions and activities performed, remunerated or otherwise, in companies engaged in similar or identical activities as Ebro Foods, S.A. in sufficient detail to comply with the transparency in reporting sought by the Code of Good Governance.

19. Once checked by the nomination committee, the annual corporate governance report should include an explanation of the reasons why proprietary directors have been appointed at the request of shareholders with an interest of less than 3% in the capital, as well as the reasons, if appropriate, for not meeting formal requests for presence on the board from shareholders with an interest equal or greater than others at whose request proprietary directors have been appointed.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

20. Proprietary directors should resign when the shareholder they represent disposes of its entire shareholding in the company. They should also resign in the corresponding number when the shareholder disposes of part of its shares to an extent requiring a reduction in the number of proprietary directors.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

21. The board should not propose the removal of any independent director before the end of the period for which they were appointed, unless there are just grounds for doing so, as appreciated by the board subject to a report by the nomination committee. In particular, just grounds are deemed to exist when the director takes up new positions or contracts new obligations preventing them from dedicating the necessary time to performance of their duties on the board, or if they breach their duties or any circumstances arise by virtue of which they would no longer be considered independent, according to the applicable legal provisions.

The removal of independent directors may also be proposed following takeover bids, mergers or other similar corporate operations entailing a change in the ownership structure of the company, when changes in the structure of the board are required by the principle of proportionality contemplated in Recommendation 16.

Complies [X] Explanation [ ]

22. Companies should establish rules obliging directors to report and, if necessary, resign if any situation arises, related or not with their actions within the company, that could jeopardise the company's prestige and reputation. In particular, directors should be obliged to inform the board of any criminal proceedings brought against them and the development of the proceedings.

If the board has been informed or has otherwise become aware of any of the situations contemplated in the preceding paragraph, it should study the case as soon as possible and, in view of the specific circumstances and the corresponding report by the nomination and remuneration committee, decide whether any action should be taken, such as opening an internal investigation, requesting the director to resign or proposing their removal. An account of this situation should be included in the Annual Corporate Governance Report, unless special circumstances justify not doing so, in which case they should be put on record. This is notwithstanding the information that the company is obliged to disclose, if appropriate, when adopting the corresponding measures or actions.

Complies [X]   Partial compliance [ ]   Explanation [ ]

23. All the directors should clearly express their opposition whenever they consider that any proposed decision submitted to the board may go against corporate interests. The independent and other directors not affected by the potential conflict of interest should also do so when the decisions may be detrimental to shareholders not represented on the board.

And when the board adopts significant or reiterated decisions about which a director has expressed serious reservations, the latter should reach the appropriate conclusions and, if they opt to resign, explain the reasons in the letter contemplated in the following recommendation.

This recommendation also affects the secretary of the board, even if they are not a director.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

24. If a director retires from office before the end of their term, through resignation or by virtue of a resolution adopted by the General Meeting, they shall explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the grounds for their removal by the General Meeting, in a letter sent out to all the Board members.

Even if the Annual Corporate Governance Report contains the appropriate information on the foregoing, to the extent that it is important for investors, the company should publish news of the director's retirement as soon as possible, including a sufficient account of the reasons or circumstances indicated by the director.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

25. The nomination committee should make sure that non-executive directors have sufficiently availability to perform their duties correctly.

And the regulations of the board should stipulate the maximum number of directorships that may be held by its directors.

Complies [ ]   Partial compliance [X]   Explanation [ ]

Although the Regulations of the Board do not stipulate a maximum number of directorships that may be held by the Directors of Ebro Foods, S.A., it does impose on the Directors the obligation to dedicate to the Company such attention and time as may be necessary to guarantee the effective and adequate fulfilment of each and all of the duties corresponding to their position. Consequently, the maximum number of other directorships they may hold will be such as to ensure that they are able at all times to meet each and all of their obligations to the company (Article 32 of the Regulations of the Board, "General duties of Directors").

Moreover, the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors stipulates within "Conditions to be met by candidates" that candidates must have sufficient availability to be able to duly perform their duties. This point is confirmed by the Committee with the candidates before submitting any proposal to the Board of Directors.

After studying this Recommendation, the Company considers that the principles pursued by the Code of Good Governance in this respect are met with the obligation regarding dedication imposed in Article 32 of the Regulations of the Board and the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors. It considers this a complex issue and believes that it is not necessary to establish a maximum number of directorships that may be held by the Directors in order to achieve this.

26. The board should meet as often as may be necessary to secure efficient performance of its duties, and at least eight times a year, following the calendar and business established at the beginning of the year, although any director may individually propose additional items to be included on the agenda.

Complies [X] Partial compliance [ ] Explanation [ ]

27. Non-attendance of board meetings should be limited to inevitable cases and stated in the Annual Corporate Governance Report. If a director is forced to miss a board meeting, a proxy should be granted with the appropriate instructions.

Complies [X] Partial compliance [ ] Explanation [ ]

28. When the directors or the secretary express concern over a proposal, or, in the case of directors, the company's performance, and those concerns are not settled by the board, they should be put on record in the minutes, at the request of those expressing them.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

29. The company should establish adequate channels for directors to obtain any counselling they may need to perform their duties, including, should circumstances so require, external counselling at the company's expense.

Complies [X] Partial compliance [ ] Explanation [ ]

30. Regardless of the expertise required of directors to perform their duties, companies should also offer their directors refresher courses in the appropriate circumstances.

Complies [X] Explanation [ ] Not applicable [ ]

31. The agenda for meetings should clearly indicate the items on which the board is called upon to adopt a decision or resolution, so that the directors can study or obtain in advance the information they may need.

In exceptional cases, for reasons of urgency, the chairman may submit decisions or resolutions not included on the agenda for approval by the board. The prior, express consent of most of the directors present will be necessary for this, leaving due record in the minutes.

Complies [X] Partial compliance [ ] Explanation [ ]

32. Directors shall be regularly informed on any changes in the ownership of the company and the opinion held by the significant shareholders, investors and ratings agencies of the company and its group.

Complies [X] Partial compliance [ ] Explanation [ ]

33. Being responsible for the efficient procedure of the board of directors, apart from performing the duties assigned by law and in the articles of association, the chairman should prepare and submit to the board a schedule of dates and business to be transacted; organise and coordinate the periodical assessment of the board and chief executive, if any, of the company; be responsible for managing the board and for its efficient operation; make sure sufficient time is allotted to the discussion of strategic issues; and resolve and review refresher programmes for each director whenever circumstances so require.

Complies [X]   Partial compliance [ ]   Explanation [ ]

34. When there is a lead independent director, the articles of association or regulations of the board should assign the following powers, apart from those corresponding to them by law: preside over board meetings in the absence of the chairman and vice-chairmen, if any; echo the concerns of non-executive directors; hold contacts with investors and shareholders to find out their points of view and form an opinion on their concerns, particularly regarding the corporate governance of the company; and coordinate the plan for succession of the chairman.

Complies [ ]   Partial compliance [ ]   Explanation [X]   Not applicable [ ]

Although the Articles of Association and Regulations of the Board do not expressly assign to the Lead Independent Director the powers contemplated in this Recommendation, said Director is entirely free to exercise them.

The Articles of Association and Regulations of the Board do not establish any limit on the exercise of those powers by the Lead Independent Director or any other Director.

After studying this Recommendation, the Company considers that the fact that any Director, not only the Lead Independent Director, may exercise the powers contemplated in this Recommendation, together with the ample majority on Non-Executive Directors on the Board of Directors, this is sufficient to counteract any concentration of powers in the Executive Chairman, which is the aim pursued by the Code of Good Governance.

35. The secretary of the board should especially ensure that the actions and decisions of the board follow the recommendations on good governance contained in the Code of Good Governance that are applicable to the company.

Complies [X]   Explanation [ ]

36. The full board should assess once a year and, where necessary, adopt an action plan to correct any deficiencies detected in respect of:

a) The quality and effectiveness of the board's actions.

b) The procedure and composition of its committees.

c) Diversity in the composition and powers of the board.

d) The performance by the chairman of the board and chief executive officer of their respective duties.

e) The performance and contribution of each director, paying special attention to the heads of the different board committees.

The different committees should be assessed based on the reports they submit to the Board and the Board will be assessed on the basis of the report it submits to the nomination committee.

Every three years, the board will be assisted in this assessment by an external consultant, whose independence shall be checked by the nomination committee.

The business relations that the consultant or any company in its group has with the company or any company in its group should be described in the Annual Corporate Governance Report.

The process and areas assessed should also be described in the Annual Corporate Governance Report.

Complies [X] Partial compliance [ ] Explanation [ ]

37. When there is an executive committee, there should be at least two non-executive directors among the members, at least one of them being an independent director, and the secretary should be the secretary of the board.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

38. The board should be informed at all times of the business transacted and decisions made by the executive committee and all board members should receive a copy of the minutes of executive committee meetings.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

39. All the members of the audit committee, especially its chairman, should be appointed on account of their expertise and experience in accounting, auditing or the management of both financial and non-financial risks.

Complies [X] Partial compliance [ ] Explanation [ ]

40. Under the supervision of the audit committee, there should be an internal audit unit to see that the internal control and reporting systems work properly. This unit should report to the non-executive chairman of the board or the chairman of the audit committee.

Complies [X] Partial compliance [ ] Explanation [ ]

41. The head of the internal audit unit should submit its annual work programme to the audit committee for approval by that committee or the board, report directly on its implementation, mentioning any incidents or limitations on its scope encountered during its fulfilment, the results achieved and the extent to which its recommendations have been heeded, and submit to the committee an activity report at the end of each year.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

42. The audit committee should have the following duties, in addition to those contemplated in law:

1. In connection with the internal control and reporting systems:

a) Supervise and assess the preparation and integrity of the financial and non-financial reporting, control systems and management of financial and non-financial risks to which the company and, if appropriate, the group may be exposed -including operational, technological, legal, social, environmental, political and reputational risks or those related with corruption-, checking compliance with the legal requirements, adequate definition of the scope of consolidation and correct application of accounting principles.

b) Oversee the independence of the internal audit unit; propose the selection, appointment and removal of the internal audit manager; propose the budget for this unit; approve or propose approval to the board of its approach and the annual internal audit work plans, making sure its activity focuses mainly on the material risks of the company (including reputational risks); receive regular information on its activities; and check that the top management heeds the conclusions and recommendations set out in its reports.

c) Establish and supervise a mechanism through which employees, and other persons related with the company, such as directors, shareholders, suppliers, contractors or subcontractors, can report any potentially important irregularities (financial, accounting or of whatsoever nature) related with the company that they may observe within the company or its group. That mechanism should guarantee confidentiality and, in all cases, contemplate the possibility of making such communications anonymously, respecting the rights of both the reporting person and the person concerned.

d) Ensure in general that the internal control policies and systems are applied effectively in practice.

2. In connection with the external auditors:

a) Investigate the circumstances giving rise to resignation of any external auditor.

b) Ensure that the remuneration of the external auditors for their work does not jeopardise their quality or independence.

c) See that the company reports the change of auditor through the CNMV, attaching a declaration on the possible existence of disagreements with the outgoing auditor and the contents of those disagreements, if any.

d) Make sure that the external auditors hold an annual meeting with the full board to inform on the work done and the evolution of the company's risks and accounting situation.

e) Ensure that the company and external auditors respect the provisions in place on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, any other provisions regarding the independence of auditors.

Complies [ ]   Partial compliance [X]   Explanation [ ]

The Company complies with all of this Recommendation except for some of the aspects mentioned in paragraphs 1(c) and 2(d).

With regard to paragraph 1(c), although the Code of Conduct of the Ebro Group and the protocol regulating the procedure for the whistleblowing channel approved by the Audit and Compliance Committee do not contemplate the events in which the reports may be made anonymously, they do not rule out that possibility.

With regard to paragraph 2(d), the Audit and Compliance Committee is responsible for maintaining relations with the external auditors, receiving information and exchanging all the necessary communications with them. The external auditors attend Committee meetings whenever this is necessary in view of the business included on the agenda.

The Audit and Compliance Committee provides timely information to the Board on the contents of all the meetings held, including those attended by the external auditors. The Board is thus informed in a timely manner of all business transacted by the Committee, particularly the work done by the external auditors and the Company's relations with them.

This notwithstanding, the external auditors attend Board meetings if this is considered appropriate by the Audit and Compliance Committee, the Board of Directors or any Board member.

The Company considers that the Audit and Compliance Committee makes sure that the Board receives all the necessary information regarding the work of and relations with the external auditors.

43. The audit committee may call any employee or executive of the company into its meetings, even ordering their appearance without the presence of any other senior officer.

Complies [X]   Partial compliance [ ]   Explanation [ ]

44. The audit committee should be informed on any corporate and structural operations that the company plans to make, so that it can analyse them and submit a preliminary report to the board on the economic terms and impact on accounts, and particularly on the exchange ratio proposed, if any.

Complies [ ]   Partial compliance [ ]   Explanation [ ]   Not applicable [X]

45. The risk management and control policy should identify or determine at least:

   a) The different types of financial and non-financial risk (including operational, technological, legal, social, environmental, political and reputational, including those related with corruption) to which the company is exposed, including contingent liabilities and other off-balance-sheet risks among the financial or economic risks.

   b) A risk management and control model based on different levels, including a committee specialising in risks whenever this is contemplated in the sector regulation and the company deems fit.

   c) The risk level that the company considers acceptable.

   d) The measures contemplated to mitigate the impact of the risks identified, should they materialise.

   e) The internal control and reporting systems to be used to control and manage those risks, including contingent liabilities and other off-balance-sheet risks.

Complies [ ] Partial compliance [X] Explanation [ ]

The Company complies with all of this Recommendation except the inclusion in its risk management and control policy of risks related with corruption, contemplated in paragraph (a).

The Company has a specific policy dealing with corruption (Policy against Corruption and Bribery), which sets out and specifically and verifiably develops the principles, values and rules of action established in the Code of Conduct and implemented within the Ebro Group to fight against corruption and fraud.

This Policy provides guidelines to be followed in respect of: (i) bribery, illegal commissions, influence peddling and money laundering; (ii) acceptance and offering of gifts and courtesies; (iii) dealings with authorities, regulatory bodies and governments; and (iv) social action and/or sponsorship activities. The Policy also contains an illustrative indication of the conduct that is prohibited in these areas.

The Policy applies to all the Professionals of both Ebro Foods and the subsidiaries of the Ebro Group in all the countries in which the Group operates.

The Company considers that it complies with the principles behind this Recommendation, since the risks related with corruption and bribery: (i) form part of the corporate risk map and (ii) are analysed by the Risks Committee.

46. Under the direct supervision of the audit committee or, as the case may be, an ad hoc committee of the board, there should be an internal risk management and control role exercised by an internal unit or department of the company expressly having the following duties:

   a) See that the risk management and control systems work properly and, in particular, that all the major risks affecting the company are adequately identified, managed and quantified.

   b) Participate actively in the preparation of the risk strategy and in the major decisions on their management.

   c) See that the risk management and control systems adequately mitigate the risks within the policy defined by the board.

Complies [X] Partial compliance [ ] Explanation [ ]

47. Companies should ensure that the members of the nomination and remuneration committee -or the nomination committee and the remuneration committee, if they are separate- have adequate experience, skills and expertise for the duties they are to perform and that the majority of those members are independent directors

Complies [X] Partial compliance [ ] Explanation [ ]

48. Companies with a high level of capitalisation should have a separate nomination committee and remuneration committee.

Complies [ ] Explanation [ ] Not applicable [X]

49. The nomination committee should consult the chairman of the board and the chief executive of the company, especially on matters referring to the executive directors.

And any director should be able to request the nomination committee to consider potential candidates to fill vacancies on the board, in case they were suitable in the committee's opinion.

Complies [X] Partial compliance [ ] Explanation [ ]

50. The remuneration committee should perform its duties independently, having the following duties in addition to those assigned to it by law:

a) Propose to the board the basic terms of contract of the senior executives

b) See that the remuneration policy established by the company is observed

c) Periodically review the remuneration policy applied to directors and senior executives, including the systems of payment with shares and their application, and ensure that their individual remuneration is in proportion to that paid to other directors and senior executives of the company

d) Ensure that any conflicts of interest that may arise do not jeopardise the independence of the external counselling provided to the committee

e) Check the information on the remuneration of directors and senior executives in the different corporate documents, including the annual report on directors' remuneration

Complies [X] Partial compliance [ ] Explanation [ ]

51. The remuneration committee should consult the chairman of the board and the chief executive of the company, especially on matters referring to the executive directors and senior executives.

Complies [X] Partial compliance [ ] Explanation [ ]

52. The rules of composition and procedure of the supervision and control committees should be included in the regulations of the board and be coherent with those applicable to the committees required by law according to the foregoing recommendations, including the following:

a) The members should be exclusively non-executive directors, the majority independent directors.

b) They should be chaired by independent directors.

c) The board should appoint the members of these committees on account of the expertise, skills and experience of the directors and the duties of each committee, and discuss their proposals and reports; and the committees should report on their activities at the first board meeting following their meetings, answering for the work done.

d) The committees should be able to obtain external counselling whenever they may consider it necessary to perform their duties.

e) Minutes should be issued of their meetings and made available to all directors.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, and with the internal codes of conduct, should be assigned to one or distributed among several committees of the board, which may be the audit committee, the nomination committee, a committee specialising in sustainability or corporate social responsibility, or any ad hoc committee that the board may decide to set up, exercising its powers of self-organisation. And that committee should be made up exclusively of non-executive directors, most of them independent, specifically having the minimum duties indicated in the following recommendation.

Complies [X]   Partial compliance [ ]   Explanation [ ]

54. The minimum duties mentioned in the preceding recommendation are:

a) Oversight of compliance with the company's corporate governance rules and internal codes of conduct, ensuring that the corporate culture is aligned with its mission and values.

b) Supervision of the application of the general policy on communication of the economic & financial, non-financial and corporate information and communication with shareholders, investors, proxy advisors and other stakeholders. Oversight also of how the company communicates and relates with small and medium-sized shareholders.

c) Periodical assessment and review of the company's corporate governance system and environmental and social policy to ensure that it fulfils its mission of promoting corporate interests and takes account of the legitimate interests of the other stakeholders, where appropriate.

d) Supervision that the company's environmental and social practices are aligned with the relevant strategy and policy.

e) Supervision and assessment of the processes of relations with different stakeholders.

Complies [X]   Partial compliance [ ]   Explanation [ ]

55. The sustainability policies on environmental and social issues should identify and define at least the following:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax liability, respect for human rights and prevention of corruption and other unlawful 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 risks, including those related with ethics and business conduct.

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

e) Responsible communication practices to avoid manipulation of information and protect integrity and honour.

Complies [X]   Partial compliance [ ]   Explanation [ ]

56. The remuneration of directors should be high enough to attract and retain directors with the desired profiles and remunerate the dedication, qualification and responsibility required by their office, but not so high as to jeopardise the independence of non-executive directors.

Complies [X]   Explanation [ ]

57. Variable remuneration linked to the company's yield and personal performance and the remuneration paid in shares, stock options, rights over shares or instruments indexed to the value of the share, and long-term savings systems such as pension plans, retirement schemes or other welfare systems, should be limited to executive directors.

The delivery of shares as remuneration to non-executive directors may be contemplated when it is conditional upon holding those shares until they retire from the board. This will not be applicable to any shares that the director may need to sell to pay the costs incurred in their acquisition.

Complies [X]   Partial compliance [ ]   Explanation [ ]

58. For variable remunerations, the remuneration policies should establish the limits and technical precautions required to make sure those remunerations are linked to the professional performance of their beneficiaries and do not merely derive from general trends on the markets or in the company's sector of business or other similar circumstances.

In particular, the variable components of the remuneration should:

a) Be linked to predetermined, measurable yield criteria, which consider the risk assumed to obtain a result.

b) Promote the company's sustainability and include non-financial criteria that are adequate for the creation of long-term value, such as compliance with the internal rules and procedures of the company and its policies for the control and management of risks.

c) Be based on a balance between meeting short, medium and long-term goals, permitting the remuneration of yield achieved through continuous performance over a sufficient period of time to appreciate their contribution to the sustainable creation of value, such that the elements for measuring that yield are not related only with one-off, occasional or extraordinary events.

Complies [ ]   Partial compliance [X]   Explanation [ ]   Not applicable [ ]

The company complies with all the sections of this Recommendation except (b).

At present, the remuneration of the Executive Chairman (the only director with executive duties) does not include any non-financial criteria tied to the creation of long-term value, as he is a major shareholder.

This notwithstanding, in view of the imminent transposition of EU laws on the remuneration of directors, the Nomination and Remuneration Committee of the Company is assessing the possibility of including non-financial criteria in the variable remuneration scheme of the Executive Chairman, with a view to implementing those criteria when the transposition becomes effective.

59. Payment of the variable components of remuneration should be subject to an adequate verification that the performance or other pre-established conditions have actually been met. The companies should include in their annual reports on directors' remuneration the time and methods required to make that verification, according to the nature and characteristics of each variable component.

In addition, the companies should consider including a malus clause based on the deferral for a sufficient time of the payment of part of the variable components, whereby the entitlement to all or part of them would be lost if anything occurs before the scheduled payment date that make this advisable.

Complies [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

60. Earnings-linked remuneration should take account of any qualifications made in the report by the external auditors that may reduce those earnings.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

61. A significant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or financial instruments indexed to their value.

Complies [ ] Partial compliance [ ] Explanation [X] Not applicable [ ]

Of the two Executive Directors, only the Chairman of the Board of Directors, Antonio Hernández Callejas, receives remuneration for his executive duties. Hercalianz Investing Group, S.L. does not receive any such remuneration, for the reasons explained elsewhere in this Report.

The current variable remuneration systems of the Executive Director are described in the Annual Report on Directors' Remuneration 2020 and are linked to the achievement of pre-established measurable, quantifiable objectives related with financial factors that promote profitability and the creation of sustainable value in the Company and Group in the long term.

Although Article 22 of the Articles of Association contemplates the possibility that Directors may receive remuneration in the form of shares, stock options or any other system of remuneration indexed to the price of the shares, the Board of Directors has not so far submitted this form of remuneration to approval by the General Meeting, taking account of the fact that the executive director is a major shareholder and considering that the systems of variable remuneration of the Executive Director currently used are most appropriate for stimulating his motivation and personal performance, and his commitment to and relationship with the Group's interests.

62. Once the shares, stock options or financial instruments corresponding to the remuneration systems have been allotted, the executive directors may not transfer the ownership thereof or exercise them until at least three years have passed.

This will not be applicable if, at the date of transfer or exercise, the director has a net economic exposure to the price variation of the shares with a market value equivalent to at least twice the amount of their annual fixed remuneration, through the holding of shares, stock options or other financial instruments.

The foregoing will not be applicable to any shares that the director may need to sell to pay the costs incurred in their acquisition or, subject to the favourable opinion of the nomination and remuneration committee, to meet the costs of any extraordinary situations that may arise.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

63. Contracts should include a clawback clause whereby the company may to claim repayment of the variable components of remuneration when the amounts paid do not correspond to fulfilment of the conditions regarding yield or when paid on the basis of data subsequently proved to be misstated.

Complies [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

64. Termination benefits should not exceed an amount equivalent to two years' total annual remuneration and should not be paid until the company has confirmed that the director has met the performance requirements established above.

For the purpose of this recommendation, termination benefits (i.e. payments upon termination or expiry of contract) shall include any amounts that accrue or become payable as a result of or in connection with the termination or expiry of the contractual relationship between the director and the company, including any amounts not previously vested in long-term saving schemes and the sums payable under post-contract no competition clauses.

Complies [ ] Partial compliance [ ] Explanation [ ] Not applicable [X]

H. OTHER INFORMATION OF INTEREST

1. If you consider there to be any important aspects regarding the corporate governance practices applied by your company or other companies in the group that have not been mentioned in this report, but which should be included to obtain more complete, reasoned information on the corporate governance practices and structure in the company or group, describe them below and give a brief explanation.

2. This section may be used to include any other information, clarification or qualification relating to the previous sections of the report, provided it is relevant and not repetitive.

   In particular, state whether the company is subject to any laws other than the laws of Spain on corporate governance and, if this is the case, include whatever information the company may be obliged to supply that differs from the information included in this report.

3. The company may also state whether it has voluntarily applied any international, sector-based or other codes of ethical principles or good practices. If so, it should name the code in question and the date of its accession. Particular mention shall be made of whether the company has acceded to the Code of Good Tax Practices of 20 July 2010.

EXPLANATORY NOTE ONE, ON SECTION C

A) The name of the audit committee in the company is "Audit and Compliance Committee" and the name of the nomination and remuneration committee is "Nomination and Remuneration Committee".

B) All the members of the Audit and Compliance Committee were appointed on account of their accounting and audit experience and expertise, including Grupo Tradifín, S.L., which was elected on account of the expertise in these areas of its representative, Blanca Hernández Rodríguez.

EXPLANATORY NOTE TWO, ON SECTION C.1.10

This note is included to indicate the positions held by Félix Hernández Callejas in the subsidiaries of the Ebro Foods Group.

As indicated elsewhere in this report, it should be borne in mind that Félix Hernández Callejas represents the corporate director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. and that said director is classified as an executive director by virtue of the fact that its representative is an executive and director in several Group subsidiaries.

- Anglo Australian Rice, LTD. Director. Executive duties
- Arrozeiras Mundiarroz, S.A. Director. Executive duties
- Boost Nutrition, CV. Director. Executive duties
- Española de I+D, S.A. Joint and Several Director. Executive duties
- Eurodairy, S.L.U. Joint and Several Director. Executive duties
- Formalac, S.L.U. Joint and Several Director. Executive duties
- Fallera Nutrición, S.L.U. Joint and Several Director. Executive duties
- Herba Foods, S.L.U. Joint and Several Director. Executive duties
- Herba Ingredients Belgium B, BVBA. Director. Executive duties
- Herba Nutrición, S.L.U. Joint and Several Director. Executive duties
- Herba Trading, S.L.U. Joint and Several Director. Executive duties
- Joseph Heap & Sons, Ltd. Director. Executive duties
- Nuratri, S.L.U. Joint and Several Director. Executive duties
- Nutramas, S.L.U. Joint and Several Director. Executive duties
- Nutrial, S.L.U. Joint and Several Director. Executive duties
- Panzani, S.A.S. Director. No executive duties
- Pronatur, S.L.U. Joint and Several Director. Executive duties
- Risella, OY. Chairman and CEO. Executive duties
- Riviana Foods, Inc. Director. No executive duties
- S&B Herba Foods, Ltd. Director. Executive duties
- Santa Rita Harinas, S.L. Chairman. No executive duties
- Vitasan, S.L.U. Joint and Several Director. Executive duties
- Vogan, Ltd. Director. Executive duties
- Yofres, S.L.U. Joint and Several Director. Executive duties
- Herba Ingredients Belgium F, BV. Director. Executive duties

EXPLANATORY NOTE THREE, ON SECTION E.3

The main risks that could have a bearing on achievement of the company's business goals listed in section E.3 of this Report.

A. OPERATIONAL RISKS:

- Food safety. Owing to the nature of the Group's business, aspects regarding food safety are a critical point to which the Group pays the utmost attention, as we are bound by a large number of laws and standards in each of the countries in which the Group's products are put on the market. One point that is becoming increasingly important is the detection and use of fungicides and pesticides by producers.

- Commodity supply risk. The availability of commodities in the quantity and quality required to meet our commitments to customers and the requirements of our brands is a key factor for our business both nationally (Spanish paddy rice) and internationally (semi-processed rice for the Group subsidiaries), wheat and semolina for the production of quality pasta.

- Market risk (prices). Unexpected variations in the prices of our commodity supplies may affect the profitability of our commercial transactions, in both the industrial and brand-based segments. The main risk lies in the prices of the different rice varieties and durum wheat, although it extends also to other materials consumed, such as packaging material and oil derivatives and, especially so recently, sea and inland transportation.

- Customer concentration risk. The concentration of customers, which can occur in both the industrial and brand segments, may lead to less favourable commercial terms for our sales and affect our credit risk.

- Technological risk. In the sector in which the Group operates, one of the most important tools for competing with our rivals is constant technological innovation and constant adaptation to consumers' desires. Consequently, "technological lag" is considered a possible risk.

- Cybersecurity. Traditionally considered part of 'technological risk', the risks relating to the security of the IT systems and data (cybersecurity) have been considered a separate risk in the 2020 revision of the management risk map.

B. RISKS RELATED WITH THE ENVIRONMENT AND STRATEGY:

- Environmental risk. Respect for the environment is another critical point for the Group, considering our industrial activity, with a large number of plants distributed internationally. We aim to adopt a set of good practices, complying scrupulously with the law.

- Climate change. The effects of droughts, flooding and other weather perils in the countries where we source our supplies can cause problems of availability and unstable commodity prices, in both rice and durum wheat. Other strategic and operational risks are also assessed, such as possible changes in consumer habits as a result of alterations in the temperature, or the need to make specific investments.

- Competition risk. In general, pressure from white label brands is the main threat for maintaining the market shares of the Group's brands.

- Reputational risk. This is the risk associated with changes of opinion resulting in a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, employees, institutions, etc., as they may adversely affect the Group's ability to maintain its commercial and financial relations or its interaction with social partners.

- Exposure to social networks. After the revision of the management risk map in 2020, this risk (perception of the Group's brands or its general image in social networks) has been separated from the more generic "reputational risk).

- Changes in lifestyle. The proliferation of low carbohydrate diets or other food habits could alter consumers' perception of our products.

- Country or market risk. Owing to the international nature of the Group's activities, political and economic circumstances in the different countries in which we operate and other market variables, such as exchange rates, interest rates, costs of production, etc. may affect our business.

- Natural disasters, fires. As an industrial group, a significant part of the assets on the Group's balance sheet corresponds to its factories, so any natural incidents (earthquakes, fires, etc.) that may affect the integrity of the Group's plants are a business risk.

- Strategic planning and assessment of strategic opportunities for investment or divestment. Risk deriving from the possibility of making a mistake in the selection of alternatives and/or assignment of resources to reach the Group's strategic goals. In the short term, this includes aligning the budget with the goals defined for the medium and long term.

C. COMPLIANCE RISKS:

- Sectoral regulatory risk. The food industry is a sector subject to numerous regulations affecting export and import quotas, customs duties, intervention prices, etc., subject to the directives laid down in the Common Agricultural Policy (CAP). The Group's activity may also be affected by changes in legislation in the countries in which it sources raw materials or sells its products.

- General regulatory risk. These include risks of compliance with civil, commercial, criminal and good governance provisions.

In the area of criminal risks, the Group has a Crime Prevention Model, monitored and controlled by the Compliance Unit, a committee independent from the Risks Committee, which is responsible for monitoring overall compliance by the Group, under direct supervision by the Audit and Compliance Committee. During 2020, the Compliance Unit conducted a revision and update of its criminal risk map and mechanisms for mitigating those risks, assisted by an external expert.

After completion of that work, the Compliance Unit issued its six-monthly report on monitoring of the Crime Prevention Model using the revised, updated Model.

- Tax risks. Any changes in the tax laws or the interpretation or application thereof by the competent authorities in the countries in which the Group operates could affect its earnings.

D. FINANCIAL RISK:

This category includes foreign exchange, interest rate, liquidity and credit risks. The foreign exchange risk is particularly significant because the functional currency of the Group is the euro, but a considerable part of its commodity supply transactions are in US dollars and a very large part of the Group's investments are also in that currency.

The current management risk map does not identify within the top 25 risks any that might be considered to derive from corruption and bribery, even though the questionnaire used for general monitoring of management risks includes questions on these possible forms of malpractice. This notwithstanding, the Group's position of total rejection of all forms of corruption and bribery is expressly included both in its Code of Conduct and Policy against Corporate Corruption and Bribery (on a global level), and in the Crime Prevention Model and other local mechanisms of the different business units, as described in greater detail in the Statement of Non-Financial Information contained in the Group's Consolidated Directors' Report.

EXPLANATORY NOTE FOUR, ON SECTION G

- RECOMMENDATION 11

The Company has a Policy on Attendance Fees for General Meetings, which establishes the principle that those fees will not be cash payments, but the delivery of a gift related with the products of Ebro Group and/or its brands.

- RECOMMENDATION 51

The "senior executives" contemplated in this recommendation include the Chief Operating Officer (COO), the Company Secretary and Secretary of the Board and the heads of the principal business units of the Ebro Foods Group, even though they do not all have a special senior management relationship.

ETHICAL PRINCIPLES AND CODES VOLUNTARILY APPLIED BY EBRO FOODS, S.A.:

- United Nations Global Compact. 2001

- Project of the Spanish Commercial Coding Association (AECOC) against food waste, "Don't waste food, use it". 2012

- Member of the Advisory Committee of the United Nations Sustainable Development Goals Fund (SDGF) to boost the Sustainable Development Goals (SDG) - 2015

- Sustainable Agriculture Initiative (SAI) Platform. 2015

- SERES Foundation. 2015

- Sustainable Rice Platform. 2016

- Forética. 2017

This Annual Corporate Governance Report was approved by the Board of Directors of the Company on:

24/03/2021

State whether any directors voted against approval of this Report or abstained in the corresponding vote.

[ ] Yes
[√] No

The English version of this document is purely informative.
In the event of any discrepancy between the Spanish and English versions of this document, the Spanish version will prevail.

EBRO FOODS, S.A.

Audit Report on the “2020 Disclosures Regarding the Internal Control over Financial Reporting (ICFR) System”

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

AUDIT REPORT ON THE "DISCLOSURES REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM" OF EBRO FOODS, S.A.

To the Board of Directors of Ebro Foods S.A.,

As per the request of the Board of Directors of EBRO FOODS, S.A. (hereinafter, the Company) and our proposal letter of December 20, 2020, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2020, which summarize the Company's internal control procedures in respect of its annual reporting exercise.

The Board of Directors is responsible for taking the opportune measures to reasonably assure the implementation, maintenance and supervision of an adequate internal control system, making improvements to this system and preparing the contents of the ICFR disclosures required for the accompanying Annual Corporate Governance Report (ACGR).

Against this backdrop, it is important to note that, regardless of the quality of design and effect ive functioning of the ICFR system adopted by the Company in respect of is annual financial reporting effort, the system can only provide reasonable but not absolute assurance regarding the objectives pursued, due to the limitations intrinsic to any internal control system.

In the course of our financial statement audit work and in keeping with Spain's Technical Auditing Standards, the sole purpose of our assessment of the Company's internal controls was to enable us to establish the scope, nature and timing of the Company's financial statement audit procedures. Accordingly, our internal control assessment, performed in connection with the financial statement audit, was not sufficiently broad in scope to enable us to issue a specific opinion on the effectiveness of the internal controls over the annual financial disclosures that the Company is required to present.

For the purpose of issuing this report, we have only carried out the specific procedures described below, as indicated in the *Procedures for external audit reviews* of an entity's ICFR disclosures contained in the *Internal Control over Financial Reporting in Listed Companies* report published by Spain's securities market regulator, the CNMV (and available on its website), which establishes the procedures to be performed, the scope thereof and the contents of this report. Given that the product resulting from these procedures is at any rate limited in scope and substantially more limited than an audit or review of the internal control system, we do not express any opinion on the effectiveness of the system or on its design or effective functioning in respect of the Company's 2020 financial disclosures, as described in the accompanying ICFR disclosures. Consequently, had we performed additional procedures to those stipulated in the above-mentioned CNMV report or had we performed an audit or review of the internal controls over the annual financial disclosures that the Company is required to present, other matters might have come to our attention that would have been reported to you.

Furthermore, given that this special assignment neither constitutes a financial statement audit nor is subject to the Consolidated Text of Spain's Financial Statement Audit Act, we do not express an opinion in the terms provided for in that piece of legislation.

The procedures performed are itemized below:

1. Reading and understanding the information prepared by the Company in relation to the ICFR System - which is disclosed in the Management Report - and assessing whether this information meets all the minimum reporting requirements needed to fill out section F on the ICFR system in the Annual Corporate Governance Report template established in CNMV Circular No. 5/2013 (of June 12, 2013), as amended most recently by Circular No. 1/ 2020 (of October 6, 2020) (hereinafter, the CNMV Circulars).

2. Questioning of the personnel responsible for drawing up the information detailed in item 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning.

3. Reviewing the explanatory documents supporting the information detailed in item 1, including documents directly made available to those responsible for describing ICFR system. The documentation to be reviewed may include reports prepared for the audit committee by internal audit, senior management and other internal or external experts.

4. Comparing the information detailed in item 1 above with our knowledge of the Company's ICFR System obtained through the external audit procedures applied during the annual audit.

5. Reading of the minutes taken at meetings of the board of directors, audit committee and other committees of the Company to evaluate the consistency between the ICFR business transacted and the information detailed in item 1 above.

6. Obtaining a management representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in item 1 above.

The specific procedures carried out in respect of the Company's ICFR disclosures did not reveal any inconsistencies or incidents that could affect such disclosures.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated Text of Spain's Corporate Enterprises Act and the CNMV Circulars related to the description of the ICFR System in the Annual Corporate Governance Report.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Ramón Masip López

March 23, 2021

Disclaimer

DISCLAIMER BY THE DIRECTORS OF EBRO FOODS, S.A.

REGARDING THE CONTENTS OF THE ANNUAL FINANCIAL REPORT 2020

The members of the Board of Directors of Ebro Foods, S.A. (the "Company") declare that, to the best of their knowledge and belief, the Company's Annual Financial Report 2020 containing the separate and consolidated annual accounts and Directors' reports has been prepared in accordance with the applicable accounting principles and gives a true and fair view of the equity, financial position and earnings of the issuer and the companies in its consolidated Group overall, and that the directors' report includes an accurate analysis of the business development and results and the position of the issuer and consolidated companies overall, together with a description of the main risks and uncertainties to which they are exposed.

This declaration is made in respect of the separate and consolidated annual accounts of Ebro Foods, S.A. for 2020, as authorised for issue by the Board of Directors of the Company on the 24th of March of 2021.

I, the Secretary, issue this note to certify and put on record that this disclaimer is signed by each and all of the directors, personally or through their representatives, against their respective names and surnames on the following page.

Madrid, 24 March, 2021.