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GOVERNANCE MODEL



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Governance bodies

The governance bodies of Ebro Foods, S.A. are the General Meeting of Shareholders and the Board of Directors.

The General Meeting is the company's sovereign body. It is competent to discuss and adopt resolutions on all business reserved in law or the Articles of Association for decision by this body and, in general, on any business submitted to it by the Board of Directors or the shareholders within its legal remit.

Save in any matters reserved by law, regulations or the Articles of Association to the General Meeting, the Board of Directors is the highest body of governance and administration of the company, with full powers to direct, administer and represent the company in the activities comprising its objects. The Board of Directors entrusts the day-to-day management of the company to its executive members and the senior officers, so that it can focus on oversight and certain general duties including, among others, those corresponding to it by law, those established in the Regulations of the Board and any that may be delegated to it by the General Meeting of Shareholders as stipulated in law.

There are also four Committees, which guarantee fulfilment of the Board's duties and perform the powers vested in them by law, the Articles of Association and the Regulations of the Board:

- Executive Committee
- Audit and Compliance Committee
- Nomination and Remuneration Committee
- Strategy and Investment Committee

Analysis of the composition of the Board of Directors

The Board of Directors is made up of fourteen (14) members, in accordance with the number set at the Annual General Meeting held on 29 July 2020. In the opinion of the Nomination and Remuneration Committee, this size gives the Board: (i) an adequate size to ensure efficient functioning, participation of all directors and agile decision-making; (ii) adequate diversity of expertise, experience and gender in its composition; and (iii) an adequate balance between the representation of significant shareholders and minority shareholders on the Board.

With regard to the composition of the Board from the point of view of categories of directors and the presence of women (as the gender least represented on the Board), of the fourteen (14) directors, two (2) are classified as executive, eight (8) as proprietary and four (4) as independent; and there are five (5) female directors (6 prior to the retirement of Alimentos y Aceites, as their representative on the Board was a woman).

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AND CLASSIFICATION OF DIRECTORS

Information corresponding to 2021 and 2022 up to 31.03:

DIRECTOR (INDIVIDUAL REPRESENTING CORPORATE DIRECTOR)	CATEGORY	COMMITTEES
Antonio Hernández Callejas - Chairman	Executive	Executive Committee (Chair) Strategy and Investment Committee
Demetrio Carceller Arce - Vice-Chairman	Proprietary (Significant shareholder: Sociedad Anónima Damm through Corporación Económica Delta, S.A.)	Executive Committee Nomination and Remuneration Committee Strategy and Investment Committee (Chair)
Alimentos y Aceites, S.A. (M ^a Jesús Garrido Solís) <i>Director up to 29 March 2022</i>	Proprietary (Significant shareholder: Sociedad Estatal de Participaciones Industriales -SEPI- through Alimentos y Aceites, S.A.)	-----
Belén Barreiro Pérez-Pardo	Independent	Nomination and Remuneration Committee
María Carceller Arce	Proprietary (Significant shareholder: Sociedad Anónima Damm through Corporación Económica Delta, S.A.)	-----
Fernando Castelló Clemente	Independent	Audit and Compliance Committee Nomination and Remuneration Committee (Chair)
José Ignacio Comenge Sánchez-Real	Proprietary (Significant shareholder through Mendibea 2002, S.L.)	Strategy and Investment Committee
Corporación Financiera Alba, S.A. (Alejandra Olarra Icaza. <i>As from 24 November 2021, substituting Tomás Hevia Armengol</i>)	Proprietary (Significant shareholder: Corporación Financiera Alba, S.A.)	-----
Mercedes Costa García - Consejera Coordinadora	Independent	Audit and Compliance Committee (Chair) Nomination and Remuneration Committee
Empresas Comerciales e Industriales Valencianas, S.L. (Javier Gómez-Trenor Vergés)	Proprietary (Significant shareholder: Empresas Comerciales e Industriales Valencianas, S.L.)	-----
Javier Fernández Alonso	Proprietary (Significant shareholder: Corporación Financiera Alba, S.A.)	Executive Committee Audit and Compliance Committee Strategy and Investment Committee
Grupo Tradifín, S.L. (Blanca Hernández Rodríguez)	Proprietary (Significant shareholder: Grupo Tradifín, S.L.)	Audit and Compliance Committee Nomination and Remuneration Committee
Hercalanz Investing Group, S.L. (Félix Hernández Callejas)	Executive (1)	Strategy and Investment Committee

DIRECTOR (INDIVIDUAL REPRESENTING CORPORATE DIRECTOR)	CATEGORY	COMMITTEES
Pedro Antonio Zorrero Camas <i>Director up to 31 December 2021</i>	Independent	Executive Committee Audit and Compliance Committee
Marc Thomas Murtra Millar <i>Director as from 31 January 2022</i> <i>Appointed by cooptation to fill the vacancy produced by Mr Zorrero Camas</i>	Independent	Executive Committee Audit and Compliance Committee
Jordi Xuclà Costa <i>Director as from 30 March 2022</i> <i>Appointed by cooptation to fill the vacancy produced by Alimentos y Aceites, S.A.</i>	Proprietary (Significant shareholder: Sociedad Estatal de Participaciones Industriales -SEPI- through Alimentos y Aceites, S.A.)	-----

CHANGES ON THE BOARD OF DIRECTORS AND COMMITTEES BETWEEN 31.12.2021 AND 31.03.2022

- On 24 November 2021, Alejandra Olarra Icaza joined the Board as representative of the Proprietary Director Corporación Financiera Alba, S.A. (significant shareholder of the Company), to replace Tomás Hevia Armengol.
- On 15 December 2021, after the end of the Extraordinary General Meeting held on that date, Pedro Antonio Zorrero Camas tendered his resignation from the Board with effect from 31 December 2021, as of which date he stood down from the Board and from the Executive Committee and Audit and Compliance Committee. Mr Zorrero Camas was classified as an Independent Director.
- On 31 January 2022, the Board resolved to appoint Marc Thomas Murtra Millar by cooptation to fill the vacancy produced following Mr Zorrero Camas' resignation. Marc Thomas Murtra Millar was also appointed member of the Executive Committee and the Audit and Compliance Committee of the Company. Mr Murtra Millar is classified as an Independent Director.
- On 24 March 2022, the Proprietary Director and significant shareholder Alimentos y Aceites, S.A. tendered its resignation from the Board with effect from 29 March 2022.
- On 30 March 2022, the Board resolved to appoint Jordi Xuclà Costa by cooptation to fill the vacancy produced following the resignation by Alimentos y Aceites, S.A. Mr Xuclà Costa is classified as a Proprietary Director of the significant shareholder Alimentos y Aceites, S.A., which it represents on the Board of Directors of Ebro.

INDEPENDENT DIRECTORS

The number of Independent Directors (4) is slightly below one-third (4.666) of the total number of Board members (14) recommended for non-high cap companies.

The Company considers it necessary to continue working to increase the number of Independent Directors to at least the recommended one-third, although it should be taken into account that 67.905% of the total capital of the Company is represented on the Board (*as at 31.03.2022*).

PROPRIETARY DIRECTORS

The number of Proprietary Directors (8) represents 57.142% of the total Board members (14) and 66.666% of the total Non-Executive Directors.

The percentage of Non-Executive Directors who are Proprietary Directors (66.67%) is greater than the portion of total capital represented by those Directors (57.710%). In this regard, it should be noted that: (i) the significant shareholders represented on the Board are not related in any way; (ii) 67.905% of the capital is represented on the Board; and (iii) the Company has a non-free float of 71.555% (*as at 31.03.2022*).

FEMALE DIRECTORS

Considering the presence of women on the Board, the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors of Ebro Foods, S.A. sets the Company's target for the least represented gender on the Board to account for at least 40% of the Board members before the end of 2022 and thereafter.

Prior to the resignation of Alimentos y Aceites, S.A., which was represented by a woman on the Board of Directors, there were 6 female directors on the Board, which was 42.857% of the total number of Board members set by the General Meeting (14), so the Company had reached and exceeded the target recommended in the Code of Good Governance and established in the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors.

After the resignation by Alimentos y Aceites, S.A. and the incorporation of a male director on the Board, the number of women was reduced to 5 and the percentage of women in the total number of Board members (14) was 35.714%, below the target of 40%.

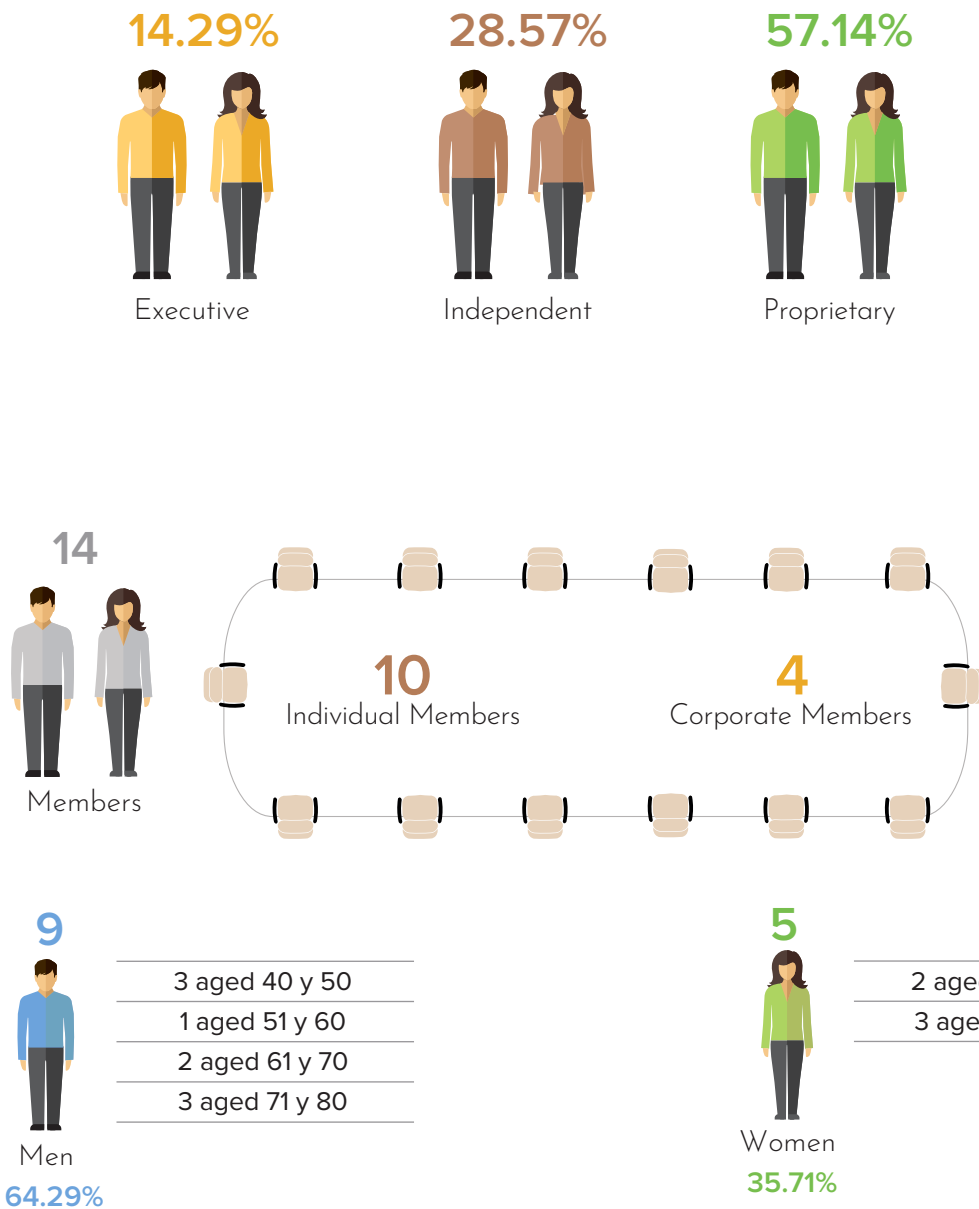
The Company is aware of the need to raise the number of female directors on the Board to recover the percentage of women existing prior to the resignation of Alimentos y Aceites, S.A. and will work to return to the 40% recommended in the Code of Good Governance and established in the Policy for Selection of Directors and Diversity in the Composition of the Board of Directors.

DIVERSITY OF PROFILES

Finally, all existing Directors have been appointed considering that their expertise, skills, professional experience, availability and suitability are adequate for the performance of their duties.

Taking account of the different professional profiles of the Directors (all specialists in a wide variety of complementary sectors, including economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and the extensive knowledge that some of them have of the Group overall, the Company believes that the current composition of the Board has an adequate diversity of professional experience and expertise for the interests of the Company and its Group.

Graph showing the composition of the Board



Significant shareholders and their interests in the capital

The information that Ebro Foods, S.A. has on its significant shareholders and their interests in the capital is obtained from the information they report directly to the Company or publish in accordance with the prevailing laws and regulations on significant holdings, as well as the information that the Company obtains from those shareholders when drawing up its Annual Financial Statements.

According to that information, the interests held by significant shareholders at 31.12.2021 and 31.03.2022 is as follows:

SIGNIFICANT SHAREHOLDER	31-12-2021					31-03-2022				
	% VOTING RIGHTS ATTRIBUTED TO SHARES			% VOTING RIGHTS THROUGH FINANCIAL INSTRUMENTS	% TOTAL VOTING RIGHTS	% VOTING RIGHTS ATTRIBUTED TO SHARES			% VOTING RIGHTS THROUGH FINANCIAL INSTRUMENTS	% TOTAL VOTING RIGHTS
	DIRECT	INDIRECT	TOTAL			DIRECT	INDIRECT	TOTAL		
Corporación Financiera Alba, S.A.	14.443	0.000	14.443	0.000	14.443	14.521	0.000	14.521	0.000	14.521
Sociedad Anónima Damm (through Corporación Económica Delta, S.A.)	0.000	11.686	11.686	0.000	11.686	0.000	11.686	11.686	0.000	11.686
Sociedad Estatal de Participaciones Industriales (through Alimentos y Aceites, S.A.)	0.000	10.360	10.360	0.000	10.360	0.000	10.360	10.360	0.000	10.360
Hercalanz Investing Group, S.L.	8.621	0.000	8.621	0.000	8.621	8.695	0.000	8.695	0.000	8.695
Grupo Tradifin, S.L.	7.961	0.000	7.961	0.000	7.961	7.961	0.000	7.961	0.000	7.961
Empresas Comerciales e Industriales Valencianas, S.L.	7.827	0.000	7.827	0.000	7.827	7.827	0.000	7.827	0.000	7.827
José Ignacio Comenge Sánchez-Real (through Mendibea 2002, S.L.)	0.002	5.199	5.201	0.000	5.201	0.002	5.199	5.201	0.000	5.201
Artemis Investment Management, LLP	0.000	3.650	3.650	0.000	3.650	N/D	N/D	N/D	N/D	N/D

CAPITAL REPRESENTED ON THE BOARD (AS AT 31.03.2022)

SCALE OF PERCENTAGE INTERESTS IN THE CAPITAL	SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD AND DIRECTORS WITH A DIRECT OR INDIRECT INTEREST IN THE CAPITAL	PERCENTAGE INTEREST
≥ 10,00%	Corporación Financiera Alba, S.A. (Significant shareholder and Proprietary Director)	14.521
	Corporación Económica Delta, S.A. (Significant shareholder represented on the Board by the Proprietary Directors Demetrio Carceller Arce and María Carceller Arce)	11,686
	Alimentos y Aceites, S.A. (Significant shareholder represented on the Board by the Proprietary Director Jordi Xuclà Costa)	10.360
≥ 5,00% < 10,00%	Hercalíanz Investing Group, S.L. (Significant shareholder and Executive Director*)	8.695
	Grupo Tradifín, S.L. (Significant shareholder and Proprietary Director)	7.961
	Empresas Comerciales e Industriales Valencianas, S.L. (Significant shareholder and Proprietary Director)	7.827
	José Ignacio Comenge Sánchez Real (Significant shareholder and Proprietary Director)	5.201
≥ 3,00% < 5,00%	----	----
< 3,00%	Fernando Castelló Clemente	1.500
	Demetrio Carceller Arce	0.132
	María Carceller Arce	0.021

(*) With regard to the classification of Hercalíanz Investing Group, S.L. as an Executive Director, see note (1) of the table showing the composition of the Board and its Committees and classification of directors.

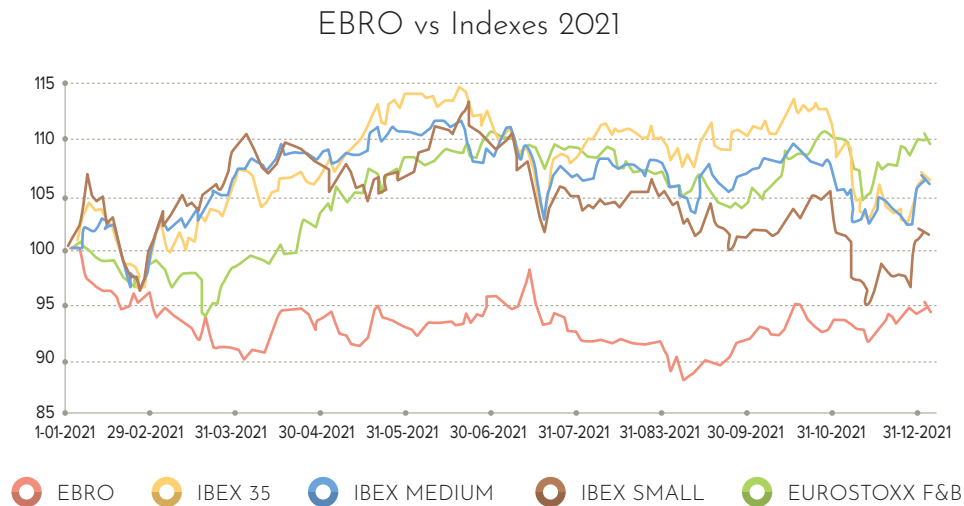
- Percentage of capital represented on the Board: 67.905%
- Total percentage of voting rights held by directors: 45.858%.
- Percentage of non-free float: 71.554%
- Percentage of free float: 28.446%



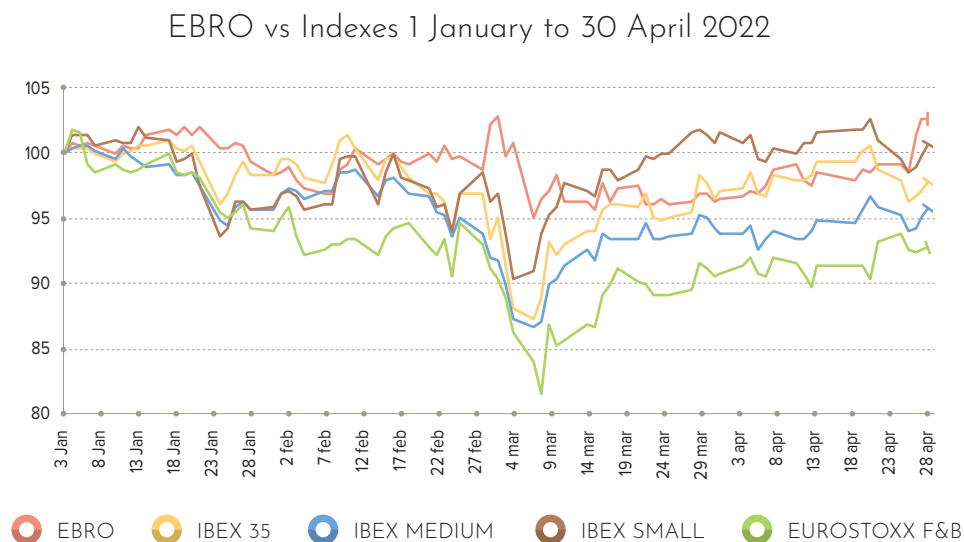
Stock performance

SHARE PERFORMANCE

During 2021, the value of the Ebro Foods share down by 4.8%. Ibex 35 closed the same period up 7.9%, the Ibex Med rose by 8.7%, the Ibex Small up 1.8% and Eurostoxx Food and Beverages rose 10.4%.



The average price of our share in 2020 was €17.03, closing at 31 December at €18.94. Share turnover was equivalent to 14.8% of the total number of shares in the company. So the average daily volume of trading in 2020 was 88,797 shares.



If we observe share performance in 2022, at 30 April the Ebro share reflected the significant payment of an extraordinary dividend in December 2021. However, when compared with the reference indexes, the value of the Ebro share has risen by 2.63%, while Ibex 35 has fallen by 2.02%, Ibex Med is down 4.2%, Ibex Small is up by 0.83% and Eurostoxx Food and Beverage is down 4.20%.

EBRO ANALYSTS

Analysts continue to rate our share highly and EBRO is currently tracked by the following firms:



At year-end 2021, the average rating by analysts gave EBRO a target price of EUR 19.06 euros per share, 12.9% higher than our market price at that date.

DIVIDENDS

An ordinary dividend of €88 million (€0.57 per share) was distributed during 2021 against the 2020 profits. In addition, after divesting of the dry pasta, semolina and sauces business in France, an extraordinary dividend of €88 million (€0.57 per share) was paid on 22 December 2021.

The dividend yield per share at year-end 2021 was thus 6.75%.

For 2022, the Ebro Foods board unanimously resolved on 15 December 2021 to table a motion at the forthcoming Annual General Meeting proposing a dividend of €0.57 per share against the 2021 earnings, to be distributed in three payments of €0.19 per share in April, June and October 2022 (€88 million). The dividend would thus be maintained at the same level as in 2021.

NB: All the information on the ownership structure and governance of the company can be consulted in the Annual Corporate Governance Report.

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. We describe these non-financial risks below:

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

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 investments 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.

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.
- 3. Cybersecurity.** 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. The Group has an action plan contemplating: (i) the ongoing training of personnel on these threats, (ii) the definition of an adequate network infrastructure (firewalls, Wi-Fi access, network electronics, browsing possibilities and design of connected industrial networks), (iii) the correct definition of user points (antivirus, mobile device management systems, permissions, updates) and (iv) a 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.

El principal mitigador para este tipo de riesgos es la diversificación tanto de los orígenes de la materia prima como de los países a los que se destina nuestros productos. Asimismo, el Grupo se asegura una capacidad productiva flexible con plantas en cuatro continentes, lo que minimiza los eventuales problemas locales. Adicionalmente, el Grupo tiene cubiertas la totalidad de sus fábricas e instalaciones con pólizas de seguros en vigor, que mitigarían cualquier eventualidad que pueda poner en peligro el valor de estas.

- 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, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified the potential risks, impacts and opportunities that climate change may have in our organisation, establishing the appropriate mitigation and/or adaptation measures for each one. Some of them are already contemplated in our Sustainability Plan **HEADING FOR 2030** (caringforyouandtheplanet.com), including: 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. This will shortly be taken further, with the financial quantification of those risks and impacts.

- 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.

NB: Further information on the description of risks and the risk management and control system can be found in section 4 of the Management Report and section E of the Annual Corporate Governance Report, both retrievable from the company's website.

