FINANCIAL REPORT
EBRO 2021

Ebro

FINANCIAL HIGHLIGHTS

01

CONSOLIDATED FIGURES (000€)

PROFIT AND LOSS	2019	2020	2020/2019	2021	2021/2020	CAGR 2021/2019
Revenue	2,095,245	2,430,310	16.0%	2,427,068	(0.1%)	7.6%
Advertising	(58,962)	(67,408)	(14.3%)	(75,474)	12.0%	13.1%
EBITDA-A	251,365	305,132	21.4%	301,860	(1.1%)	9.6%
EBIT-A	170,461	211,711	24.2%	207,295	(2.1%)	10.3%
Operating profit	158,344	205,533	29.8%	203,058	(1.2%)	13.2%
Profit for the year from continuing operations	98,071	117,227	19.5%	145,219	23.9%	21.7%
Profit after tax for from discontinued operations	52,217	89,424	71.3%	105,027	17.4%	41.8%
Profit attributable to equity holders of parent	141,752	192,415	35.7%	238,629	24.0%	29.7%

	12-31-19	12-31-20	2020/2019	12-31-21	2021/2020
Average working capital	643,139	642,535	0.1%	662,058	(3.0%)
Average capital employed	2,080,166	2,183,209	(5.0%)	2,060,319	5.6%
ROCE-A **(1)**	8.2	9.7		10.1	
Capex **(2)**	148,705	117,602	(20.9%)	120,035	2.1%
Average headcount	7,522	7,664	1.9%	6,440	(16.0%)

STATEMENT OF FINANCIAL POSITION	12-31-19	12-31-20	2020/2019	12-31-21	2021/2020
Equity	2,262,203	1,927,351	(14.8%)	2,101,627	9.0%
Net debt	999,849	950,757	4.9%	504,723	46.9%
Average net debt	871,658	917,574	(5.3%)	865,418	5.7%
Leverage **(3)**	38.5%	47.6%		41.2%	
Total assets	4,381,004	4,035,662	(7.9%)	3,938,622	(2.4%)

STOCK MARKET DATA	12-31-19	12-31-20	2020/2019	12-31-21	2021/2020
Number of shares	153,865,392	153,865,392	0.0%	153,865,392	0.0%
Market capitalisation at year-end	2,968,063	2,914,211	(1.8%)	2,597,248	(10.9%)
Earnings per share (EPS)	0.92	1.25	35.7%	1.55	24.0%
Dividend per share (DPS)	0.57	2.51	340.4%	1.14	(54.6%)
Underlying carrying amount per share	14.70	12.53	(14.8%)	13.66	9.0%

(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) cash outflows for investment purposes On average, 15 million euros corresponds to activities that were discontinued.
(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests).

RICE BUSINESSES (000€)

PROFIT AND LOSS	2019	2020	2020/2019	2021	2021/2020	CAGR 2021/2019
Revenue	1,592,464	1,846,799	16.0%	1,810,570	(2.0%)	6.6%
Advertising	(33,785)	(37,534)	(11.1%)	(39,952)	6.4%	8.7%
EBITDA-A	195,465	238,123	21.8%	231,650	(2.7%)	8.9%
EBIT-A	146,131	180,719	23.7%	173,057	(4.2%)	8.8%
Operating profit	136,672	176,592	29.2%	171,102	(3.1%)	11.9%
Capex	75,160	69,345	(7.7%)	74,246	7.1%	(0.6%)

PASTA BUSINESSES (000€)

PROFIT AND LOSS	2019	2020	2020/2019	2021	2021/2020	TAMI 2021/2019
Revenue	567,646	666,072	17.3%	671,879	0.9%	8.8%
Advertising	(27,786)	(31,234)	(12.4%)	(37,018)	18.5%	15.4%
EBITDA-A	67,854	81,302	19.8%	84,856	4.4%	11.8%
EBIT-A	37,783	46,803	23.9%	50,477	7.8%	15.6%
Operating profit	33,779	42,915	27.0%	46,360	8.0%	17.2%
Capex	71,772	47,474	(33.9%)	45,266	(4.7%)	(20.6%)

AUDITOR'S REPORT
INDIVIDUAL ANNUAL ACCOUNTS

02

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

AUDIT REPORT ON THE FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

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

Audit report in 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, 2021, 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, 2021, 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.

Building a better working world

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	At December 31, 2021, the Company recorded investments in group companies and associates amounting to 1,765,668 thousand euros in "Non-current investments in group companies and associates - Equity instruments" on the balance sheet. Company management assesses, at least at the end of each reporting period, whether there are indications of impairment and writes down these investments whenever there is objective evidence that the carrying amount of the investment is no longer recoverable, recognizing an impairment loss for the amount of the difference between carrying amount and recoverable amount. Since determining the recoverable amount requires the use of estimates, for which management must make complex judgments to establish the assumptions underlying those estimates (particularly those related to future profit and loss generated by its group companies and associates), and due to the significance of the amounts involved, we determined this to be a key audit matter. Information on the applicable measurement standards and the related disclosures are provided in notes 4 g, 4h, and 8 to the accompanying financial statements.
Our response	Our audit procedures related to this matter included: ▶ Understanding the process designed by management to identify whether there are indications of impairment and to determine the recoverable amount of the investments in group companies and associates, as well as assessing the design and implementation of the relevant controls in place in that process. ▶ Obtaining and analyzing the calculations made by the independent expert engaged by management to value each cash-generating unit (CGU) pertaining to the investments in group companies and associates at year end, assessing the competence, capacity, and objectivity of the expert for the purpose of using their work as audit evidence. ▶ Reviewing the methodology used to determine the recoverable amount, with the involvement of our valuation specialists, paying special attention to the methodology's mathematical coherence and the reasonableness of the cash flow projections of each material CGU, discount rates, and long-term growth rates when the recoverable amount was determined using the expected discounted cash flows from these companies. ▶ Reviewing the documentation supporting alternative analyses conducted by management when the latter is used to substantiate the recoverable amount, as well as the equity of investees adjusted by unrealized capital gains existing at the valuation date. ▶ Reviewing the disclosures made in the notes to the financial statements, assessing whether they are in conformity with the applicable financial reporting framework.

Other information: Management report

Other information refers exclusively to the 2021 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 and in the Board Remuneration 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.

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 management report is consistent with that provided in the 2021 financial statements and its content and presentation are in conformity with applicable regulations.

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 disclosures requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of EBRO FOODS, S.A. for the 2021 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Ebro Foods, S.A. are responsible for submitting the annual financial report for the 2021 financial year in accordance with the formatting requirements established by Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (the "ESEF Regulation").

Our responsibility consists of examining the digital file prepared by the Company's directors in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

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 7, 2022.

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, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

____

Alfonso Manuel Crespo
(Registered in the Official Register of Auditors under No. 22308)

April 7, 2022

INDIVIDUAL ANNUAL ACCOUNTS AND MANAGEMENT REPORT

03

EBRO FOODS, S.A.

Balance sheet
at december 31, 2021 and 2020

ASSETS (000€)	NOTE	12-31-21	12-31-20
A) NON-CURRENT ASSETS		**1,913,884**	**2,085,244**
I. Intangible assets	**5**	**15,308**	**5,202**
3. Patents, licences and trademarks		14,355	3,930
5. Software		953	1,272
II. Property, plant and equipment	**6**	**671**	**723**
2. Plant and other PP&E		671	723
III. Investment property	**7**	**8,478**	**8,509**
1. Land		7,273	7,276
2. Buildings		1,205	1,233
IV. Non-current investments in group companies and associates	**8**	**1,884,330**	**2,063,955**
1. Equity instruments		1,765,668	1,863,955
2. Loans to companies	**8 & 17**	118,662	200,000
V. Non-current financial assets	**9**	**146**	**146**
5. Other financial assets		146	146
VI. Deferred tax assets	**15**	**4,951**	**6,709**
B) CURRENT ASSETS		**195,628**	**41,468**
III. Trade and other receivables	**9 y 10**	**8,237**	**18,531**
1. Trade receivables		1,573	124
2. Trade receivables, group companies and associates	**17**	4,643	11,187
3. Miscellaneous receivables		8	8
4. Receivable from employees		183	7
5. Current tax assets	**15**	1,830	6,183
6. Other tax receivables	**15**	0	1,022
VII. Cash and cash equivalents	**11**	**187,391**	**22,937**
1. Cash		187,391	22,937
TOTAL ASSETS		**2,109,512**	**2,126,712**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2021.

EBRO FOODS, S.A.

Balance sheet
at december 31, 2021 and 2020

LIABILITIES (000€)	NOTE	12-31-20	12-31-19
A) EQUITY		**1,237,953**	**1,086,219**
A.1) CAPITAL AND RESERVES	**12**	**1,237,953**	**1,086,219**
I. Capital		**92,319**	**92,319**
1. Issued capital		92,319	92,319
II. Share premium		**5**	**5**
III. Reserves		**818,484**	**959,434**
1. Legal and statutory reserves		18,464	18,464
2. Other reserves		800,020	940,970
VII. Profit/(loss) for the year		**327,145**	**34,461**
B) NON-CURRENT LIABILITIES		**815,777**	**650,546**
I. Non-current provisions	**14**	**15,724**	**18,622**
1. Non-current employee benefit obligations		3,682	2,652
4. Other provisions		12,042	15,970
II. Non-current borrowings	**9**	**355,917**	**207,513**
2. Bank borrowings	**13**	349,805	199,851
4. Derivatives	**9**	6,100	7,650
5. Other financial liabilities		12	12
III. Non-current borrowings from group companies and associates	**17**	**415,929**	**370,209**
IV. Deferred tax liabilities	**15**	**28,207**	**54,202**
C) CURRENT LIABILITIES		**55,782**	**389,947**
III. Current borrowings:	**9**	**25,151**	**365,143**
2. Bank borrowings	**13**	25,151	365,143
IV. Current borrowings from group companies and associates	**17**	**302**	**300**
V. Trade and other accounts payable:	**9**	**30,329**	**24,504**
1. Trade payables		6,026	626
2. Trade payables, group companies and associates		205	21
4. Employee benefits payable		4,182	4,691
5. Current tax liabilities	**15**	13,739	0
6. Other tax payables	**15**	6,177	19,166
TOTAL EQUITY AND LIABILITIES		**2,109,512**	**2,126,712**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2021.

EBRO FOODS, S.A.

Statement of profit or loss for the years ended december 31, 2021 and 2020

(000€)	NOTE	2021	2020
CONTINUING OPERATIONS			
Revenue		**6,704**	**48,916**
Revenue from services rendered		3,868	3,715
Dividends from group companies and associates	**8 & 17**	1,397	43,123
Finance income from group companies	**17**	1,439	2,078
Other operating income		**5,401**	**5,510**
Ancillary and other operating income		5,401	5,510
Employee benefits expense		**(14,244)**	**(13,602)**
Wages and salaries		(10,855)	(10,734))
Employee benefits		(1,225)	(1,220)
Provisions		(2,164)	(1,648)
Other operating expenses		**(11,574)**	**(9,750)**
External services		(9,827)	(9,168)
Taxes other than income tax		(1,747)	(582)
Depreciation and amortization	**5, 6 & 7**	**(1,723)**	**(1,384)**
Impairment of and gains/(losses) on disposal of fixed assets		**263**	**213**
Gains/(losses) on disposals	**7**	263	213
OPERATING PROFIT/(LOSS)		**(15,173)**	**29,903**
Finance income		**2**	**1,088**
From marketable securities and other financial instruments:			
Third parties		2	1,088
Finance costs		**(5,196)**	**(4,323)**
Borrowings from group companies and associates	**17**	(2,673)	(2,285))
Third-party borrowings		(2,523)	(2,038)
Change in fair value of financial instruments		**1,550**	**700**
Held-for-trading portfolio and other securities	**9**	1,550	700
Exchange gains/(losses)	**9**	**(1,144)**	**1,093**
Impairment of and gains/(losses) on disposal of financial assets		**332,129**	**1,666**
Impairment and losses	**8**	4,500	5,900
Gains/(losses) on disposals	**8 & 9**	327,629	(4,234)
NET FINANCE INCOME		**327,341**	**224**
PROFIT BEFORE TAX		**312,168**	**30,127**
Income tax	**15**	**14,977**	**4,334**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**327,145**	**34,461**
PROFIT FOR THE YEAR		**327,145**	**34,461**

The accompanying notes 1 to 20 are an integral part of the statement of profit or loss for the year ended December 31, 2021.

EBRO FOODS, S,A

Statement of recognized income and expense for the years ended december 31, 2021 and 2020

(000€)	NOTAS	2021	2020
A) Profit as per statement of profit or loss		327,145	34,461
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)		**327,145**	**34,461**

The accompanying notes 1 to 20 are an integral part of the statement of recognized income and expense for the year ended December 31, 2021.

EBRO FOODS, S,A,

Statement of total changes in equity for the years ended december 31, 2021 and 2020

(000€)	CAPITAL	SHARE PREMIUM	RESERVES	OWN SHARES	RETAINED EARNINGS	PROFIT/ (LOSS) FOR THE YEAR	INTERIM DIVIDEND	OTHER EQUITY INSTRUMENTS	VALUATION ADJUSTMENTS	GRANTS, DONATIONS AND BEQUESTS RECEIVED	TOTAL
OPENING 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								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
I. Restatements for changes in accounting criteria											0
II. Restatements for prior-year errors											0
RESTATED BALANCE AT 1/1/2021	92,319	5	959,434	0	0	34,461	0	0	0	0	1,086,219
I. Total recognized income and expense						327,145			0		327,145
II. Transactions with shareholders and owners:	0	0	(175,411)	0	0	0	0	0	0	0	(175,411)
Dividend distribution			(175,407)								(175,407)
Transactions with own shares (net)			(4)								(4)
Other transactions with shareholders			0								0
III. Other changes in equity			34,461			(34,461)					0
CLOSING BALANCE AT 31/12/2021	**92,319**	**5**	**818,484**	**0**	**0**	**327,145**	**0**	**0**	**0**	**0**	**1,237,953**

The accompanying notes 1 to 20 are an integral part of the statement of total changes in equity for the year ended December 31, 2021.

EBRO FOODS, S,A,

Statement of cash flows for the years ended 31 december 2021 and 2020

(000€)	NOTE	2021	2020
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		(15,692)	50,774
1. Profit for the year before tax		312,168	30,127
2. Adjustments for non-cash income and expenses:		(328,103)	(42,606)
a) Depreciation and amortization (+)	5,6 & 7	1,723	1,384
b) Impairment charges (+/–)	8	(6,050)	(5,900)
c) Changes in provisions (+/–)	14	2,164	1,648
e) Gains/(losses) on derecognition and disposal of fixed assets (+/–-)	7	(263)	(213)
f) Gains/(losses) on derecognition and disposal of financial instruments (+/–-)	8	(327,629)	4,234
g) Finance income (–)		(1,441)	(3,166)
h) Finance costs (+)		3,646	3,623
i) Exchange differences (+/–)	9,1	1,144	(1,093)
k) Other income and expenses (+/–)		(1,397)	(43,123)
3. Changes in working capital		(7,839)	18,587
b) Trade and other accounts receivable (+/–)		1,203	291
d) Trade and other payables (+/–)		(9,042	18,296
4. Other cash flows from operating activities		8,082	44,666
a) Interest paid (–)		(4,106)	(2,189)
b) Dividends received (+)		1,397	43,123
c) Interest received (+)		1,216	2,028
d) Income tax receipts (payments) (+/–)		9,575	1,704
NET CASH FLOWS FROM INVESTING ACTIVITIES		537,161	16,898
6. Payments for investments (-)		(11,763)	(615)
b) Intangible assets		(11,591)	(340)
c) Property, plant and equipment	6	(172)	(275)
7. Proceeds from disposals (+)		548,924	17,513
a) Group companies and associates		548,636	17,300
d) Investment properties		232	213
f) Non-current assets held for sale		56	0
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(357,116)	(63,489)
9. Proceeds from and payments for equity instruments		(632)	(644)
c) Acquisition of own equity instruments (-)		(632)	(644)
10. Proceeds from and repayment of financial liabilitieso		(181,077)	323,357
a) Issuance of:		**664,160**	**555,363**
2. Bank borrowings (+)		503,081	405,349
3. Borrowings from group companies and associates (+)		161,079	150,014
b) Repayment of:		**(845,237)**	**(232,006)**
2. Bank borrowings (–)		(693,114)	(188,595)
3. Borrowings from group companies and associates (–)		(151,330)	(43,336)
4. Other borrowings (–)		(793)	(75)
11. Dividends and payments on other equity instruments		(175,407)	(386,202)
a) Dividends (–)		(175,407)	(386,202)
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		101	(2,295)
NET INCREASE IN CASH AND CASH EQUIVALENTS		164,454	1,888
Cash and cash equivalents, opening balance		22,937	21,049
CASH AND CASH EQUIVALENTS, CLOSING BALANCE		**187,391**	**22,937**

The accompanying notes 1 to 20 are an integral part of the statement of cash flows for the year ended December 31, 2021.

EBRO FOODS, S,A,

Notes to the financial statements for the year ended December 31, 2021

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 Group'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 2021, which were authorised for issue by the Board of Directors of Ebro Foods, S.A. on March 30, 2022. The 2020 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 30, 2021 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 2021 and 2020 consolidated financial statements, which were drawn up in accordance with Final Provision Eleven of Spanish Law 62/2003, of December 30, under the International Financial Reporting Standards approved by the European Commission, are replicated below:

(000€)	AT 12-31-2020		AT 12-31-2021	
TOTAL ASSETS		**4,035,662**		**3,938,622**
Equity:		**1,957,798**		**2,133,190**
Attributable to equity holders of the parent	1,927,351		2,101,627	
Attributable to non-controlling interests	30,447		31,563	
Income		**2,430,310**		**2,427,068**
Profit for the year:		**206,651**		**250,246**
Attributable to equity holders of the parent	192,415		238,629	
Attributable to non-controlling interests	14,236		11,617	

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 authorised 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 2021 by Royal Decree 1/2021, of January 12, and other prevailing company law.

c) The binding rules issued by the ICAC (acronym in Spanish for the Audit and Accounting Institute) 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 authorised 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 2020 financial statements were approved by shareholders at the Annual General Meeting held on June 30, 2021.

COMPARATIVE INFORMATION
The information provided in these financial statements in respect of 2021 is presented to enable a reader comparison with the equivalent 2020 figures.

As indicated above, Royal Decree 1/2021, which amends Spain's General Accounting Plan essentially with respect to financial instrument recognition and disclosures and revenue recognition, took effect from January 1, 2021.

Application of those amended criteria from January 1, 2021 has not have any impact whatsoever on the Company's financial statements nor does the Company need to provide any reconciliation of the various financial asset and liability headings with respect to prior-year presentations. The Company's trade receivables were already being measured initially at fair value and subsequently at amortized cost so that they continue to be carried at the same amounts under the new rules. Moreover, the Ebro Foods only financial assets are its investments in group companies and associates, which include:

- Equity investments in group companies and associates
- Current and non-current loans to group companies

With respect to the former, the 2021 accounting amendments do not imply any change in criteria; those assets continue to be classified as financial assets carried at cost. Those assets' carrying amount will only be modified if they become impaired; until such time they will continue to be measured at cost.

Specifically, under the amended classification rules, financial assets must be classified into the following categories:

1. Financial assets at fair value through profit or loss.
2. Financial assets at amortized cost.
3. Financial assets at fair value through equity.
4. Financial assets at cost.

The Company's investments in group companies and associates will remain within financial assets at cost.

As for its loans to group companies, which are ordinary loan agreements, the 2021 amendments stipulate the following:

2.2 Financial assets at amortized cost.
A financial asset must be included in this category, even if it is admitted to trading on an organised market, when the entity holds it with the objective of collecting the contractual cash flows and those contractual terms give rise to payments on specific dates that are solely payments of principal and interest on the principal outstanding.

The contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are akin to those of an ordinary loan agreement, irrespective of whether the parties agree a below-market rate of interest or a rate of zero.

(....)

The entity's business model is a matter of fact and does not depend on management's intention for an individual financial instrument. An entity may have more than one business model for managing its financial instruments and in some circumstances, it may be appropriate to separate a portfolio of financial instruments into sub-portfolios to reflect the level at which the entity manages its financial assets.

The Company's non-current financial assets are therefore included in this category and the new criteria do not imply any change from how they used to be measured and presented.

Note lastly that the new revenue recognition criteria have not had any impact on how the Company recognises revenue in its statement of profit or loss.

CRITICAL ISSUES CONCERNING 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 there are no contingencies that could give rise to material additional liabilities 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, of 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 recognises provisions for liabilities in keeping with the accounting policy outlined in note 4.o below. The Company has made judgements and estimates as to the likelihood that the provisioned liabilities will materialise, 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 2021 FINANCIAL STATEMENTS

The global economy continues to be severely affected by the COVID-19 pandemic, which triggered an unprecedented contraction in global GDP during the first half of 2020. In response, governments all around the world rolled out decisive fiscal and monetary policy measures which, together with the waning impact of the virus itself, enabled a considerable recovery in the economy in the second half of the year. Even so, global GDP contracted by approximately 3.3% in 2020.

Although it is probable that the pandemic will continue to have an adverse effect on economic activity in the short term, the economic recovery is expected to continue, facilitated by the advanced stage of the vaccination effort (particularly in some countries), the gradual easing of restrictions on mobility and the economic stimulus measures. The significant fiscal stimulus packages announced in the US at the end of 2020 and during 2021 and the extension of lax monetary policy by the main central banks have reinforced the outlook for a global economic recovery. Nevertheless, epidemiological, financial, economic and geopolitical factors cast uncertainty over the ongoing recovery. Although it looked during the second half of 2021 as if things had turned around and almost returned to a pre-pandemic scenario (especially in Europe and North America), the advent of a new 'wave' of infections as a result of new variants of the virus once again pushed back the recovery process. Nevertheless, the recovery is expected to remain on a firm footing in 2022, notwithstanding the impact of other factors disclosed in note 20 (Events after the reporting date).

In Spain events were marked by the declaration of a succession of states of alarm (which ended on May 9, 2021) and the approval of a raft of urgent and extraordinary measures to address the economic and social fallout from COVID-19. Other countries took 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 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 2021 consolidated financial statements.
3. The pandemic appears to be largely under control in Europe and the US but is still having different impacts from one country to the next. 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 on its Group beyond December 31, 2021, which, if necessary, would be recognized prospectively in the 2022 financial statements.
4. Ebro Foods, S.A. continues to take the steps required to tackle the situation and minimise 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 2021 THAT AFFECT THE BASIS OF PRESENTATION

The Company did not undertake any transactions in 2021 or 2020 that affect the presentation or comparability of these financial statements.

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.

APPLICATION OF NEW ACCOUNTING STANDARDS

The amendments introduced to Spain's General Accounting Plan by means of Royal Decree 1/2021 (January 12, 2021) change the rules for recognising and measuring financial instruments and for recognising revenue in order to adapt them for IFRS 9 (including the optional hedge accounting rules) and IFRS 15, respectively. Although the amendment of the General Accounting Plan cannot be considered a new standard per se, it does modify certain aspects of the pre-existing standards, as itemised throughout these annual financial statements.

3. Appropriation of profit

(000€)	AMOUNT
Basis of appropriation	
Unrestricted reserves	796,856
Profit for the year (as per statement of profit or loss)	327,145
TOTAL	**1,124,001**

The distribution of profit proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors held on December 15, 2021 for submission for ratification at the upcoming Annual General Meeting is as follows:

The profit generated by the Ebro Foods Group in 2021 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 2022, 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 1, June 30 and October 3, 2022.

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 policies

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, they 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 capitalisation 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 capitalised 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:

	COEFICIENTE DE AMORTIZACIÓN
Buildings	2.0 a 3.0%
Machinery, plant and tools	2.0 a 8.0%
Furniture and other fixtures	10.0 a 25.0%
Vehicles	5.5 a 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 inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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. Financial assets at fair value through profit or loss:

This category includes financial assets originated or acquired principally for the purpose of selling them in the near future (for example, debt securities, irrespective of their maturity, and listed equity instruments that are purchased for sale in the short term). It also includes assets that are part of a portfolio of financial instruments identified or administered on a joint basis, for which there is evidence of recent action to obtain short-term profit, and derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

These financial assets are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable to their issuance are recognized in profit or loss in the year incurred.

Subsequent to initial recognition, the Company measures the financial assets included in this category at their fair value, recognising changes in their fair value in profit or loss.

Lastly, in addition to the above-listed financial instruments, any financial asset other than investments in a subsidiary, joint venture or associate may be designated at fair value through profit or loss upon initial recognition if management so decides when recognising the asset for the first time.

1.2. Financial assets at amortized cost
This category includes trade and non-trade receivables, specifically including financial assets originating from the sale of goods and provision of services in the ordinary course of business for which payment is deferred and financial assets that are not commercial in origin, are neither equity instruments nor derivatives, carry fixed or determinable payments and derive from loans or credit granted by the Company.

Upon initial recognition, these assets 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.

Nevertheless, trade receivables that mature within no more than a year from the reporting date with no explicit contractual interest rate, as well as advances and loans to employees, dividends receivable and called-up payments on equity instruments, the amount of which is expected to be realised in the short term, may be measured at their face value, provided that the effect of not discounting the cash flows is not material.

1.3. Financial assets at cost
This category includes equity investments in group companies, joint ventures, and associates. Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or otherwise reliably estimated, and derivatives with such an investment as its underlying. Hybrid financial assets whose fair value cannot be reliably estimated, unless they meet the criteria for classification as financial assets at amortized cost. Contributions made under unincorporated joint venture and similar agreements.

Profit-participating loans in which interest payments are contingent either because the parties agree a fixed or variable rate conditional upon a specific milestone at the borrower (e.g., the generation of a profit) or because the interest is calculated exclusively by reference to the borrower's business performance. Any other financial asset which would initially fall into the fair value through profit or loss category when it is ultimately not possible to reliably estimate its fair value.

These assets are initially recognized at cost, which is equivalent to the fair value of the consideration delivered plus directly attributable transaction costs, additionally taking into consideration the criteria governing related-party transactions and the rules for determining the cost of a business combination, as required. The initially-recognized amount of an equity investment includes preferential subscription and similar rights acquired.

Equity investments in group companies, joint ventures and associates are subsequently measured at cost less any accumulated impairment.

When an investment is newly classified as an investment in a subsidiary, joint venture or associate, its deemed cost is the carrying amount of that investment immediately prior to the reclassification.

The financial assets included in this category are subsequently measured at cost less any accumulated impairment.

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 at fair value through equity

A financial asset is included in this category when the contractual terms of a financial asset give rise to payments on specific dates that are solely payments of principal and interest on the principal outstanding, it is not held for trading and cannot be classified at amortized cost.

In addition, the equity investments the Company decides not to include in financial assets at fair value through profit or loss may be classified in this category so long as management makes that irrevocable choice upon initial recognition.

1.5. Hedging derivatives:

Derivatives designated as hedging instruments.

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 recognise 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, recognising 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 derecognise 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 arrangements, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitisations of financial assets in which it retains subordinated financing or other types of guarantees that substantially absorb all the estimated losses. In those instances, it recognises 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.

In addition, when distributed dividends are derived unmistakably from profit generated prior to the date of acquisition, based on the conclusion that the amounts distributed exceed the profit generated by the investee - and its subsidiaries in the case of subgroups - since acquisition, the dividends are not recognized as revenue but rather as a decrease in the carrying amount of the investment.

4. Reclassification of financial assets

When the Company's business model for managing financial assets changes it reclassifies all of the assets affected in keeping with the criteria outlined above. A category reclassification does imply a derecognition but rather a change of measurement criteria and is accounted for prospectively.

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.

Financial assets at amortized cost

At least at every year-end, the Company checks for objective evidence of impairment of an individually assessed financial asset or a group of financial assets with similar credit risk characteristics as a result of one or more events that occurred after initial recognition that has the effect of reducing the estimated future cash flows due to impaired debtor creditworthiness.

Any required financial asset impairment allowances are calculated as the difference between the carrying amount of the assets and the present value of estimated future cash flows, including cash flows expected from the foreclosure of any collateral, discounted at the effective interest rate prevailing at the initial recognition date.

Impairment allowances and any subsequent reversals (when the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized) are recognized as an expense or as income, respectively, in profit or loss. The reversal is limited to the amount at which the asset would have been recognized at the reversal date had no impairment loss been recognized.

Financial assets at cost

Investments in equity instruments are tested for impairment at least at each reporting date and the corresponding impairment losses are recognized when there is objective evidence that the carrying amount of an investment may not be recoverable.

Impairment of these assets is recognized at the difference between their carrying and recoverable amounts, the latter understood as the higher of fair value less costs to sell and the present value of expected future cash flows from the investment, which in the case of equity instruments is calculated either by estimating cash flows from the dividends to be received from the investee and the proceeds from the ultimate disposal of the investment or by estimating the Company's share of expected cash flows from the investee's operations and the proceeds from its ultimate disposal.

Financial assets at fair value through equity

In the case of equity instruments measured at fair value through equity, impairment allowances are measured at the difference between acquisition cost and fair value, less any previously recognized impairment losses. Unrealised 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 equity instruments, impairment allowances 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 recognising the related allowances. If, in a subsequent period, impairment allowances are partially or totally reversed, a valuation adjustment is recognized for the related amount in equity.

I) FINANCIAL LIABILITIES

1. Classification and measurement

1.1. Financial liabilities at amortized cost:

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

Profit-participating loans with characteristics akin to an ordinary loan are also included in this category, even if the interest rate agreed is a below-market rate or a rate of zero.

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.

Nevertheless, trade payables that mature within less than one year with no contractual interest rate, as well as called-up payments on shares, payment of which is scheduled in the short term, may be carried at their face value when the effect of not discounting the cash flows is not significant.

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.

However, payables that mature no more than one year from the reporting date and are carried at face value, as outlined above, continue to be measured at that amount.

1.2. Financial liabilities at fair value through profit or loss:

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 liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable to their issuance are recognized in profit or loss in the year incurred.

Subsequent to initial recognition, the Company measures the financial liabilities included in this category at their fair value, recognising changes in their fair value in profit or loss.

1.3. Hedging derivatives:

Derivatives designated as hedging instruments. 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 they are 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) FAIR VALUE ESTIMATION

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices.
- Where there is no active market, fair value is determined using valuation techniques based on market assumptions at the time of the measurement, specifically discounted cash flow analysis using market discount rates and, in the case of options, factoring in the volatilities implicit in the market participants' prices.

Non-current financial assets

There is no difference between the fair value and carrying amount of non-current loans granted since they all accrue interest at floating rates.

Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are measured at cost, or below cost if there is evidence of impairment.

Trade receivables

For receivables due in less than one year, the Company estimates that the carrying amount is a reasonable approximation of fair value.

Current financial assets

There is no difference between the fair value and carrying amount of current loans granted since they all accrue interest at market rates. For current financial assets, as their maturity is close to the financial year-end, the Company considers their carrying amount to be a reasonable approximation of fair value.

Bank borrowings

For current and non-current bank borrowings there is no significant difference between fair value and carrying amount since all these borrowings carry interest at market rates.

Trade and other payables

The Company considers the carrying amount of these headings to be a reasonable approximation of fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Company used the three following fair value hierarchies, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

- **Level 2:** estimates based on quoted prices in active markets for similar instruments or by means of other valuation techniques for which all of the significant inputs are based on market data that are observable either directly or indirectly.
- **Level 3:** estimates in which at least one significant input is not based on observable market data.

L) 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 cancelled. The costs incurred to trade in own shares are recognized directly in equity as a deduction from reserves.

M) 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 Group'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.

N) 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.

O) 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.

P) 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 externalising 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.

Q) 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 recognised 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 utilised, except as disallowed under prevailing legislation.

At each reporting date the Company reassesses recognized and unrecognised 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.

R) 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.

S) 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 control over the promised goods or services has been transferred to the customer. At that time, the Company measures the corresponding revenue at the amount of consideration received or receivable in exchange for those goods or services. Applicable indirect taxes on transactions which are reimbursed by third parties are not included.

In recognising revenue for accounting purposes, the Company follows a multi-step process:

a) It identifies the contract(s) with its customers.

b) It identifies the performance obligation(s) in the contract(s).

c) It determines the transaction price.

d) It allocates the transaction price to the performance obligation(s).

e) It recognises revenue when (or as) it performs the performance obligation(s).

Ebro Foods, S.A.'s key sources of revenue are the dividends paid by its subsidiaries and the IT services it provides to its subsidiaries. The IT services provided are governed by one-year agreements that are automatically rolled over each year; those contracts feature a fixed price. The services are provided and consumed over the course of the one-year provision period and are not subject to price variability, so that it is assumed that the contracts cannot be modified during the provision period (of one year).

T) 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.

U) 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 these 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.

V) 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 minimise 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.

X) 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.

Y) 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 2021 and 2020 is as follows:

CARRYING AMOUNTS

	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
Balance at December 31, 2019	4,718	1,276	**5,994**
Balance at December 31, 2020	3,930	1,272	**5,202**
Balance at December 31, 2021	14,355	953	**15,308**

GROSS CARRYING AMOUNTS

	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
BALANCE AT DECEMBER 31, 2019	**13,110**	**4,140**	**17,250**
Business combinations			0
Additions		341	341
Decreases			0
Translation differences			0
Transfers	(1)	1	0
BALANCE AT DECEMBER 31, 2020	**13,109**	**4,482**	**17,591**
Business combinations			0
Additions	11,500	91	11,591
Decreases			0
Translation differences			0
Transfers			0
BALANCE AT DECEMBER 31, 2021	**24,609**	**4,573**	**29,182**

AMORTIZATION AND IMPAIRMENT CHARGES

	TRADEMARKS & PATENTS	COMPUTER SOFTWARE	TOTAL
BALANCE AT DECEMBER 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 DECEMBER 31, 2020	**(9,179)**	**(3,210)**	**(12,389)**
Business combinations			0
Additions	(1,075)	(410)	(1,485)
Decreases			0
Translation differences			0
Transfers			0
BALANCE AT DECEMBER 31, 2021	**(10,254)**	**(3,620)**	**(13,874)**

At year-end 2021, the Company had patents and trademarks with an original cost of 1,649 thousand euros (year-end 2020: 1,649 thousand euros) and computer software with an original cost of 2,691 thousand euros (year-end 2020: 2,632 thousand euros) still in use that were fully amortized.

The only movement of significance in 2021 was the acquisition of the Kohinoor rice trademark for use in Europe and the UK for 11,500 thousand euros. There were no material movements under this heading in 2020.

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, and the Kohinoor brand (for use in continental Europe and the UK), acquired in 2021. The Company was not party to any firm commitments for the acquisition of intangible assets at either year-end.

In 2021, the Company recognized 1,485 thousand euros of amortization charges in respect of these intangible assets (2020: 1,134 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 2021, it tested its 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 these 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	2021	2020	2021	2020	2021
Lassie (Netherlands)	6.20%	5.58%	5.75%	5.25%	1.90%	2.00%
Saludaes (Portugal)	7.50%	6.64%	7.00%	6.25%	1.80%	1.90%

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 recognise 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 2021 and 2020 is as follows:

CARRYING AMOUNTS	LAND	BUILDINGS	PLANT & OTHER PP&E	IN PROGRESS AND PREPAYMENTS	TOTAL
Balance at December 31, 2019	0	0	683	0	**683**
Balance at December 31, 2020	0	0	723	0	**723**
Balance at December 31, 2021	0	0	671	0	**671**

GROSS CARRYING AMOUNTS	LAND	BUILDINGS	PLANT & OTHER EQUIPMENT	IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2019	**0**	**0**	**5,431**	**0**	**5,431**
Additions			275		275
Decreases					0
Transfers					0
BALANCE AT DECEMBER 31, 2020	**0**	**0**	**5,706**	**0**	**5,706**
Additions			171		171
Decreases					0
Transfers					0
BALANCE AT DECEMBER 31, 2021	**0**	**0**	**5,877**	**0**	**5,877**

ACCUMULATED DEPRECIATION	LAND	BUILDINGS	PLANT & OTHER EQUIPMENT	IN PROGRESS	TOTAL
BALANCE AT DECEMBER 31, 2019	**0**	**0**	**(4,748)**	**0**	**(4,748)**
Additions			(235)		(235)
Decreases					0
Transfers					0
BALANCE AT DECEMBER 31, 2020	**0**	**0**	**(4,983)**	**0**	**(4,983)**
Additions			(223)		(223)
Decreases					0
Transfers					0
BALANCE AT DECEMBER 31, 2021	**0**	**0**	**(5,206)**	**0**	**(5,206)**

There were no significant movements under this heading in 2021 or 2020.

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	2021
Other fixtures, tools and furniture	2,362	2,363
Other assets	2,125	2,231

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. These 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 1,069 thousand euros in 2021 (2020: 1,087 thousand euros). The future minimum payments under the Company's non-cancellable operating leases at December 31, 2021 break down as follows:

	12-31-2020	12-31-2021
Within one year	961	959
Between one and five years	935	185
More than five years	0	0
	1,896	**1,114**

7. Investment properties

The reconciliation of the carrying amounts of the Company's investment properties at the beginning and the end of 2021 and 2020 is as follows:

CARRYING AMOUNTS	LAND	BUILDINGS	TOTAL
Balance at December 31, 2019	7,276	1,267	**8,543**
Balance at December 31, 2020	7,276	1,233	**8,509**
Balance at December 31, 2021	7,273	1,205	**8,478**

GROSS CARRYING AMOUNTS	LAND	BUILDINGS	TOTAL
BALANCE AT DECEMBER 31, 2019	**7,276**	**1,628**	**8,904**
Additions			0
Decreases		(32)	(32)
BALANCE AT DECEMBER 31, 2020	**7,276**	**1,596**	**8,872**
Additions			0
Decreaseso	(3)	(25)	(28)
BALANCE AT DECEMBER 31, 2021	**7,273**	**1,571**	**8,844**

ACCUMULATED DEPRECIATION	LAND	BUILDINGS	TOTAL
BALANCE AT DECEMBER 31, 2019	**0**	**(361)**	**(361)**
Additions		(15)	(15)
Decreases		13	13
BALANCE AT DECEMBER 31, 2020	**0**	**(363)**	**(363)**
Additions		(15)	(15)
Decreases		12	12
BALANCE AT DECEMBER 31, 2021	**0**	**(366)**	**(366)**

The only movement of significance in 2021 was the sale of a small property in Barcelona, which generated a gain of 264 thousand euros. There were no material movements under this heading in 2020.

Except for a small property in Portugal, 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 totalled 191 thousand euros in 2021 (2020: 211 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-cancellable operating leases at year-end is as follows:

	12-31-20	12-31-21
Within one year	87	89
Between one and five years	0	0
More than five years	0	0
	87	**89**

There are no restrictions on the monetisation 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 end of 2021 and 2020 is as follows:

ITEM	BALANCE AT 12-31-2019	INCREASES	DECREASES	TRANSFERS	BALANCE AT 12-31-2020
Equity investments in group companies	1,886,552	0	(6,626)	0	1,879,926
Equity investments 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**

ITEM	BALANCE AT 12-31-2020	INCREASES	DECREASES	TRANSFERS	BALANCE AT 12-31-2021
Equity investments in group companies	1,879,926	338,051	(440,838)	0	1,777,139
Equity investments in associates	31,615	0	0	0	31,615
Provision for impairment	(47,586)	0	4,500	0	(43,086)
	1,863,955	**338,051**	**(436,338)**	**0**	**1,765,668**
Loans to group companies	200,000	118,662	(200,000)	0	118,662
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	**2,063,955**	**456,713**	**(636,338)**	**0**	**1,884,330**

A) EQUITY INSTRUMENTS IN GROUP COMPANIES:

The main changes in each year are as follows:

2021

1. In 2021, the Company's equity investments in group companies increased by 11,245 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 2021 was an increase of 11,245 thousand euros, which was recognized as a gain in the statement of profit or loss; the accumulated net gain at year-end stood at 39,057 thousand euros (note 9.2.c).

2. On July 26, 2021, Ebro Foods, S.A. received a binding offer from CVC Capital Partners VIII and decided to give that candidate exclusivity in relation to the sale of Panzani's dry pasta, semolina, couscous and sauce business in France. Execution of the sale was subject, among other formalities and closing conditions customary in transactions of this kind, to approval at the Annual General Meeting of Ebro Foods, S.A., which was obtained on December 15, 2021.

   The transaction closed on December 31, 2021 and materialised in the sale of 100% of the share capital of Panzani SAS. The business sold was valued at 550 million euros (value of 100% of the business, before possible adjustments for debt and working capital) and its sale generated a provisional cash inflow of 549 million euros (the definitive calculation of those adjustments will be completed during the first half of 2022 and the sale price will be adjusted accordingly; however, the adjustments with respect to the provisional price are not expected to be significant).

   Given that Panzani carried on other businesses that were not sold (fresh pasta and rice), prior to completion of the sale, steps were taken to de-merge those businesses and retain them under the Ebro Group's control (see below). Following this transaction, the Ebro Group continues to have a strong presence in France, specifically including leadership positions in the rice segment (with the Taureau Aile® and Lustucru® brands) and in the dry pasta business (Lustucru®), so cementing and extending its strategy of focusing on faster-growing markets in which it commands global leadership positions.

   The gain generated by that sale (before tax effects) at Ebro Foods, S.A. is 327.6 million euros; the value of the instruments derecognized (as provided for in the Resolution issued by the Spanish Audit and Accounting Institute (ICAC) on 5 March 2019 on owner accounting for de-mergers) was quantified at the proportion between the fair value of the assets de-merged or sold and the fair value of the businesses retained. Irrespective of the accounting treatment emanating from the economic substance of the transaction, for legal purposes, the sale materialised in the distribution of a dividend after execution of the share purchase agreement but prior to the sale close in the amount of 224.4 million euros.

3. As a result of the events narrated in paragraph 2 above, as at December 31, 2021, the investment in group companies held by the Company in businesses in France corresponds to a 100% interest in LTL (formerly a 100%-owned subsidiary of Panzani SAS). LTL is the holding company which now encompasses all the French fresh pasta and rice businesses retained by Ebro. In the wake of that transaction, the retained balance with respect to what used to be the Company's investment in the Panzani subgroup stands at 326,806 thousand euros.

2020

4. 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 loss in the income statement; the accumulated net gain at year-end 2020 stood at 27,812 thousand euros.

5. A decrease of 902 thousand euros corresponding to the settlement of the final price paid for the acquisition of the Tilda Group in 2019. 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.

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 specialised 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, 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. That loan was settled in 2021. In addition, on December 31, 2021, a credit agreement was arranged with the Group's French subsidiary, LTL, SAS, in the amount of 118,662 thousand euros, as a result of the restructuring work undertaken prior to the sale of Panzani, SAS.

D) IMPAIRMENT LOSSES:

The decrease in 2021 corresponds to the derecognition of 4,500 thousand euros of the allowance previously recognized against the Company's investment in Ebro Frost Ena, Inc. (USA), following the recovery in the value of that investment.

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 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, 2021 (none of the group companies being listed other than Ebro Foods, S.A. itself) are:

SUBSIDIARIES AND ASSOCIATES

	INVESTMENT	IMPAIRMENT LOSSES	% SHARE-HOLDING	REGISTERED OFFICE	BUSINESS ACTIVITY	(A) CAPITAL & RESERVES	(A) PROFIT/(LOSS) 2021	DIVIDEND PAID IN 2021	TOTAL EQUITY	OP. PROFIT/ (LOSS)
Dosbio 2010, S,L,	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,780	164	-	7,944	17
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holding	7,405	42	-	7,447	56
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	32,723	300	-	33,023	213
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	114,992	17,406	-	132,398	13,896
Herba Ricemills S.L.	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	213,839	22,885	-	236,724	25,231
Herba Nutrición S.L.	526	-	100.00%	Madrid (Spain)	Production and sale of rice	6,818	2,996	-	9,814	3,996
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	157,004	706	-	157,710	(193)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	8,761	448	(82)	9,127	598
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,625	301	-	2,926	340
Riviana Foods Inc (Grupo) (**)	565,696	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,099,379	77,302	-	1,176,681	66,064
Ebro Premiun, SAS (Grupo) antes LTL	326,806	-	100.00%	Lyon (France)	Production and sale of fresh pasta	223,134	13,411	-	236,545	36,760
Ebro Foods, Gmbh (Grupo) (***)	87,078	(28,517)	68.90%	Germany	Production and sale of pasta and sauces	94,773	7,229	-	102,002	273
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	127	(7)	-	120	(7)
Pastificio Lucio Garofalo, S.r.l. (Grupo)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	139,601	4,014	-	143,615	14,408
Geovita Funtional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	36,245	1,720	(315)	37,650	214
Ebro Frost ENA, Inc.	4,500	-	100.00%	Houston (US)	Production and sale of rice and pasta	(1,886)	2,936	-	1,050	3,798
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	331,674	4,226	-	335,900	15,955
Ebro Tilda Private Limited	8,600	-	100.00%	New Delhi (India)	Sale and marketing of rice	9,368	900	-	10,268	1,240
Riso Scotti, S.p.a. (Grupo)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	86,466	2,500	(1,000)	87,966	9,774
TOTAL	**1,808,754**	**(43,086)**						**(1,397)**		

(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, 2020 are itemised below:

SUBSIDIARIES AND ASSOCIATES										
	INVESTMENT	IMPAIRMENT LOSSES	% SHARE-HOLDING	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 (España)	Flour production	7,778	2	-	7,780	1
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (España)	Agricultural holding	8,012	93	(700)	7,405	124
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (España)	Tinned vegetables	32,551	172	-	32,723	57
Herba Foods S.L.	59,695	-	100.00%	Madrid (España)	Investment management	148,056	(5,108)	(30,000)	112,948	(6,079)
Herba Ricemills S.L.	153,451	-	100.00%	Madrid (España)	Production and sale of rice	206,865	16,056	(9,000)	213,921	22,147
Herba Nutrición S.L.	526	-	100.00%	Madrid (España)	Production and sale of rice	4,168	3,001	(3,000)	4,169	2
Fundación Ebro	0	-	100.00%	Madrid (España)	Foundation	301	0	-	301	3
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (España)	Financial and insurance management	156,272	732	-	157,004	(62)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (España)	Production and sale of flour	8,592	333	(87)	8,838	454
Riceland, Kft, (*)	597	-	20.00%	Budapest (Hungría)	Production and sale of rice	2,422	364	(29)	2,757	451
Riviana Foods Inc (Grupo) (**)	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 (Grupo)	440,838	-	100.00%	Lyon (Francia)	Production and sale of pasta and sauces	547,323	42,125	-	589,448	73,923
Ebro Foods, Gmbh (Grupo) (***)	87,078	(28,517)	68.90%	Alemania	Production and sale of pasta and sauces	89,500	6,561	-	96,061	125
Ebro Foods Alimentación, S.A.	0	-	100.00%	México	Sale and marketing of rice	126	(6)	-	120	(8)
Pastificio Lucio Garofalo, S.r.l. (Grupo)	62,586	-	52.00%	Napoles (Italia)	Production and sale of pasta and sauces	119,256	13,332	-	132,588	20,669
Geovita Funtional Ingredients	20,000	-	52.00%	Vercelli (Italia)	Production and sale of pulses	36,034	840	(299)	36,575	1,319
Ebro Frost ENA, Inc.	4,500	(4,500)	100.00%	Houston (USA)	Production and sale of rice and pasta	(885)	(976)	-	(1,861)	(976)
Tilda Limited (Tilda)	282,736	-	100.00%	Londres (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. (Grupo)	31,615	-	40.00%	Milan (Italia)	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.

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	
CATEGORIES	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
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					118,808	200,146	118,808	200,146
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**	**118,808**	**200,146**	**118,808**	**200,146**

CURRENT FINANCIAL INSTRUMENTS (ASSETS)

	EQUITY INSTRUMENTS		DEBT SECURITIES		LOANS, RECEIVABLES & DERIVATIVES		TOTAL	
CATEGORIES	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
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					6,407	11,326	6,407	11,326
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**	**6,407**	**11,326**	**6,407**	**11,326**

LOANS AND RECEIVABLES

	12-31-21	12-31-20
Non-current financial instruments		
Loans to group companies (notes 8 & 17)	118,662	200,000
Long-term deposits	146	146
	118,808	**200,146**
Current financial instruments		
Trade and other receivables (note 10)	6,407	11,326
	6,407	**11,326**
TOTAL	**125,215**	**211,472**

Exchange differences recognized in profit or loss for the year

The exchange differences recognized in profit or loss in 2021 and 2020 for each financial asset category are broken down below:

EXCHANGE DIFFERENCES RECOGNIZED IN PROFIT OR LOSS	LOANS AND RECEIVABLES		EQUITY INVESTMENTS IN GROUP COMPANIES		LOANS AND PAYABLES		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
For transactions settled during the year	296	(2,493)	0	0	5	190	301	(2,303)
For transactions pending settlement at year-end	0	0	0	0	(1,445)	3,396	(1,445)	3,396
For foreign exchange hedges	0	0	11,245	(5,724)	(11,245)	5,724	0	0
TOTAL (EXPENSE)/INCOME RECOGNIZED IN PROFIT OR LOSS FOR THE YEAR	**296**	**(2,493)**	**11,245**	**(5,724)**	**(12,685)**	**9,310**	**(1,144)**	**1,093**

9.2 FINANCIAL LIABILITIES

The breakdown of the Group's financial liabilities at December 31, 2021 and 2020 is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (LIABILITIES)

	BANK BORROWINGS		BONDS AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHER ACCOUNTS PAYABLE		TOTAL	
CATEGORIES	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
Debts and payables	349,805	199,851			12	12	349,817	199,863
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other					6,100	7,650	6,100	7,650
Hedging derivatives							0	0
TOTAL	**349,805**	**199,851**	**0**	**0**	**6,112**	**7,662**	**355,917**	**207,513**

CURRENT FINANCIAL INSTRUMENTS (LIABILITIES)

	BANK BORROWINGS		BONDS AND OTHER MARKETABLE SECURITIES		DERIVATIVES AND OTHER ACCOUNTS PAYABLE		TOTAL	
CATEGORIES	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
Debts and payables	25,151	365,143			10,413	5,338	35,564	370,481
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other							0	0
Hedging derivatives							0	0
TOTAL	**25,151**	**365,143**	**0**	**0**	**10,413**	**5,338**	**35,564**	**370,481**

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€)	12-31-21	12-31-20
Non-current		
Derivatives	6,100	7,650
Security deposits	12	12
	6,112	**7,662**
Current		
Trade and other payables	10,413	5,338
	10,413	**5,338**

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 750 thousand euros (year-end 2020: 950 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 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. 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 1,250 thousand euros (year-end 2020: 1,450 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 4,100 thousand euros (year-end 2020: 5,250 thousand euros). 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 1 January 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 maximise 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 analyses 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 2021 and 2020 is as follows:

(000€)	12-31-21	12-31-20
Trade receivables	1,573	124
Trade receivables, group companies and associates (note 17)	4,643	11,187
Sundry receivables	8	8
Receivable from employees	183	7
	6,407	**11,326**

Impairment allowances: The 'Trade receivables' balance in the table above is presented net of impairment losses. The Company did not recognise any new impairment losses against its trade receivables in 2021 or 2020. 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.

Ebro Foods, S.A. gleans the information regarding its significant shareholders and their shareholdings from the information they themselves provide directly to the Company or the disclosures they make under applicable legislation on significant shareholdings and from information collected by the Company from its shareholders as part of the process of preparing its annual financial statements. Based on that information, the Company's significant shareholders and their shareholdings at year-end is as follows:

SIGNIFICANT SHAREHOLDER	2021					2020				
	% OF VOTING RIGHTS ATTRIBUTED TO THE SHARES			% VOTING RIGHTS HELD THROUGH FINANCIAL INSTRUMENTS	% OF TOTAL VOTING RIGHTS	% OF VOTING RIGHTS ATTRIBUTED TO THE SHARES			% VOTING RIGHTS HELD THROUGH FINANCIAL INSTRUMENTS	% OF TOTAL VOTING RIGHTS
	DIRECT	INDIRECT	TOTAL			DIRECT	INDIRECT	TOTAL		
Corporación Financiera Alba, S.A.	14.443	0.000	14.443	0.000	14.443	14.004	0.000	14.004	0.000	14.004
Sociedad Anónima Damm (via 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 (via 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
Hercalianz Investing Group, S.L.	8.621	0.000	8.621	0.000	8.621	8.434	0.000	8.434	0.000	8.434
Grupo Tradifín, 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	0.000	3.420	3.420	0.000	3.420

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 the corresponding 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., the remaining 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 realised. The monetary gain is deemed realised 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 2021, the Parent had the power to buy back and sell own shares under the scope of the authorisation granted at the Annual General Meeting held on July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2021, under the scope of the employee share plan, it bought back 37,000 shares, sold 828 and delivered 36,172 own shares to employees. The Company did not hold any own shares at December 31, 2021.

   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.

g) **Dividends paid in 2021:**

   Ordinary dividend - Distribution of the dividends approved at the Annual General Meeting held on June 30, 2021 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2020 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2021 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 6, June 30, and October 1, 2021.

   Extraordinary dividend - Distribution of the dividend approved at the Extraordinary General Meeting held on December 15, 2021, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 0.57 euros per share (before withholdings), for a total outlay of 87,703 thousand euros. That dividend was paid out in one go on December 22, 2021.

13. Bank borrowings

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

	2021	2021	2020	2020
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Bank loans arranged in euros	349,805	25,000	199,851	365,000
Bank loans arranged in US dollars	-	-	-	-
Credit facilities arranged in euros	-	-	-	-
Interest accrued but not due	-	151	-	143
TOTAL	**349,805**	**25,151**	**199,851**	**365,143**

There were certain movements in the Group's current and non-current bank borrowings in 2021 with respect to year-end 2020.

In 2021, Ebro Foods, S.A. repaid loans at maturity and prepaid other loans in an aggregate amount of 540 million euros. In parallel, it arranged four new loans totalling 350 million euros. At December 31, 2020, the Company recognized four non-current loans totalling 200 million euros and five current loans in the amount of 365 million euros. At year-end 2021, thanks to the proceeds collected from the sale of the dry pasta business in France (note 8), non-current borrowings included the new loans of 350 million euros and just one current loan in the amount of 25 million euros. The four non-current loans are due in a single instalment in December 2024 and bear interest at an average rate of 0.45%.

The Company is obliged to comply with a series of covenants, specifically a series of ratios calculated on the basis of the Group's consolidated financial statements, 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 compliant with all of its covenants at both year-ends.

In addition, at year-end 2021, the Company had arranged and guaranteed credit facilities with an aggregate limit of 35 million euros (year-end 2020: 35 million euros), which were drawn down by 0 thousand euros at both reporting dates. The average annual rate of interest on these borrowings, excluding the long-term loans, is 3-month EURIBOR plus a market spread of 0.55% (2020: 0.62%) on average.

In addition, the Company has extended sureties and other guarantees to third parties via banks totalling 154,426 thousand euros at year-end 2021 (163,252 thousand euros at year-end 2020) (note 16).

The maturity schedule for bank borrowings (at December 31, 2021):

Due 2022	25,000 thousand euros
Due 2023	0 thousand euros
Due 2024	349,805 thousand euros

14. Non-current provisions

The reconciliation of the Company's provisions at the beginning and end of 2021 and 2020 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, 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**
Additions (reversal of provisions)	2	2,083	2,085	0	(3,928)	(3,928)	(1,843)
Amounts used	0	(1,055)	(1,055)	0	0	0	(1,055)
CLOSING BALANCE: DEC. 31, 2021	**200**	**3,482**	**3,682**	**11,240**	**802**	**12,042**	**15,724**

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

The provisions recognized to cover the outcome of lawsuits related to the sale of the dairy business (sold in 2010) correspond to the reps and warranties extended to the buyers of that businesses under which an unfavourable ruling in the lawsuits has the effect of reducing the sale-purchase price. 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 recognise a provision in respect of certain of these cases as an outflow of resources in the future is deemed probable.

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 qualifies the conduct investigated as a very serious infraction of article 62.4.a) of Spain's Anti-Trust Act and recommends 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 hands 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 parent's directors believe that the provision recognized to cover this lawsuit should be maintained. There were no material developments in respect of this lawsuit in 2021.

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, 2021.

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 Company 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 National High Court rulings in favour of other taxpayers that had brought identical cases.

However, in July 2017, the Supreme Court ruled against the taxpayer in a very similar case. Therefore, the risk that the outcome of the proceedings will not favour the Ebro Foods, S.A. tax group and so entailing an outflow of resources was reclassified from remote to probable. 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. However, in July 2021 a new Supreme Court ruling found in favour of the taxpayer in relation to this same matter. Accordingly, the potential liability was reassessed, concluding that it is more probable than not that a similarly favourable ruling will be handed down in Ebro Foods, S.A.'s case, prompting the reversal (elimination) of this provision of 3,928 thousand euros in 2021 (by recognising a credit under income tax expense in the statement of profit or loss).

As for the rest of the items covered in the tax assessments with respect to 2008 to 2011, at September 11, 2020, the Company received word that the High Court had dismissed the Company's appeal and the Company has therefore lodged a new appeal before the Supreme Court.

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 were signed under protest in relation to a specific concept (transfer prices) 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. Rulings were handed down on three of the lawsuits comprising this part of the assessments in 2021 (friendly agreements between Spain and other countries in order to avoid double taxation) that did not give rise to significant outflows of resources for Ebro Foods, S.A.

There were no new developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2021 or 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 2021 in the amount of 200 thousand euros (year-end 2020: 198 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 0.52% (2018: 0.0855%)

b) Wage increases: compound annual growth of 3% (2018: 3%)

c) Mortality and survival tables: PERM/F 2000 ORD1 tables (new policies)

PROVISION FOR LONG-TERM REMUNERATION TO EXECUTIVES

Refer to note 18. The amounts used and recognized in 2021 correspond to the 2019-2021 Plan (settled from 2021-2023); more specifically, the amounts utilised related to the first-year payments under that scheme (2019). With respect to 2020: the amounts recognized corresponded to the 2019-2021 Plan but the amounts utilised in 2020 stemmed from the payments corresponding to the third and last year of the 2016-2018 Plan.

15. Tax matters

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

(000€)	12-31-21	12-31-20
Current		
Current tax assets	1,830	6,183
Other tax receivables	0	1,022
Current tax liabilities	(13,739)	0
Other tax payables	(6,177)	(19,166)
	(18,086)	**(11,961)**
Non-current		
Deferred tax assets	4,951	6,709
Deferred tax liabilities	(28,207)	(54,202)
	(23,256)	**(47,493)**

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. and Fallera Nutrición, S.L.

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€)	2021		2020	
	ACCOUNTING	TAX	ACCOUNTING	TAX
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**312,168**	**312,168**	**30,127**	**30,127**
Permanent differences	(315,538)	(315,538)	(43,264)	(43,264)
Tax group tax losses for offset	(24,199)	(24,199)	0	0
ACCOUNTING PROFIT ADJUSTED FOR PERMANENT DIFFERENCES	**(27,569)**	**(27,569)**	**(13,137)**	**(13,137)**
Temporary differences		103,615		(18,136)
Temporary differences arising from fiscal consolidation adjustments		0		0
Tax group tax losses for offset		(6,648)		4,062
TAXABLE INCOME (TAX LOSS) OF THE COMPANY	**(27,569)**	**69,398**	**(13,137)**	**(27,211)**
Tax calculated at statutory rate: 25%	(6,892)	17,350	(3,284)	(6,803)
Tax credits	(7,950)	(8,032)	0	0
TAX EXPENSE/(INCOME) FOR THE YEAR	**(14,842)**	**9,318**	**(3,284)**	**(6,803)**
Restatement of prior-year's income tax	0	0	(222)	0
Tax assessments	94		0	
Change in deferred tax assets and liabilities (note 14)	(3,928)		(828)	
Tax expense payable in France	3,699	3,699	0	
TOTAL INCOME TAX: EXPENSE (INCOME)	**(14,977)**	**13,017**	**(4,334)**	**(6,803)**

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:

	2021	2020
Tax payable (refundable) corresponding to Ebro Foods, S.A.	13,017	(6,803)
Payments made on account during the year	(2,303)	(1,792)
Tax withholdings	0	(27)
Tax refundable pending collection from prior years	(1,830)	(4,363)
Tax payable (refundable) corresponding to the other companies in the tax group	3,025	6,802
TAX GROUP TAX PAYABLE (RECEIVABLE)	**11,909**	**(6,183)**

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€)	2021	2020
Profit before tax from continuing operations	312,168	30,127
Statutory tax rate	25%	25%
THEORETICAL TAX EXPENSE	**78,042**	**7,532**
Effect of:		
Non-deductible expenses	413	1,467
Non-taxable income	(25,655)	(1,502)
Tax group tax losses for offset	(6,050)	0
Dividends between tax group companies	0	(10,675)
Dividends within parent company group	(53,642)	(106)
Unused tax credits	(7,950)	0
Tax expense payable in France	3,699	0
	(11,143)	**(3,284)**
Breakdown of tax expense (income)		
Current	13,017	(6,803)
Deferred	(24,160)	3,519
EFFECTIVE TAX EXPENSE (INCOME)	**(11,143)**	**(3,284)**

15.4 The breakdown of the temporary differences arising at Ebro Foods, S.A. in 2021 and 2020 is as follows:

(000€)	2021	2020
Temporary Differences - Additions		
Additions to provision for long-term remuneration obligations	2,163	1,637
Additions to provision for long-service bonuses	2	11
Reversal of impairment provisions on investments in group companies	0	1,285
Amortization of trademarks for tax purposes	536	394
Reversal of temporary differences in respect of goodwill for tax purposes	122,711	0
TOTAL ADDITIONS	**125,412**	**3,327**
Temporary Differences - Decreases		
Goodwill amortization charges	2,007	2,007
Provisions for long-term remuneration obligations used	1,057	721
Temporary difference on account of goodwill amortization	18,731	18,731
Utilization of asset recognized for 30% of depreciation charges not deductible	2	4
TOTAL DECREASES	**21,797**	21,463
TOTAL NET ADDITIONS (DECREASES)	**103,615**	**(18,136)**

15.5 The breakdown of the permanent differences arising at Ebro Foods, S.A. in 2021 and 2020 is as follows:

(000€)	2021	2020
Permanent Differences - Additions		
Donations	1,604	1,602
Non-deductible loss on financial assets	0	4,234
Other non-deductible expenses	43	32
TOTAL ADDITIONS	**1,647**	**5,868**
Permanent Differences - Decreases		
Adjustments for 95% of dividends from tax group subsidiaries	0	42,700
Adjustments for 95% of dividends from other group companies	214,566	423
Amortization of goodwill for tax purposes	110	109
Reversal of impairment provisions on investments in group companies	4,500	5,900
95% of gain on sale of investments in group companies	98,009	0
TOTAL DECREASES	**317,185**	**49,132**
TOTAL NET ADDITIONS (DECREASES)	**(315,538)**	**(43,264)**

15.6 Ebro Foods, S.A. utilised 8,032 thousand euros of tax credits in 2021 thanks to the taxable income generated by the tax group. In 2021, it generated 600 thousand euros of tax credits, mainly corresponding to donations, for utilisation in future years, in addition to the 4.1 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:

(000€)	12-31-19	ADDITIONS	AMOUNTS DERECOGNIZED	RESTATEMENTS AND OTHER ADDITIONS/ DERECOGNITIONS	12-31-20	ADDITIONS	AMOUNTS DERECOGNIZED	RESTATEMENTS AND OTHER ADDITIONS/ DERECOGNITIONS	12-31-21
Deferred tax assets									
Goodwill	1,605		(502)		1,103		(501)		602
Intangible assets: Trademarks	2,532	98			2,630	134			2,764
Property, plant and equipment: Land	108				108				108
Property, plant and equipment: Depreciation/amortization	11				11		(2)		9
Long-term remuneration obligations	601	409	(180)		830	541	(264)		1,107
Provisions for contingencies	310				310				310
Provisions for long-service bonuses	47	3			50	1			51
Unused tax losses	1,026	1,015		(374)	1,667		(1,662)	(5)	0
	6,240	**1,525**	**(682)**	**(374)**	**6,709**	**676**	**(2,429)**	**(5)**	**4,951**
Deferred tax liabilities									
Amortization of goodwill for tax purposes	(50,753)	(4,683)		1,565	(53,871)	(4,683)	30,678		(27,876)
Deferral of gains by tax group	(331)				(331)				(331)
Impairment provisions: investments in group companies	(640)		321	319	0				0
	(51,724)	**(4,683)**	**321**	**1,884**	**(54,202)**	**(4,683)**	**30,678**	**0**	**(28,207)**
TOTAL DEFERRED TAXES, NET	**(45,484)**	**(3,158)**	**(361)**	**1,510**	**(47,493)**	**(4,007)**	**28,249**	**(5)**	**(23,256)**

16. Guarantees extended

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

	2021	2020
Guarantees extended via banks		
Provided to courts and other bodies in relation to claims and tax deferrals	20,206	20,206
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	133,860	142,686

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), Herba Bangkok, Ltd (100%-indirectly owned), Pastificio Lucio Garofalo, S.r.l. (52%-indirectly owned) and LTL SAS (100%-directly 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 2021 and 2020 are shown below:

	2021		2020	
	GROUP COMPANIES	ASSOCIATES	GROUP COMPANIES	ASSOCIATES
External services	(1,716)	0	(1,466)	0
Employee benefits expense	0	0	0	0
Finance costs	(2,673)	0	(2,285)	0
TOTAL PURCHASES AND EXPENSES	**(4,389)**	**0**	**(3,751)**	**0**
Services rendered and other income	8,751	0	8,673	0
Finance income	1,439	0	2,078	0
Dividend income received (note 8)	224,859	1,000	43,123	0
TOTAL REVENUE AND INCOME	**235,049**	**1,000**	**53,874**	**0**

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

DECEMBER 31, 2021						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	NON-CURRENT LOANS	DUE FROM COMPANIES	CURRENT LOANS	BALANCES PAYABLE		DUE TO COMPANIES
				NON-CURRENT	CURRENT	
Ebro Premiun Foods, SAS (formerly, LTL)	118,662	60				
Herba Foods, S.L.		55				
Arotz Foods, S.A.		106		(28,961)		(12)
Ebro de Costa Rica, S.L.				(14,672)		
Ebro Riviana de Guatemala, S.L.				(10,390)		
Herba Ricemills, S.L.		1,524		(20,000)	(3)	(13)
Riviana Foods (Group))		1,307		(186,506)		(180)
Ebro Financial Corporate Services, S.L.		236		(155,400)		
Lassie Group (Netherlands)		252				
Fundación Ebro Foods					(299)	
Other companies (minor balances)	0	1,103		0		0
	118,662	**4,643**	**0**	**(415,929)**	**(302)**	**(205)**

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)**

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 Company 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 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 2021 and 2020 outside the scope of the dividend and remuneration transactions disclosed in notes 18.3 and 18.7. (amounts in thousands of euros):

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Antonio Hernández Callejas (Luis Hernández González)	Relative	Lease (expense)	42	42

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 2021 (2020) (expressed in thousands of euros):

- Dividends paid to significant shareholders (excluding directors): 24,837 (58,543)
- Dividends paid to directors (and persons related thereto) and officers: 97,915 (213,717)

18.4 TRANSACTIONS WITH OTHER RELATED PARTIES

Ebro Foods, S.A. did not transact with 'other related parties' in 2021.

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 2021 and 2020 (amounts in thousands of euros):

TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Services rendered (income)	0	3
Dividends received	1,000	0

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 conflict of interests itemised 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., itemised 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 a director; 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 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 a director.
- 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 a director 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.

18.7 DIRECTOR AND OFFICER REMUNERATION

Director remuneration: The remuneration accrued by the members of the Board of Directors of Ebro Foods, S.A. totalled 7,164 thousand euros in 2021 (2020: 6,893 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2021	2020
Type of remuneration		
Attendance fees	318	317
Fixed remuneration received in their capacity as directors	2,850	2,850
TOTAL DIRECTOR REMUNERATION	**3,168**	**3,167**
Wages, salaries and professional fees	3,996	3,726
Termination and other benefits	0	0
TOTAL EXECUTIVE DIRECTOR REMUNERATION	**3,996**	**3,726**
TOTAL REMUNERATION	**7,164**	**6,893**
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, 2022, 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 2021 at the upcoming 2022 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 2021 (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	388	23	1,505	2,491	4,407
Carceller Arce, Demetrio	362	27	0	0	389
Alimentos y Aceites, S.A.	121	18	0	0	139
Barreiro Pérez-Pardo, Belén	154	22	0	0	176
Carceller Arce, María	121	18	0	0	139
Castelló Clemente, Fernando	197	27	0	0	224
Comenge Sánchez-Real, José Ignacio	147	18	0	0	165
Corporación Financiera Alba, S.A.	121	18	0	0	139
Costa García, Mercedes	199	27	0	0	226
Empresas Comerciales e Industriales Valencianas, S.L.	121	18	0	0	139
Fernández Alonso, Javier	305	29	0	0	334
Grupo Tradifín, S.L.	191	27	0	0	218
Hercalianz Investing Group, S.L. (*)	147	18	0	0	165
Zorrero Camas, Pedro Antonio (**)	279	28	0	0	307
TOTAL	**2,853**	**318**	**1,505**	**2,491**	**(***) 7,167**

(*) Hercalianz Investing Group, S.L. did not perform either executive or management duties at Ebro Foods, S.A. or at any subsidiary and therefore did not receive any remuneration in this respect. It is categorised 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.

(**) Pedro Antonio Zorrero Camas resigned from the Board of Directors on December 15, 2021 with effect from December 31, 2021. On January 31, 2022, the Board of Directors agreed to avail of the co-option procedure to name Marc Thomas Murtra Millar as external independent director to fill the vacancy left following Mr. Zorrero Camas' resignation. Mr. Murtra Millar has also been made a member of the Company's Executive Committee and Audit and Control Committee.

(***) Total director remuneration amounted to 7,163,731 euros (before tax), which, rounded to thousands of euros, comes out at 7,164 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 2021, 897 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2019, a figure representing 25% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2019 financial statements and paid in 2021.

Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2021, the 2021 financial statements recognize a provision of 1,898 thousand euros in respect of the provisional estimate of the amount corresponding to 2021 under the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Plan, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2023.

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 10 people were considered officers of Ebro Foods, S.A. at year-end 2021 (year-end 2020: 11); in 2021 those executives accrued total remuneration (fixed wages and salaries and annual bonuses) of 2,400 thousand euros (2020: 2,453 thousand euros).

Note in relation to the officer remuneration disclosures, the term “officer” refers to the Chief Operating Officer of the Ebro Group, who is the most senior executive after the Executive Chairman, and the professionals in charge of the main departments of Ebro Foods, S.A., irrespective of whether they are considered “senior management”.

In 2021, 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 were paid 159 thousand euros, before tax, corresponding to 2019, a figure representing 25% of the bonuses earned during the three-year scheme that had been provisioned in the 2019 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 2021 financial statements recognise a provision of 334 thousand euros in respect of the provisional estimate of the amount corresponding to 2021 under the scheme, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. That sum will be paid in 2023, 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 192 thousand euros in 2021 (113 thousand euros in 2020), are effective until April 30, 2022 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

2021	AT YEAR-END		AVERAGE
	MALE	FEMALE	TOTAL
Executives	6	4	10
Middle management	22	11	33
Clerical staff	6	7	13
	34	**22**	**56**

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.

2020	AT YEAR-END		AVERAGE TOTAL
	MALE	FEMALE	
Executives	8	4	12
Middle management	22	11	33
Clerical staff	6	7	13
	36	**22**	**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 2021 and 2020 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2021 amounted to 246 (2020: 239) thousand euros; those corresponding to other assurance services amounted to 83 (2020: 81) thousand euros.
- The fees for tax advisory and and/other services totalled 125 (2020: 46) 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 29 days on average in 2021 (2020: 24 days).

(000€)	2020	2021
Days		
Average supplier payment term	24	29
Paid transactions ratio	24	29
Outstanding transactions ratio	33	29
Amount		
Total payments made	**8,996**	**9,759**
Total payments outstanding	**349**	**331**

For the purposes of calculating the average payment period, the 2021 figures in the table above do not include the sum of 2,846 (2020: 2,850) thousand euros invoiced by an IT system provider as its invoices took 96 (82) days to formally approve and document such that the payment was delayed by those 96 (82) 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	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2021 (€)	AVERAGE BALANCE 4Q21 (€)	% INTEREST	CURRENCY
Semola s,r,l,	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Rome	Italy	april-13	0.00	0.00	100%	EUR
	IBAN	BACRIT21575	IT64H0303215201010000476353	Credem SpA	Salerno	Italy	march-21	295,008.84	622,459.12	100%	EUR
Ebro Costa Rica S,L,	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	august-06	20,951.21	24,475.97	100%	USD
Ebro Riviana Guatemala SL	Other	INDLGTGCXXX	0011100015	Banco Industrial Guatemala	Guatemala City	Guatemala	august-06	2,092.90	2,092.90	100%	GTQ
	Other	INDLGTGCXXX	0000683771	Banco Industrial Guatemala	Guatemala City	Guatemala	august-06	24,563.31	24,563.31	100%	USD
	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	march-21	86,331.18	127,344.75	100%	GTQ
EF Alimentación, S de R,L de CV,	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	august-11	3,724.39	4,242.27	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	august-11	20,040.61	19,849.58	100%	USD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2021 (€)	AVERAGE BALANCE 4Q21 (€)	% INTEREST	CURRENCY
Mundiriz	Other	BMCEMAMCXXX	0117350000012100060709,11	BMCE Bank	Larache	Morocco	2001	207,730.45	291,517.85	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	31,372.41	55,315.73	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	84.57	89.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	2,121,349.01	2,141,027.68	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	march-18	6,866.04	7,542.40	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	sept-21	8,453.74	8,519.56	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	0117350000012100006819,79	BMCE Bank	Larache	Morocco	2007	4,298.97	18,452.23	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	oct-21	9,475.85	9,549.63	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	sept-21	0.00	0.00	100%	MAD
Rivera del Arroz, S,A,	Other	BMCEMAMCXXX	0117350000012100060728,51	BMCE Bank	Larache	Morocco	2002	7,606.71	8,421.55	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	feb.-17	142,609.52	153,895.56	100%	MAD
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	oct-12	807,309.62	814,757.74	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	8,629.82	13,196.50	100%	EGP

Herba Egypt is no longer an Ebro Group subsidiary. It was sold in December 2021.

20. Events after the reporting period

The recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, are causing significant global uncertainty.

The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The recent onset of the conflict and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it may have on the businesses of the Company and its Group.

The situation is already affecting the availability and prices of certain commodities (those in which Russia is a leading global producer and exporter, such as wheat and sunflower oil), energy prices and exchange rates. However, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Company's directors believe that the current situation and its consequences are not and should not have a material impact on the Company and its Group, underpinned primarily by the following considerations:

- Neither the Company nor its Group has subsidiaries, branches or operations in the region affected by the armed conflict. Neither the Company nor its Group has (or has had in the recent past) factories, customers or suppliers in Ukraine or Russia.
- Neither Russia nor Ukraine are or have been sources of wheat supply for the Ebro Group which, moreover, has downsized its dry pasta business significantly in 2021 and 2020. As a result, its exposure to the potential impact of inflation in that commodity and its different variants is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia could have on the prices of wheat sourced from other markets).
- With respect to the global economic impact, the types of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other adverse effects on its supply and distribution channels.
- As for energy costs, the measures announced by the European Union and other countries with the aim of (i) reducing dependence on oil and gas sourced from Russia; and (ii) mitigating the effect of the conflict on energy costs, should mean that those potential increases will not have a significant impact on the Group's businesses.

In light of the foregoing, the Company's directors believe that these events do not imply the need to make any adjustments whatsoever to its financial statements for the year ended December 31, 2021.

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

EBRO FOODS, S,A,

Management report for the year
ended December 31, 2021

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, fresh pasta and premium dry 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 two key business lines are the production and distribution of premium dry and fresh 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 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 comprised the Ebro Food Group in 2021.

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 recognises and reverses impairment provisions on its portfolio of investees as required. Recurring expenditure was flat year-on-year.

Net operating income amounted to 15,173 thousand euros in 2021, compared to 29,903 thousand euros in 2020. The decrease reflects a reduction in the dividends distributed by its subsidiaries (note 8) and a slight increase in non-deductible VAT charges.

Net finance income amounted to 327,341 thousand euros, compared to a net finance cost of 224 thousand in 2020. The increase is primarily due to the gain on the sale of the investment in Panzani, which carried on the dry pasta business in France (note 8).

Profit after tax accordingly amounted to 327,145 thousand euros, compared to 34,461 thousand euros in 2020.

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 2021:

Acquisition of the Kohinoor trademark for use in Europe

In April 2021, the Company acquired, through its rice business, 100% of two English companies, "Indo European Foods Limited" and "Gourmet Foods and Beverages Limited", and ownership of the Kohinoor trademark for use in the UK and the main European markets.

That investment totalled 20.8 million euros and implies the acquisition of a specialist basmati rice brand which is a good fit for the Group's portfolio of specialist aromatic rice brands.

Sale of Panzani's French dry pasta, semolina, couscous and sauce business

The sale of this business to Pimente Investissement, a vehicle majority owned by funds managed or advised by CVC Capital Partners VIII Limited or its affiliates, closed on December 31, 2021.

The sale price, of 550 million euros (albeit subject to debt and working capital adjustments, which are not expected to be significant) was collected on December 31, 2021, which is when the business was delivered to the buyer and the sale was recognised for accounting purposes.

Having completed the sales of the assets associated with the production and sale of dry pasta, couscous, semolina and sauces, the Ebro Group continues to be active in the French business through the businesses that fit with its strategy of concentrating on premium brands and the value-added products in which it specialises.

Sale of the dry pasta business in Canada

As announced in 2020, the sale of this business closed on January 29, 2021, as soon as all of the conditions agreed in the share purchase agreement signed in October 2020 had been met, which is also when the business was delivered to the buyer and the proceeds were collected.

Sale of the Ronzoni dry pasta business in the US

The Ebro Group, through its US subsidiary, Riviana, agreed the sale of the Ronzoni dry pasta business and the Winchester dry pasta factory to 8th Avenue Foods & Provisions Inc on March 26, 2021. The business was valued at 95 million dollars for transaction purposes.

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. Once those closing conditions had been met, the transaction closed on May 31, 2021; the proceeds were collected, the business was delivered to the buyer and the transaction was accounted for.

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 labour front is to foster mutually-beneficial labour relations, by making its employees feel vested in the organisation, 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 labour 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 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 companies 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 they distribute. The business activities performed by the Ebro Foods Group companies are carried out in an environment shaped by exogenous factors that could influence their business and financial performances.

These risks are mainly environmental, business, financial, borrowings, labour 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 minimising 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 minimise this risk is to combine floating and fixed rates and to build 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 that instance, 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

The recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, are causing significant global uncertainty.

The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The recent onset of the conflict and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it may have on the businesses of the Company and its Group.

The situation is already affecting the availability and prices of certain commodities (those in which Russia is a leading global producer and exporter, such as wheat and sunflower oil), energy prices and exchange rates. However, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Company's directors believe that the current situation and its consequences are not and should not have a material impact on the Company and its Group, underpinned primarily by the following considerations:

- Neither the Company nor its Group has subsidiaries, branches or operations in the region affected by the armed conflict. Neither the Company nor its Group has (or has had in the recent past) factories, customers or suppliers in Ukraine or Russia.

- Neither Russia nor Ukraine are or have been sources of wheat supply for the Ebro Group which, moreover, has downsized its dry pasta business significantly in 2021 and 2020. As a result, its exposure to the potential impact of inflation in that commodity and its different variants is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia could have on the prices of wheat sourced from other markets).
- With respect to the global economic impact, the types of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other adverse effects on its supply and distribution channels.
- As for energy costs, the measures announced by the European Union and other countries with the aim of (i) reducing dependence on oil and gas sourced from Russia; and (ii) mitigating the effect of the conflict on energy costs, should mean that those potential increases will not have a significant impact on the Group's businesses.

In light of the foregoing, the Company's directors believe that these events do not imply the need to make any adjustments whatsoever to its financial statements for the year ended December 31, 2021.

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

8. Business outlook

Ebro Foods' earnings performance going forward will depend on the dividends received from its subsidiaries, the gains recognised 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 2021, the Parent had the power to buy back and sell own shares under the scope of the authorisation granted at the Annual General Meeting held on 29 July 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2021, under the scope of the employee share plan, it bought back 37,000 shares, sold 828 and delivered 36,172 own shares to employees. The Company did not hold any own shares at December 31, 2021.

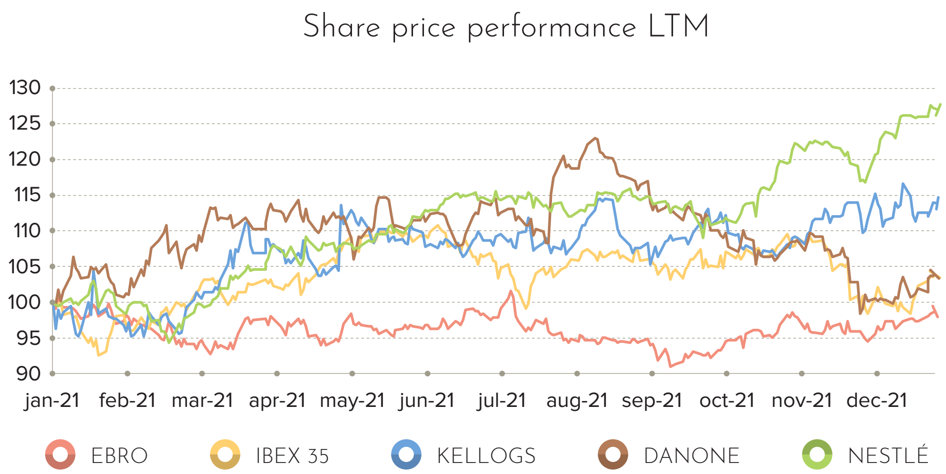
11. Other relevant disclosures

AVERAGE PAYMENT PERIOD

The Company paid its suppliers at 24 days on average in 2021.

	2020	2021
Days		
Average supplier payment term	24	29
Paid transactions ratio	24	29
Outstanding transactions ratio	33	29
Amount (000€)		
Total payments made	**8,996**	**9,759**
Total payments outstanding	**349**	**331**

SHARE PRICE PERFORMANCE



DIVIDEND DISTRIBUTION

Distribution of the dividends approved at the Annual General Meeting of June 30, 2021 at which the Parent's shareholders ratified the motion to pay an ordinary cash dividend with a charge against 2020 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2021 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 6, 30 June and October 1, 2021.

At an Extraordinary General Meeting held on December 15, 2021, the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 0.57 euros per share (before withholdings), for a total outlay of 87,703 thousand euros. That dividend was paid out in one go on December 22, 2021.

ANNUAL CORPORATE GOVERNANCE REPORT AND FINANCIAL REPORTING (ICFR)

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED COMPANIES

DETAILS OF ISSUER

Year Ended: 31/12/2021

Tax Registration Number: A47412333

Name:

EBRO FOODS, S.A.

Registered Office:

PASEO DE LA CASTELLANA 20 – 3rd & 4rd FLOORS - 28046 MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company and voting rights including loyalty shares, if any, at year end:

State whether the articles of association contemplate loyalty shares:

[ ] Yes
[√] No

Date latest modification	Capital (€)	Number of shares	Number of voting rights
27/02/2002	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, including directors with significant holdings:

Name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		Interest / total voting rights (%)
	Direct	Indirect	Direct	Indirect	
CORPORACIÓN FINANCIERA ALBA, S.A.	14.44	0.00	0.00	0.00	14.44
CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	0.00	0.00	11.69
SOCIEDAD ANÓNIMA DAMM	0.00	11.69	0.00	0.00	11.69
ALIMENTOS Y ACEITES, S.A.	10.36	0.00	0.00	0.00	10.36
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	0.00	10.36	0.00	0.00	10.36
HERCALIANZ INVESTING GROUP, S.A.	8.62	0.00	0.00	0.00	8.62
GRUPO TRADIFÍN, S.L.	7.96	0.00	0.00	0.00	7.96
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	0.00	0.00	0.00	7.83
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	0.00	5.20	0.00	0.00	5.20
MENDIBEA 2002, S.L.	5.20	0.00	0.00	0.00	5.20
ARTEMIS INVESTMENT MANAGEMENT, LLP	0.00	3.65	0.00	0.00	3.65

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
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	ALIMENTOS Y ACEITES, S.A.	10.36	0.00	10.36
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	5.20	0.00	5.20
ARTEMIS INVESTMENT MANAGEMENT, LLP	ARTEMIS INVESTMENT MANAGEMENT, LLP	3.65	0.00	3.65

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

A.3. State, regardless of the percentage, the percentage of voting rights held by board members in the company attributed to shares or through financial instruments, excluding the directors named in section A.2 above:

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
DEMETRIO CARCELLER ARCE	0.01	0.12	0.00	0.00	0.13	0.00	0.00
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	1.50	0.00	0.00
MARÍA CARCELLER ARCE	0.02	0.00	0.00	0.00	0.00	0.02	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

Total % of voting rights held by board members	56.06

On 15 December 2021, Pedro Antonio Zorrero Camas tendered his resignation from the board with effect from 31 December 2021, as explained elsewhere herein (see sections C.1.3, C.2 and Explanatory Note One in section H of this Report).

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.	0.12	0.00	0.12	0.00
MARÍA CARCELLER ARCE	MAHOGANYSEPPL, S.L.	0.00	0.00	0.00	0.00

Total percentage of voting rights represented on the board:

Total % of voting rights represented on the board	67.75

At the date of writing this report, the total percentage of voting rights held by board members is 56.19% and the total percentage of voting rights represented on the board is 67.88%.

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 2021, 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 and receipt of freight services on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.

Name of related party	Type of relationship	Brief description
GRUPO TRADIFÍN, S.L.	Commercial	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
GRUPO TRADIFÍN, S.L.	Contractual	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2021, 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 related parties. See in this respect the information on 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 99.99%. Mr Carceller Arce has an indirect interest in Corporación Económica Delta, S.A. through Sociedad Anónima Damm, in which he has a 0.942% interest (0.056% direct and 0.886% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm, Chairman of the Board of Corporación Económica Delta, S.A. and also holds other positions in some companies related with Damm. See section C.1.11 of this Report.
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 in the director Empresas Comerciales e Industriales Valencianas, S.L., which he represents on the Board of Directors of Ebro Foods, S.A. That indirect interest is held through the direct interest of 50.415% he has in Inversiones Caspatró, S.L., which in turn has a direct interest of 24.965% 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. on the board of Empresas Comerciales e Industriales Valencianas, S.L., which is

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
			chaired by Cultivos Valencia, S.L. He also holds other positions in some companies related with Empresas Comerciales e Industriales Valencianas, S.L. See section C.1.11 of this Report.
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 Managing Director of that company and holds other positions in some of its subsidiaries. See section C.1.11 of this Report.
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 99.99%. Ms Carceller Arce has a 0.05% direct 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.

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 has an employment relationship with the significant shareholder Sociedad Estatal de Participaciones Industriales, in which she is Deputy Director of the Investees Department. She does not hold any office in Alimentos y Aceites, S.A.
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 and holds other positions in other companies of the Corporación Financiera Alba S.A. Group. See section C.1.11 of this Report.
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.
ALEJANDRA OLARRA ICAZA	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra Icaza has an employment relationship with Corporación Financiera Alba, S.A.. She is a member of the Investment Department.

The directors Hercalianz Investing Group, S.L., Grupo Tradifín, S.L., Corporación Financiera Alba, S.A., Alimentos y Aceites, S.A. and Empresas Comerciales e Industriales Valencianas, S.L. are significant shareholders of Ebro Foods, S.A. The director José Ignacio Comenge-Sánchez Real is also a significant shareholder through the company he controls, Mendibea 2002, S.L. See section A.2 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	28.60

At the date of writing this Report the estimated free float is 28.47%.

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	
04/06/2019	29.12	51.48	0.01	0.10	80.71
Of which free float	0.17	15.37	0.01	0.10	15.65
29/07/2020	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
30/06/2021	0.00	61.09	0.02	18.75	79.86

Date of general meeting	Details of attendance				
	% in person	% by proxy	% distance voting		Total
			Electronic vote	Others	
Of which free float	0.00	12.21	0.02	0.56	12.79
15/12/2021	1.53	66.45	0.00	10.75	78.73
Of which free float	0.00	10.61	0.00	0.39	11.00

General meetings were held exclusively online during 2021 in pursuance of: (i) Final Provision Eight of Royal Decree-Law 5/2021 of 12 March on extraordinary measures to support business solvency in response to the COVID-19 pandemic, amending Royal Decree-Law 34/2020 of 17 November on urgent measures to support business solvency and the energy sector, and on taxation issues; and (ii) the company's utmost interest in protecting the health of its shareholders, employees and other persons involved in the preparation and holding of general meetings, in view of the health situation prevailing at those times.

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 continuous, up-to-date information 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-2021/, which is the direct link to the Extraordinary General Meeting of Shareholders held on 15 December 2021; and

https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-shareholders-meeting/, which is the link to the Annual General Meeting of Shareholders held on 30 June 2021.

Furthermore, since the general meetings held in 2021 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 2021 (this sub-section always refers to the latest general meeting held, whether annual or extraordinary)

- Board of Directors

- Regulations of the Board

-Remuneration of Directors

- Board Committees

- Annual Corporate Governance Report

- 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 just two 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	30/06/2021	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

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
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	30/06/2021	RESOLUTION PASSED AT AGM
JOSE IGNACIO COMENGE SÁNCHEZ-REAL		Proprietary	DIRECTOR	29/05/2012	16/12/2020	RESOLUTION PASSED AT AGM
JAVIER FERNÁNDEZ ALONSO		Proprietary	DIRECTOR	29/07/2020	16/12/2020	RESOLUTION PASSED AT AGM
CORPORACIÓN FINANCIERA ALBA, S.A.	ALEJANDRA OLARRA ICAZA	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
PEDRO ANTONIO ZORRERO CAMAS		Independent	DIRECTOR	13/12/2018	04/06/2019	RESOLUTION PASSED AT AGM

Total number of directors	14

Indicate any retirements from the board during the reporting period, through resignation or by resolution of the general meeting:

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
Pedro Antonio Zorrero Camas	Independent	04/06/2019	31/12/2021	Executive Committee and	YES

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
				Audit & Compliance Committee	

Cause of retirement if produced prior to the end of the director's term of office and other comments; information on whether the director sent a letter to the other board members and, for retirements of non-executive directors, explanation or opinion of any director removed from office by the general meeting

On 15 December 2021, after conclusion of the board and extraordinary general shareholders' meetings held that day, Pedro Antonio Zorrero Camas tendered his resignation from the board for professional reasons, with effect as from 31 December 2021.

Mr Zorrero Camas communicated his decision to resign and the purely personal reasons for such resignation in letters sent to the company and each of the directors.

In pursuance of the CNMV Technical Guidelines 1/2019 on Nomination and Remuneration Committees, which recommends that when a director resigns the Committee should assess the contents of the notification sent thereof, at a meeting held on 26 January 2022 the Nomination and Remuneration Committee discussed the grounds stated for Mr Zorrero Camas' resignation and his reasons for doing so, concluding that the strictly professional grounds alleged by Mr Zorrero Camas for his resignation was not related with any discrepancies with the company's strategy, directors, executives or core shareholders.

To fill the vacancy generated by Mr Zorrero Camas' resignation (with effect from 31 December 2021), the Board resolved on 31 January 2022 to appoint by cooptation Marc Thomas Murtra Millar as independent director. See sections A.3 and C.2 and Explanatory Note One in section H below.

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 studied 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, the Manuel Clavero Award, Business Sponsorship Award from the University of Seville and the Tiepolo 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 note in section C.1.10 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 8.621% at 31 December 2021 (8.695% at the date of writing this report, 21 March 2022).

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 of the Board and member of the Executive Committee of Sacyr, S.A. 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 28 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 company, 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 has received several awards for her career and business management: Executive of the Year by the journal Emprendedores in 2015, Award for Business Career in the IV Awards of the Young Entrepreneurs Association of Madrid in 2017, included within the Top 100 Leading Women in Spain published by Mujeres&Cía, and in the ranking of the 500 most influential Spanish women in 2020 published by Yo Dona, among others. She is bilingual in German and 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
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 Ebro Foods, S.A., Profand Fishing Holding, S.L., Rioja, S.à.r.L., 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 was formerly on the boards of several other companies including, among others, Acerinox, S.A., Actividades de Construcción y Servicios, S.A., Euskaltel, S.A. and Parques Reunidos Servicios Centrales, S.A. He speaks English.
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Alarra Icaza (representative of the director Corporación Financiera Alba, S.A.) was born in Bilbao. She has a degree in Business Management & Administration from Comillas Pontifical University (Universidad Pontificia Comillas) in Madrid (ICAE-ICADE). She has a lengthy track record in the investment banking sector and considerable international experience in mergers & acquisitions and equity market transactions in all sectors. She is currently a member of the Investment Department of Corporación Financiera Alba, S.A.
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 extensive experience 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 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, real estate and agricultural companies.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
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.

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, Master in Corporate Legal Counselling from IE Business School and PhD in Communication Science from IE University. On conclusion of her academic training, she worked for 10 years as a commercial lawyer in the law firm of José Mario Armero, and is currently Manager of the Negotiation and Mediation Centre of the IE Business School, where she is Negotiation lecturer in all the Masters programmes. She is also a member of the Advisory Board of Ribé Salat and Trustee of the "Fundación Contigo contra el Cáncer de la Mujer" and the "Quiero Trabajo" foundation. She wrote the manual "El Negociador efectivo" and directed and co-authored "Negociar para CON-vencer" and "Negociar para CON-seguir", as well as numerous technical notes, working papers and research cases on negotiation. In 2020 she received the award for "The most used learning material at IE".

Total number of independent directors	4
% of board	28.57

It should be noted that Pedro Antonio Zorrero Camas stepped down as director with effect from 31 December 2021, so his professional description contained in this section is prior to that date. See sections A.3, C.1.2, C.2 and Explanatory Note One of section H below.

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 (%)			
	2021	2020	2019	2018	2021	2020	2019	2018
Executive					0.00	0.00	0.00	0.00
Proprietary	4	3	3	3	50.00	37.50	42.86	42.86
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	6	5	5	5	42.86	35.71	38.46	38.46

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 by the procedure of cooptation. 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 following goals are established in the Policy:

- 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 42.86% on the Board of Directors, the company has already reached (and exceeded) in 2021 its target for women, as the gender least represented on that body, to represent 40% of the total board members by 2022.

In addition, as Marc Thomas Murtra Millar has joined the board as an independent director, the diversity of expertise, experience and professional profiles within the composition of the board has been enriched, considering the knowledge Mr Murtra Millar brings on the impact of technology on the future of large organisations and markets. In this regard, during the assessment of the Board, its Committees and the Executive Chairman during 2020 (made in 2021 with assistance from an external consultant), it was considered convenient to have a director expert in new technologies.

See sections A.3, C.1.2, D.2 and Explanatory Note One of section H regarding Mr Murtra Millar's incorporation in the board. See section C.1.17 on the assessment made in 2021, with assistance from an external consultant, on the Board, Committees and Executive Chairman during 2020.

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, 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, which target was met and even exceeded in 2021 (see section C.1.5 of this Report).

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 hiring, 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" 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 business (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 a Senior 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 2021, 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 57.63% of the capital (57.68% at the date of writing this Report), 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 66.10% of the capital (66.23% at the date of writing this Report). 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 (6 women) is 42.86%, the company reached (and exceeded) in 2021 its target of achieving the recommended 50% 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, if any, delegated by the board to particular directors or committees, including the power to cast or repurchase shares:

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

Name of director or committee	Brief description
	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.	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

Name of director	Name of group company	Position	With executive duties?
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	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.

Finally, the positions held by Félix Hernández Callejas in the subsidiaries of the Ebro Foods Group are listed below. In this regard, it should be remembered that, as mentioned elsewhere in this Report, Félix Hernández Callejas represents the director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. and that director is classified as an executive director by virtue of the fact that its representative is an executive and director of several Group subsidiaries.

- Anglo Australian Rice, Ltd. Director. With executive duties
- Arrozeiras Mundiarroz, S.A. Director. With executive duties
- Boost Nutrition, CV. Director. With executive duties
- Española de I+D, S.A. Joint and Several Director. With executive duties
- Eurodairy, S.L.U. Joint and Several Director. With executive duties
- Formalac, S.L.U. Joint and Several Director. With executive duties
- Fallera Nutrición, S.L.U. Joint and Several Director. With executive duties
- Herba Foods, S.L.U. Joint and Several Director. With executive duties
- Herba Ingredients Belgium B, BV. Director. With executive duties
- Herba Nutrición, S.L.U. Joint and Several Director. With executive duties
- Herba Trading, S.L.U. Joint and Several Director. With executive duties
- Joseph Heap & Sons, Ltd. Director. With executive duties
- Nuratri, S.L.U. Joint and Several Director. With executive duties
- Nutramas, S.L.U. Joint and Several Director. With executive duties
- Nutrial, S.L.U. Joint and Several Director. With executive duties
- Pronatur, S.L.U. Joint and Several Director. With executive duties
- Risella, OY. Chairman and CEO. With executive duties
- Riviana Foods, Inc. Director. No executive duties
- S&B Herba Foods, Ltd. Director. With executive duties
- Santa Rita Harinas, S.L. Chairman. No executive duties
- Vitasan, S.L.U. Joint and Several Director. With executive duties
- Vogan, Ltd. Director. With executive duties
- Yofres, S.L.U. Joint and Several Director. With executive duties
- Herba Ingredients Belgium F, BV. Director. With executive duties

C.1.11 Name the company directors or representatives of corporate directors who are board members or representatives of corporate directors in other companies, listed or otherwise:

Name of director or representative	Name of company, listed or otherwise	Position
ANTONIO HERNÁNDEZ CALLEJAS	Imirton, S.L.	SOLE DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	Hacienda Las Casetas, S.L.	SOLE DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
DEMETRIO CARCELLER ARCE	Disa Corporación Petrolífera, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Sacyr, S.A.	VICE-CHAIRMAN
DEMETRIO CARCELLER ARCE	Font Salem, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Damm Restauración, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Setpoint Events, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Inversiones Las Parras de Castellote, S.L.	SOLE DIRECTOR
DEMETRIO CARCELLER ARCE	Sociedad Anónima Damm	CHAIRMAN
DEMETRIO CARCELLER ARCE	Corporación Económica Delta, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Compañía Inversora del Maestrazgo, S.L.	SOLE DIRECTOR
DEMETRIO CARCELLER ARCE	Rodilla Sánchez, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Balear de Cervezas, S.L.	CHAIRMAN
BELÉN BARREIRO PÉREZ-PARDO	40DB Data, S.L.	SOLE DIRECTOR
MARÍA CARCELLER ARCE	Damm Restauración, S.L.	MANAGING DIRECTOR
MARÍA CARCELLER ARCE	Corporación Económica Delta, S.A.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Rodilla Sánchez, S.L.	MANAGING DIRECTOR
MARÍA CARCELLER ARCE	Artesanía de la Alimentación, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Sociedad Anónima Damm	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	El Obrador de Hamburguesa Nostra, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Nostra Restauración, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Hamburguesa Nostra, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Balear de Cervezas, S.L.	DIRECTOR
MARÍA CARCELLER ARCE	Renta Insular Canaria, S.A. SICAV	DIRECTOR
MARÍA CARCELLER ARCE	Hamburguesa Nostra Franquicia, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Japan Investment, BV	DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Claptos 2, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	S.C.I. Clatos France	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Eurodairy Farms, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Kilfenora, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Soc. Africaine Investissement	DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Tomás Cusiné, S.L.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Ence Energía y Celulosa, S.A.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Mendibea 2002, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Blig 13-13, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Arbitrajes e Inversiones, S.L.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Globotrans, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Dosval, S.L.	DIRECTOR
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Fruvega, S.L.	JOINT AND SEVERAL DIRECTOR
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Dosval, S.L.	CHAIRMAN
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Olive Partners, S.A.	VICE-CHAIRMAN
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Riegos El Pator, S.L.	SOLE DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Inversiones Caspatró, S.L.	CHAIRMAN

Name of director or representative	Name of company, listed or otherwise	Position
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Valencia, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Capital, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Activo Inmobiliario, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Las Colinas del Contador, S.A.	JOINT DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Los Barrancos y el Hornillo, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Artá Capital, S.G.I.C., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Deyá Capital, S.C.R., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Deyá Capital IV, S.C.R., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Profand Fishing Holding, S.L.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Rioja, S.a.r.l.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Rioja Acquisition, S.a.r.l.	DIRECTOR
GRUPO TRADIFÍN, S.A.	Aldebarán Energía del Guadalquivir, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Cabher 96, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Golf Activities, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Olivetum Recursos Biomásicos, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Light Environment Control, S.L.	DIRECTOR
GRUPO TRADIFÍN, S.A.	Instituto Hispánico del Arroz, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Real Club Sevilla Golf, S.L.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Grupo Tradifín, S.L.	MANAGING DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Tradifín, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Pharma Mar, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Light Environment Control, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Magallanes Value Investors, S.A.	DIRECTOR
HERCALIANZ INVESTING GROUP, S.L.	Hersot Ventures, S.L.	SOLE DIRECTOR
HERCALIANZ INVESTING GROUP, S.L.	Instituto Hispánico del Arroz, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hercalianz Investing Group, S.L.	JOINT AND SEVERAL DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Acebes Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agrícola Mauriñas, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agrícola Villamarta, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agropecuaria Isla Mayor, SL.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Arrizur 8, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Arrozales Isla Menor, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Australian Commodities, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Campoarroz Sur, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Conde-Guadaira, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Cuquero Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Casudis, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Guadalquivir, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	El Cobujón, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Entreguadal, S.L.	REPRESENTATIVE OF DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
FÉLIX HERNÁNDEZ CALLEJAS	Entrerríos Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Esparragosilla 91 S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Fitoplancton Marino, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Greenveta 78, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Bocón, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Guadiagrán, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Las Pompas, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hersot Ventures, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hispamark Real State, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Instituto Hispánico del Arroz, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Isla Sur, S.A.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Libeccio Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Llanos Rice, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Matochal Sur, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Mundirice Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Oryza Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Pesquerías Isla Mayor, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Prorrío, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Risoland Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Revercant Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Rivereta 12, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Sirocco Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Vercelli Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Veta Grains, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Vetarroz, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Zudirroz, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hernández Barrera Servicios, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Magallanes Value Investors, S.A.	DIRECTOR

- Demetrio Carceller Arce is also Chair of the Board of Trustees of Fundación Damm.

- Mercedes Costa García is also member of the Board of Trustees of Fundación Contigo contra el Cáncer de la Mujer and member of the Advisory Board of Fundación Quiero Trabajo.

- Blanca Hernández Rodríguez is also Chair of the Board of Trustees of Fundación Ebro Foods, member of the Board of Trustees of Fundación Proyecto Hombre Sevilla and member of the Board of Trustees of Fundación Capacis.

Indicate any other remunerated activities of the directors or representatives of corporate directors, regardless of their nature, other than those mentioned in the preceding table.

Name of director or representative	Other remunerated activities
BELÉN BARREIRO PÉREZ-PARDO	Lecturer and member of the Social Council of UNIR
CORPORACIÓN FINANCIERA ALBA, S.A.	Real estate and investment activities
MERCEDES COSTA GARCÍA	Management of IE Business School and member of the Advisory Board Ribé Salat

Name of director or representative	Other remunerated activities
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Bookkeeping, administration and tax management for subsidiaries
JAVIER FERNÁNDEZ ALONSO	General Manager of Corporación Financiera Alba, S.A.
GRUPO TRADIFÍN, S.L.	Management activities for Club Deportivo Real Club Sevilla Golf and estate agencies
MARÍA JESÚS GARRIDO SOLÍS	Deputy Director of the Investees Department of Sociedad Estatal de Participaciones Industriales (SEPI)
ALEJANDRA OLARRA ICAZA	Member of the Investment Department of Corporación Financiera Alba, 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)	7,169
Amount of the funds accumulated by current directors in long-term savings schemes with vested economic rights (thousand euros)	
Amount of the funds accumulated by current directors in long-term savings schemes with non-vested economic rights (thousand euros)	
Amount of the funds accumulated by former directors in long-term savings schemes (thousand euros)	

The gross amount indicated in this section C.1.13 includes: (i) the remuneration of all the directors for their duties as such, and (ii) the remuneration of the Executive Chairman for his executive duties (including attendance fees as director received from a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in a sum of 5,000 euros.

The Executive Chairman of the Board also received 5,200 euros gross in attendance fees as director from the associate Riso Scotti, S.p.A.

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

Name	Position(s)
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER
MANUEL GONZÁLEZ DE LUNA	INVESTOR RELATIONS AND FINANCIAL INSTITUTIONS MANAGER

Number of women in top management positions	4
Percentage of total members of top management	40.00

Total remuneration top management (thousand euro)	2,400

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 are not actually considered "top management".

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 15 December 2021, after the Extraordinary General Meeting of Shareholders held that same day, the Board of Directors unanimously resolved to alter the Regulations of the Board, mainly to adjust them to the Corporate Enterprises Act ("LSC") following its amendment by Act 5/2021 of 12 April on encouraging the long-term involvement of shareholders in listed companies.

The alteration 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 alterations made to the Regulations of the Board are summarised below:

A. Alterations adapting to the Corporate Enterprises Act:

- Alteration of Article 8 (Powers) to adapt the power of the Board to approve the related party transactions within its remit to the provisions of section 529.ter.1(h) LSC.

- Alteration of Article 24 (Audit and Compliance Committee) to adapt the text to that of section 529 quaterdecies.4(g) LSC

- Alteration of Article 25 (Nomination and Remuneration Committee) to adapt the power regarding the report to be issued to the Board by the Nomination and Remuneration Committee on setting the individual remuneration of each director for their duties as such and regarding the individual determination of the remuneration of each director for the performance of any executive duties assigned to them, in pursuance of sections 529 septdecies.3 and 529 octodecies.3 LSC, respectively. All this shall be coordinated with the provisions of Article 22 of the Articles of Association (following their amendment as resolved at the Annual General Meeting held on 30 June 2021).

- Amendment of Article 32 (General duties of Directors) to supplement the provisions regarding the duty of loyalty, adding the words "subordinating their personal interests at all times to the interests of the company", pursuant to section 225.1 LSC.

- Amendment of Article 37 (Conflict of interest. Related party transactions) to adapt the rules on related party transactions to the provisions of Chapter VII bis of Title XIV LSC.

- Amendment of Article 41 (Remuneration) to adapt it to the provisions of sections 529 septdecies.3, novodecies.1 and octodecies.3 LSC and expressly include a reference to the directors' liability insurance. All this shall be coordinated with the wording of Article 22 of the current Articles of Association (following their amendment as resolved at the Annual General Meeting held on 30 June 2021).

B. Other alterations for technical enhancement and coordination:

- Alteration of Article 6 (Qualitative Criteria)

- Alteration of Article 7 (General Duties)

- Alteration of Article 8 (Powers)

- Alteration of Article 9 (Specific duties regarding certain matters)

- Alteration of Article 11 (Chairman of the Board)

- Alteration of Article 15 (Secretary of the Board and Vice-Secretary)

- Alteration of Article 17 (Board Meetings)
- Alteration of Article 18 (Notice of Call)
- Alteration of Article 20 (Proxies)
- Alteration of Article 22 (General Provisions)
- Alteration of Article 24 (Audit and Compliance Committee)

C. Finally, to remedy minor errata:

- Alteration of Article 3 (Modification)
- Alteration of Article 23 (Executive Committee)
- Alteration of Article 31 (Retirement of Directors)

The recast text of the Regulations of the Board was entered in the Madrid Trade Register on 24 February 2022. 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 2022.

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 assessment of the Board, Committees and Executive Chairman corresponding to 2020 (made in 2021 with assistance from an independent external consultant) 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

An assessment is made every year on the Board, its Committees and the Executive Chairman of the Company.

The independent external consultant who assisted the company in the assessment corresponding to 2020 (made in 2021) based their process on: (i) the minutes of Board and Committee meetings that the company has provided; (ii) the Articles of Association, Regulations of the Board, Code of Conduct, Corporate Governance Reports, Audit and Compliance Committee reports, Nomination and Remuneration Committee reports and Policies of the Company published on the corporate website; (iii) examination of 156 items concerning the procedures of the Board, following the recommendations of the Code of Good Governance, the Technical Guidelines for Audit Committees and Nomination and Remuneration Committees and adaptation to the legal framework; and (iv) the interviews held through remote channels, owing to the health situation at that time, with the independent directors and most of the proprietary directors.

B. AREAS ASSESSED

Apart from assessing the composition, powers and procedures of the Board of Directors and its Committees, a specific assessment was made of those bodies with regard to the following matters:

-Board of Directors: specific assessment of: (i) the size, dimension and qualitative composition, (ii) the balance and diversity of expertise on the Board, (iii) the independence and dedication of the directors, (iv) the remuneration of the directors; (v) the adaptation of the Board procedures and powers to the provisions of law, articles and regulations applicable to the Board and to the applicable policies; and (vi) the procedure at meetings and how business is discussed and transacted.

-Executive Committee: specific assessment of reporting to the Board on the resolutions adopted by the Committee through access by all directors, through the Secretary, of the minutes of its meetings.

-Audit and Compliance Committee: specific assessment of its particular powers in matters concerning internal audit procedures, external auditors, whistleblowing channel, financial reporting, structural operations, risk control and annual accounts, as well as the specific powers of supervision in particular aspects of corporate government, internal codes of conduct and corporate social responsibility.

-Nomination and Remuneration Committee: specific assessment of its powers with regard to the selection of directors, basic terms of senior executive contracts, pay policies and the remuneration policy for directors and senior executives.

C.1.18 In any years in which an external consultant has been 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.

The external consultant has not entered into any business relationships with companies in the Ebro Group other than as regards the assessment, as explained in section C.1.17 of this Report.

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 of Directors, 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 or other stricter requirements in addition to those provided by law 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	13
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 Nomination and Remuneration Committee	5
Number of meetings of the Strategy and Investment Committee	1
Number of meetings of the Audit and Compliance Committee	7
Number of meetings of the Executive Committee	6

The number of Board meetings (13) indicated in this section includes the adoption of written resolutions without a meeting, pursuant to Article 21.4 Regulations of the Board.

During 2021, when the Covid-related restrictions continued, the lead independent director did not hold any face-to-face meetings with the other non-executive directors, although she has proactively 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	13
Attendance / total votes during the year (%)	96.15
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	13
Votes cast with attendance in person or by proxies with specific instructions / total votes during the year (%)	100.00

Attendance in person includes all directors who attended personally, face-to-face or online.

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.

In this regard, it must also 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.

- Be informed of the decisions adopted by the senior management according to recommendations made by the External Auditors in connection with the audit.

In addition, the Group has a Risks Control and Management Policy, including tax risks, 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 Department is responsible, as described in section F.3.1 of this report.

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 Group Economic Department, the Risks Committee, the economic and finance departments of the different business units, the Audit and Compliance Committee and the Board of Directors.

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 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. To perform these duties it shall, through its Chair, obtain information and collaboration from both the Internal Audit Manager and the External Auditors.

- 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. It shall also inform the Board on the proposed appointment of the Internal Audit Manager and approve each year the internal audit work plan and monitor its implementation.

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, when 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 of the Ebro Group, 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 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 Company also has a Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors, which upholds transparency as one of the fundamental values of the actions by the Company and its Group. This Policy contemplates the following general principles applicable in this matter:

- Communication and relations with institutional investors and proxy advisors are conducted in accordance with the principles of transparency, truth and permanent, adequate, timely reporting.

- The principle of non-discrimination and equal treatment is recognised for all shareholders and investors who are in the same conditions and not affected by conflicts of interest or competence.

- The rights and legitimate interests of all shareholders are protected.

- Continuous, permanent communication with shareholders and investors is encouraged.

- Reporting and communication channels are established with shareholders and investors to ensure compliance with these principles.

The company also 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:

- The communication of financial, non-financial and corporate information through any available channels shall in all cases respect: (i) the legal provisions in place from time to time on market abuse and (ii) the principles of transparency, truth and permanent, adequate, timely reporting.

- The principles of non-discrimination and equal treatment shall be respected in all cases for all shareholders who are in the same conditions and not affected by conflicts of interest or competence.

- 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)	208	140	348

Charge for non-audit work / Amount invoiced for audit work (%)	45.81	6.72	13.72

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 separate and/or consolidated annual accounts of the company. 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	8	8

	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	25.81	25.81

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	0
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:

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

% 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 will have a minimum of three and a maximum of five Directors, including the Chair, appointed by the Board of Directors subject to a report by the Nomination and Remuneration Committee.

Meetings will be 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 2021, the Strategy and Investment Committee began defining the principal guidelines for the new Strategic Plan of the Ebro Foods Group 2022-2024.

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIR	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.

Following the appointment of Marc Thomas Murtra Millar as independent director as of 31 January 2022, filling the vacancy produced upon the resignation of Pedro Antonio Zorrero Camas (with effect from 31 December 2021), the composition of the Executive Committee is as follows:

- Antonio Hernández Callejas, Chair (executive director)
- Demetrio Carceller Arce, Member (proprietary director)
- Javier Fernández Alonso, Member (proprietary director)
- Marc Thomas Murtra Millar, Member (independent director)

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 2021, 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.

Audit and Compliance Committee		
Name	Position	Category
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MERCEDES COSTA GARCÍA	CHAIR	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary
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 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.

Following the appointment of Marc Thomas Murtra Millar as independent director as of 31 January 2022, filling the vacancy produced upon the resignation of Pedro Antonio Zorrero Camas (with effect from 31 December 2021), the composition of the Audit and Compliance Committee is as follows:

- Mercedes Costa García, Chair (independent director)
- Fernando Castelló Clemente, Member (independent director)
- Javier Fernández Alonso, Member (proprietary director)
- Grupo Tradifín, S.L., Member (proprietary director)
- Marc Thomas Murtra Millar, Member (independent director)

Mr. Murtra Millar has been appointed member of the Audit and Compliance Committee by virtue of his expertise and experience in the matters falling within the remit of this Committee.

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 will have 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 Chair 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 Chair shall be replaced every four years and will become eligible for re-election one year after their 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 2021, 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, annual work plan of the internal audit department, 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.

During 2021 the Committee also approved its 2020 activity report, made available for shareholders for the Annual General Meeting held on 30 June 2021.

The Company will issue a detailed report of all the activities performed by the Audit and Compliance Committee during 2021, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2022.

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 committee chair.

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

Nomination and Remuneration Committee		
Name	Position	Category
BELÉN BARREIRO PÉREZ-PARDO	MEMBER	Independent
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
FERNANDO CASTELLÓ CLEMENTE	CHAIR	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.

The Nomination and Remuneration Committee will have 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 will 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 will be 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 its remit.

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 2021, 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 Directors' Remuneration Policy 2019-2021 and other policies falling within its remit; (iv) new Directors' Remuneration Policy 2022-2024; (v) remuneration systems and remuneration of directors, including the Executive Chairman, and of the key executives of the Company and its Group; (vi) Corporate Governance Report and Directors' Remuneration Report for 2021; (vii) Share-Based Remuneration Plan for Group employees for 2021; and (viii) self-assessment procedure for the Board of Directors, Chairman and Committees for 2020, with assistance from an independent external consultant.

The Committee also approved during 2021 its 2020 activity report, made available for shareholders for the Annual General Meeting of 30 June 2021.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2021, which will be made available to all shareholders for the forthcoming Annual General Meeting 2022.

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							
	2021		2020		2019		2018	
	No.	%	No.	%	No.	%	No.	%
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00
Audit and Compliance Committee	2	40.00	2	40.00	3	60.00	2	40.00
Nomination and Remuneration Committee	3	60.00	3	60.00	2	50.00	1	25.00

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 approved by the Board of Directors on 15 December 2021, changes have been made to the regulations of the Executive Committee, the Audit and Compliance Committee and the Nomination and Remuneration Committee in such aspects as have been deemed fit to adapt them to the Corporate Enterprises Act following the amendment thereto by virtue of Act 5/2021. 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 bodies competent to approve related party and inter-company transactions, indicating the internal criteria and general rules of the organisation regulating the obligations of affected directors or shareholders to abstain and defining the internal procedures on reporting and regular control established by the company in relation to the related party transactions whose approval has been delegated by the Board.

Article 24 of the Regulations of the Board vests in the Audit and Compliance Committee the power to: (i) oversee related party transactions and report to the Board or the General Meeting, as the case may be, prior to their approval, on the related party transactions to be submitted for its approval; and (ii) supervise the internal procedure, if any, established by the company for those transactions whose approval has been delegated.

In general, Article 37 of the Regulations of the Board establishes that other than in the cases in which this power is reserved by law to the General Meeting, related party transactions must be reported to and approved by the Board, subject to a report by the Audit and Compliance Committee.

Article 37 of the Regulations provides that:

- Related Party Transactions made for an amount or value equal to or greater than 10% of the total consolidated assets, as per the latest consolidated annual balance sheet approved by the company, require approval by the General Meeting.

- All other Related Party Transactions shall be approved by the Board, which may not delegate this power unless: (i) they are made with Group companies within the scope of ordinary business and on arm's length terms, or (ii) they are made under standard form contracts used generally with a large number of clients, at prices or rates established generally by the supplier of the goods or provider of the services in question and provided the amount of the transaction does not exceed 0.5% of the company's consolidated net turnover.

- Whenever, in accordance with the preceding paragraph, the Board delegates the approval of related party transactions, the Board shall establish an internal procedure for regular reporting and control in order to verify the fairness and transparency of those transactions and, as the case may be, compliance with the applicable legal provisions.

- The Audit and Compliance Committee shall issue a report prior to approval of any Related Party Transactions by the General Meeting or the Board. In that report, the Committee shall assess whether the transactions are fair and reasonable for the company and, where appropriate, for shareholders other than the related party involved in the transaction, explaining the assumptions on which its assessment is based and the methods employed. No members of the Audit and Compliance Committee affected by the Related Party Transactions may participate in the preparation of this report. This report will not be obligatory for Related Party Transactions whose approval has been delegated by the Board, whenever this is permitted by law and contemplated in the Regulations of the Board.

- The Board shall ensure publication of any Related Party Transactions made by the company or Group companies for a sum equal to or greater than 5% of the total value of consolidated assets or 2.5% of the annual consolidated turnover of the Company or its Group.
For this purpose, an announcement containing the details required by law shall be published in an easily accessible part of the company's website and sent to the National Securities Market Commission. The announcement shall be published and remitted no later than the date of the Related Party Transaction, and shall be accompanied by the report, if any, issued by the Audit and Compliance Committee.

- The amount of a Related Party Transaction shall be determined by adding up the value of all transactions made with the same counterparty within the past twelve months.

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. Give the individual details of any transactions for a significant amount or object between the company and/or companies in its group and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, stating which body was responsible for approving them and whether any affected director or shareholder has abstained. If the General Meeting was competent, state whether the proposed resolution was passed by the board without votes against by the majority of independent directors:

	Name of shareholder or any of its subsidiaries	% Interest	Name of subsidiary	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without votes against by the majority of independent directors
(1)	CORPORACIÓN FINANCIERA ALBA, S.A.	14.44	---	25,040	General Meeting of Shareholders (annual and extraordinary)	---	YES
(2)	SOCIEDAD ANÓNIMA DAMM	11.69	Compañía Cervecera Damm, S.L.	5,262	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(3)	SOCIEDAD ANÓNIMA DAMM	11.69	Estrella de Levante, S.A.	1,397	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(4)	SOCIEDAD ANÓNIMA DAMM	11.69	Alfil Logistics, S.A.	7	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(5)	CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	---	20,498	General Meeting of Shareholders (annual and extraordinary)	---	YES
(6)	ALIMENTOS Y ACEITES, S.A.	10.36	---	18,172	General Meeting of Shareholders (annual and extraordinary)	---	YES
(7)	HERCALIANZ INVESTING GROUP, S.L.	8.62	Instituto Hispánico del Arroz, S.A.	11,662	Board of Directors without votes against by majority of independent directors	Hercalianz Investing Group, S.L., Antonio Hernández Callejas y Grupo Tradifín, S.L.	NO
(8)	HERCALIANZ INVESTING GROUP, S.L.	8.62	---	14,984	General Meeting of Shareholders (annual and extraordinary)	---	YES
(9)	GRUPO TRADIFÍN, S.L.	7.96	Cabher 96, S.L.	28	Board of Directors without votes against by majority of independent directors	Grupo Tradifín, S.L., Antonio Hernández Callejas and Hercalianz Investing Group, S.L.	NO

	Name of shareholder or any of its subsidiaries	% Interest	Name of subsidiary	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without votes against by the majority of independent directors
(10)	GRUPO TRADIFÍN, S.L.	7.96	---	13,964	General Meeting of Shareholders (annual and extraordinary)	---	YES
(11)	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	---	13,729	General Meeting of Shareholders (annual and extraordinary)	---	YES
(12)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	5.20	Mendibea 2002, S.L.	9,120	General Meeting of Shareholders (annual and extraordinary)	---	YES
(13)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	5.20	---	3	General Meeting of Shareholders (annual and extraordinary)	---	YES
(14)	ANTONIO HERNÁNDEZ CALLEJAS	0.00	Luis Hernández González	42	Board of Directors without votes against by majority of independent directors	Antonio Hernández González, Hercalianz Investing Group, S.L. and Grupo Tradifín, S.L.	NO

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(1)	CORPORACIÓN FINANCIERA ALBA, S.A.	Corporate	Dividends paid
(2)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm’s length terms
(3)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm’s length terms
(4)	SOCIEDAD ANÓNIMA DAMM	Commercial	Freight services received on arm’s length terms
(5)	CORPORACIÓN ECONÓMICA DELTA, S.A.	Corporate	Dividends paid

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(6)	ALIMENTOS Y ACEITES, S.A.	Corporate	Dividends paid
(7)	HERCALIANZ INVESTING GROUP, S.L.	Commercial	See information on and breakdown of transactions in "COMMENTS"
(8)	HERCALIANZ INVESTING GROUP, S.L.	Corporate	Dividends paid
(9)	GRUPO TRADIFÍN, S.L.	Commercial	Purchase of rice harvest at price and on terms applied in comparable transactions
(10)	GRUPO TRADIFÍN, S.L.	Corporate	Dividends paid
(11)	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Corporate	Dividends paid
(12)	ON JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Corporate	Dividends paid
(13)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Corporate	Dividends paid
(14)	ANTONIO HERNÁNDEZ CALLEJAS	Contractual	Real estate lease (expense) on arm's length terms

1. The related party transactions made with shareholders (or their related parties) which, in their capacity as such, are represented or hold a position on the Board are indicated in this section.

2. Information and breakdown of transactions with Instituto Hispánico del Arroz, S.A.:

With regard to the transactions made with Instituto Hispánico del Arroz, S.A. indicated in this section D.2, it should be noted that the directors and significant shareholders Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L. each own 50% of Instituto Hispánico del Arroz, S.A., with which the Ebro Group frequently enters into commercial transactions on arm's length terms. The transactions made by the Ebro Group with that company and its subsidiaries during 2021 have been set down in this section as related to the director Hercalianz Investing Group, S.L., although they should also be considered related to the director Grupo Tradifín, S.L. by virtue of the 50% interest that this director has in Instituto Hispánico del Arroz, S.A.

The breakdown of transactions made by the Ebro Group with Instituto Hispánico del Arroz, S.A. (related to the directors Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L.) declared in this section is as follows:

- national and international commodity purchases: quinoa and different varieties of rice, for 9,521 thousand euros;

- national and international commodity sales: quinoa and different varieties of rice (harvest and grain), marine plankton and crop protection products, for 1,360 thousand euros;

- services rendered, essentially royalties and import licences, for 50 thousand euros;

- services received, essentially royalties and import licences, for 289 thousand euros;

- leases (expense) of offices, raw material warehouses and extended rice storage, for 442 thousand euros.

The Board of Directors took the following criteria in account when approving the above transactions:

- internal comparables: price and terms applied in purchase and sale transactions and services rendered and received comparable with unrelated third parties;

- external comparables: when there are no internal comparables, the price and terms of similar products on the national or international market has been taken (based on information obtained from stock markets and other public information); and

- other comparables: when there are no internal or external comparables, other aspects have been analysed, such as the return obtained on resale.

D.3. Give the individual details of 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, including any transactions made with companies that the director or executive controls or jointly controls, stating which body was responsible for approving them and whether any affected director or shareholder has abstained. If the General Meeting was competent, state whether the proposed resolution was passed by the board without votes against by the majority of independent directors:

	Name of directors or executives or companies under their control or joint control	Name of company or subsidiary	Relationship	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the general meeting, if any, was approved by the board without votes against of the majority of independent directors
(1)	FERNANDO CASTELLÓ CLEMENTE	---	---	2,631	General Meeting of Shareholders (annual and extraordinary)	---	YES
(2)	DEMETRIO CARCELLER ARCE	Inversiones Las Parras de Castellote, S.L.	Corporate	188	General Meeting of Shareholders (annual and extraordinary)	---	YES
(3)	DEMETRIO CARCELLER ARCE	---	---	11	General Meeting of Shareholders (annual and extraordinary)	---	YES
(4)	MARÍA CARCELLER ARCE	Mahoganyseppl, S.L.	Corporate	5	General Meeting of Shareholders (annual and extraordinary)	---	YES
(5)	MARÍA CARCELLER ARCE	---	---	23	General Meeting of Shareholders (annual and extraordinary)	---	YES

	Name of directors or executives or companies under their control or joint control	Nature of the transaction and other information necessary for its evaluation
(1)	FERNANDO CASTELLÓ CLEMENTE	Dividends paid

	Name of directors or executives or companies under their control or joint control	Nature of the transaction and other information necessary for its evaluation
(2)	DEMETRIO CARCELLER ARCE	Dividends paid
(3)	DEMETRIO CARCELLER ARCE	Dividends paid
(4)	MARÍA CARCELLER ARCE	Dividends paid
(5)	MARÍA CARCELLER ARCE	Dividends paid

It should also be noted that during 2021 Ebro Foods, S.A. distributed a sum of 54 thousand euros as dividends to the executives listed in section C.1.14 of this Report.

D.4. Give the individual details of any inter-company transactions for a significant amount or object between the company and its parent or other companies in the parent's group, including the subsidiaries of the listed company, unless any other related party of the listed company has interests in those subsidiaries or the latter are fully owned, directly or indirectly, by the listed company.

In any case, inform on any inter-company transactions with companies established in countries or territories considered tax havens:

Name of group company	Brief description of the transaction	Amount (thousand euros)
No details		

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 2021 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.: Dividends received 1,000 thousand euros;
- Arotz Foods, S.A.: Purchase of goods (finished or otherwise) 34 thousand euros;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise) 389 thousand euros;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise) 6,050 thousand euros;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise) 842 thousand euros;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise) 1,180 thousand euros;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise) 122 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise) 224 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise) 613 thousand euros;
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise) 704 thousand euros;
- Herba Ingredients Group: Sale of goods (finished or otherwise) 110 thousand euros.

D.5. Give the individual details of any transactions for a significant amount or object between the company or group companies and other related parties that are so pursuant to the International Accounting Standards adopted by the EU and that have not been reported in the preceding sections.

Name of related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousand euros)
FÉLIX HERNÁNDEZ CALLEJAS	IT services rendered (income) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	4
FÉLIX HERNÁNDEZ CALLEJAS	Legal and tax counselling services received (expense) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	300

Hernández Barrera Servicios, S.A. is 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, significant shareholders or other related parties.

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 (which is not the case).

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.

Finally, it should be noted that during 2022 the company has approved and implemented a Protocol on Related Party Transactions (the "Protocol"), to enable the detection and treatment of related party transactions in the terms stipulated in the new provisions on related party transactions in the Corporate Enterprises Act, following its amendment by virtue of Act 5/2021 of 12 April.

The Protocol was approved by the Board on 28 February 2022, following a favourable report by the Audit and Compliance Committee.

Based on that Protocol, the company has established the following procedures:

- for communication between the company and its related parties to identify in advance any transactions to be made with the latter;

- for controlling potential transactions identified that are going to be made;

- for analysing the transactions identified with a view to determining: (i) whether the prerequisites exist to consider it a "related party" transaction; (ii) whether, according to the applicable legal provisions, the related party transaction should be announced; and (iii) which body is responsible for approving it, depending on the transaction;

- for subsequent monitoring of third party transactions to check that the transactions declared in the Periodical Public Reporting, Annual Accounts and Annual Corporate Governance Report: (i) correspond to the ones recorded in the corporate accounts; and (ii) are in keeping with those previously identified.

The Protocol is also applicable to the transactions made between the company and its subsidiaries or investees, in which a party related to the company has an 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 financial and non-financial 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 vary according to the circumstances in which the Group is operating. The risks associated with the COVID 19 pandemic, those related with the supply and cost of raw materials and those related with cybersecurity were especially important during 2021.

E.2. Name the corporate bodies responsible for preparing and implementing the financial and non-financial 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 financial and non-financial 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 (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. In addition, the Board receives every year the minutes of the Risks Committee meetings held in the previous year to supplement the information provided regularly by the Audit and Compliance Committee throughout the year. This reinforces the most direct monitoring of risk control by the Board and, should they deem fit in the light of the Risks Committee minutes, the directors may request further information on any risk reported or the mitigation measures implemented.

E.5. What financial and non-financial risks, including tax risks, have occurred during the year?

The financial and non-financial risks, including tax risks, that have occurred during 2021 and the first few months of 2022 (up to the date of writing this report) are listed below and explained in further detail in Explanatory Note Four in section H of this report:

A. COVID 19

B. SUPPLY RISKS

- Transport
- Rice sources
- Durum wheat harvest
- Other materials and energy

C. CYBERSECURITY

D. COUNTRY RISK

- Brexit
- Ukraine crisis

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 thorough monitoring of business at each Board meeting and the annual remittance to the Board of the minutes of all the Risks Committee meetings held during the preceding year).

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 and is accessible to all Group employees but does not expressly establish (nor does it 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 in the 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:

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: (i) efficient management of access to our systems, whether internal or external, and (ii) 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 place in Riviana Foods Inc and Riviana Foods Canada Corporation and 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.

i) 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.

ii) 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. This is designed to ensure adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

iii) 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.

iv) 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 servers, 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, and it has continued implementing new tools and utilities to monitor unauthorised access through cloud profiles.

The Group continues working on perimeter security, especially in respect of its most important plants. Processes have been defined and advanced security systems have been implemented. They have been established first in the subsidiaries in the USA and Canada and will be extended to the other major subsidiaries of the Ebro Group during 2022.

v) 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.

Each year, when it has finished its audit work, the External Auditor provides the company with a letter of recommendations on internal control. In 2021, following the audit of the 2020 accounts, the External Auditor informed the Audit and Compliance Committee that they had not detected any significant weaknesses during their work. This notwithstanding, they submitted a few recommendations to reinforce internal control.

During 2021, the External Auditor attended 7 meetings of the Audit and Compliance Committee and the Manager of the Internal Audit Department attended 6.

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.

It should be noted that none of the related party transactions that took place in 2021 (or any of those made in 2022 up to the date of writing this report) meet the conditions for requiring publication stipulated in section 529 unvicies of the Corporate Enterprises Act.

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 [ ]

The company has a Policy on Attendance Fees for General Meetings, which establishes the principle that may not be delivered in the form of cash, but will consist of a gift related with the Company's products and/or brands.

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 (57.63%), it should be borne in mind that (i) the significant shareholders represented on the Board are unrelated; (ii) 67.75% of the capital is represented on the Board (67.88% at the date of writing this report); and (iii) 71.40% of the company's capital is held by stable or strategic shareholders (71.53% at the date of writing this report).

The company has assessed the monitoring of this Recommendation and considers that the 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 somewhat 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 67.75% of the capital is represented on the Board (67.88% at the date of writing this report).

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 positions, remunerated or otherwise, held by the directors of Ebro Foods, S.A. and the representatives of corporate directors on the boards of other companies, listed or otherwise, and any other remunerated activities they may perform, is included in the corporate governance report each year, which is published permanently in the corresponding section of the corporate website.

After studying this Recommendation, the Company considers that it informs on the positions held by the directors of Ebro Foods, S.A. and the representatives of corporate directors on the boards of other companies, listed or otherwise, and in companies engaged in similar or identical activities as Ebro Foods, S.A., as well as on any other remunerated activities they may perform, remunerated or otherwise, 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 [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

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 [ ]

The "senior executives" 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 if they are not actually considered "top management".

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 [X]   Partial compliance [ ]   Explanation [ ]   Not applicable [ ]

The criteria and variable components of the remunerations contemplated in this Recommendation are included in the current Directors' Remuneration Policy 2022-2024, which was approved at the Annual General Meeting held on 30 June 2021.

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 variable remuneration systems of the Executive Director applied in 2021 are described in the Annual Report on Directors' Remuneration 2021 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. The current Directors' Remuneration Policy 2022-2024 also includes, among others, the variable remuneration components recommended in the Code of Good Governments (Recommendation 58).

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.

The current Directors' Remuneration Policy 2022-2024 also specifies that the remuneration of the only executive director who currently has executive duties does not include aspects indexed to the value of the company's shares or contemplate receipt by that director of shares or any rights over shares, precisely because that executive director has the special status of reference shareholder.

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 THE CHANGES PRODUCED IN THE BOARD OF DIRECTORS DURING 2021 AND THE FIRST MONTHS OF 2022 UP TO THE DATE OF WRITING THIS REPORT

The following changes were produced in the composition of the Board during 2021:

- Alejandra Olarra Icaza joined the Board on 24 November 2021 representing the director Corporación Financiera Alba, S.A., replacing Tomás Hevia Armengol; and

- Pedro Antonio Zorrero Camas tendered his resignation from the Board on 15 December 2021, with effect from 31 December 2021. Consequently, he ceased as of that date to be a director of the company and member of the Executive Committee and the 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 director by the procedure of cooptation, to fill the vacancy produced by the resignation of Mr Zorrero Camas (effective as of 31 December 2021). Mr Murtra is classified as a non-executive independent director and was also appointed member of the Executive Committee and the Audit and Compliance Committee.

EXPLANATORY NOTE TWO, 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 THREE, ON SECTION E.3

The main risks that could have a bearing on achievement of the company's business goals are explained below.

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) and the threats to their continuity or of extorsion by this kind of criminals have considerably increased in recent years. This growing threat led to its consideration (since 2020) as a separate risk, stepping up the existing security protocols.

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) was 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, which is a committee independent from the Risks Committee 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 the mechanisms for mitigating those risks, assisted by an external expert.

The monitoring of the Crime Prevention Model made by the Compliance Unit consists of six-monthly monitoring of the Model, within which it also checks adequate functioning of the mechanisms to mitigate criminal risks.

- 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.

Apart from that, 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 E.5

The financial and non-financial risks, including tax risks, that have occurred during 2021 and in the first few months of 2022 (up to the date of writing this report) are explained below.

A. COVID 19

Although the pandemic did not affect our business as much during 2021 as it did in the previous year, the Group maintains its special monitoring of the situation, while reinforcing its security measures and managing the difficulties encountered as a result of sick leave taken for the virus.

B. SUPPLY RISKS

- Transport

As the economy and world trade began to pick up in the last third of 2020, a huge gap appeared between shipping supply and demand. This initially affected container ships and routes from Asia, but gradually spread to other types of vessels and, as the available demand was absorbed, to other routes.

This imbalance, together with numerous problems encountered in the supply of ships and containers (stowing delays due to operating restrictions imposed because of the pandemic, port closures in China due to new waves of the pandemic, a dearth of fleet renewal and maintenance owing to the uncertainty created by the health crisis, new environmental requirements slowing down fleet renewal and increased costs of shipowners owing to the higher prices of oil and construction materials), have constantly pushed prices up. The indexes that follow contracts exchanged for bulk and container ships, such as the Baltic Dry Index, the Shanghai Containerized Freight Index, the World Container Index and the Harper Petersen Index, reflected a price hike between 500% and 700% from the first quarter of 2020, with a tremendous impact on the prices of raw materials at source on routes from Asia and to Europe or North America.

In the case of container ships (a very versatile type of ship usually used for this kind of transport), the huge price hike has combined with the uncertainty deriving from possible breaches of contract as shipowners are enticed by more lucrative contracts transporting other products or with other destinations. Owing to this uncertainty, transport in containers has come to be considered unviable for certain sources.

To guarantee the supply chain and lower costs, alternative logistics were sought, such as chartering complete bulk ships with combined cargoes and different European destinations. Transporting larger volumes entails greater risks of losses associated with deterioration and shrinkage in transit. Therefore, measures have been put in place to step up supervision and management of the logistics chain of complete ships, with increased testing at source, too. Receiving large volumes rather than containers also means higher management and storage costs of raw materials.

Although the greatest pressure on prices and supply is in shipping, it has also increased in road haulage due to the soaring oil prices (the Brent oil price has risen to 90-100 $/barrel) and the difficulty of finding drivers to meet the growing demand. This has been aggravated by the new road transport regulations (regulation of driving hours), the little incentive offered to these professionals and geopolitical difficulties such as Brexit.

- Rice sources

The recurrent risk of drought is gradually pushing down the availability and supply of rice varieties in Spain (especially Puntal rice and pearl rice varieties in general). Consequently, the Group has access to smaller volumes in this country and prices rise generally.

To mitigate this risk, the Group continues to rely on its Argentinian subsidiary La Loma Alimentos, which encourages farmers in that country to grow alternatives to the "Spanish" varieties, enabling us to complete our supply and seek viable alternatives for the supply of these varieties.

- Durum wheat harvest

Prices of durum wheat soared as from the second fortnight in July, with a hike of over 50% in the price at source at French ports in less than a month. The spike in prices was due to a poor harvest in the sowing region on the Canadian-American border due to the drought and a poor quality harvest in France. The impact in 2021 (partly reduced following divestment in the dry pasta businesses in North America) was particularly severe in the last four months of the year and was partly mitigated by raising prices and improving productivity.

As a result of pulling out of the dry pasta businesses in France at the end of the year (and our previous withdrawal from the dry pasta businesses in North America), the potential impact of this situation on the Group is considerably reduced in 2022, limited to the purchases made by Garofalo (mainly in North America and Italy) and, to a smaller extent, wheat purchases for the manufacturing of fresh pasta in France and Italy.

- Other materials and energy

Other raw materials used by the Group (such as wood, paper, plastic and oil products) have also suffered sharp price rises in recent months, in a cycle that powers itself.

The Group tries to establish long-term agreements wherever the market allows this and has thus managed to curb the impact on its financial statements 2021. The risks have been addressed by combining specific mitigating measures and seeking alternatives that produce the least possible impact on demand, first by cutting canal/product marketing expenses and then raising prices.

C. CYBERSECURITY

In September 2021, one of the Group subsidiaries suffered an attack of this nature. The Group's Protocol was immediately implemented to isolate the attack, limit the possible damage, investigate the extent and repair the possible detriment to servers and users. Thanks to the swift, precise action of the Group's internal teams, the damage was limited and it is considered (both internally and by external specialist advisers) that this incident should not have any consequences on the operations and reputation of the company that was attacked.

D. COUNTRY RISK

- Brexit

Insularity and certain problems with residence permits following the UK's exit from the European Union generated problems and an increase in the risk related with certain supplies, especially road haulage (owing to a truck driver shortage). Customs activity gradually returned to normal in the second half of the year and the truck driver problem progressively eased.

- Ukraine crisis

The recent events in Ukraine following the military invasion by the Russian Federation on 24 February 2022 are generating considerable global uncertainty. Considering: (i) the Group has no major interests in the region; (ii) the possible impact on the supplies used by the Group is limited to collateral effects (possible changes in consumption, increased cost of fertilizers, replacement of certain cereal crops, etc.); (iii) the measures adopted by the EU to control the energy price hike, and the fact that the impact of those prices is relatively lower than in other industries, the directors of the parent believe that this situation of high uncertainty and its consequences should not have a very severe impact on the Group.

EXPLANATORY NOTE FIVE

The information referring to 2022 included throughout this report corresponds to the period from 1 January to the date of writing the report, 21 March 2022. 21 March 2022 is considered the "date of writing" this report.

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
- Sustainable Agriculture Initiative (SAI) Platform. 2015
- SERES Foundation. 2015
- Sustainable Rice Platform. 2016
- Sedex. 2016
- Forética. 2017
- Waste Warrior Brands. 2020

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED COMPANIES

This Annual Corporate Governance Report was approved by the Board of Directors of the Company on:

30/03/2022

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 "2021 Disclosures Regarding the Internal Control over Financial Reporting (ICFR) System"

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 February 14, 2022, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2021, 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 effective 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 2021 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. 3/ 2021 (of September 28, 2021) (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 and external experts in their role supporting the audit committee.

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)

____

Alfonso Manuel Crespo

March 25, 2022

ANNUAL REPORT ON
REMUNERATION OF THE DIRECTORS

ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES

DETAILS OF ISSUER

Year ended:	31/12/2021
Tax Registration No.:	A47412333

Name:

EBRO FOODS, S.A.

Registered office:

PASEO DE LA CASTELLANA, 20. 3RD & 4TH FLOORS, 28046 MADRID

A. COMPANY'S REMUNERATION POLICY FOR THIS YEAR

A.1.1. Explain the directors' remuneration policy in place for this year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided the incorporation is clear, specific, and precise.

Describe the specific criteria for this year in respect of both the remuneration of directors for their duties as such and their performance of any executive duties, applied by the board in accordance with the provisions of the contracts signed with the executive directors and the remuneration policy approved by the general meeting.

In any case, inform at least on the following aspects:

a) Description of the procedures and corporate bodies involved in determining, approving and applying the remuneration policy and conditions thereof.

b) Indicate and, where necessary, explain whether comparable companies have been taken into account to establish the company's remuneration policy.

c) Information on whether assistance was received from an external adviser and, if so, their identity.

d) Procedures contemplated in the prevailing directors' remuneration policy to apply temporary exceptions to the policy, conditions on which the company may have recourse to those exceptions and components that may be subject to exception, according to the policy.

The Directors' Remuneration Policy of the Company for this year (2022) was approved at the Annual General Meeting of Shareholders held on 30 June 2021 for the years 2022-2024.

The Directors' Remuneration Policy 2022-2024 gives continuity to the previous Policy (for the period 2019-2021), which was in force until 31 December 2021, in respect of the principles, structure and contents of the Directors' remuneration package (both for their duties as such and for the performance of executive duties), which had been widely accepted by shareholders (it was approved in 2018 with the favourable votes of 71.979% of the capital present and represented at the Annual General Meeting). In view of the broad acceptance by shareholders of the previous Policy, comparable companies were not taken into account nor were any external advisers involved in drawing up the Directors' Remuneration Policy 2022-2024.

This notwithstanding, the Directors' Remuneration Policy 2022-2024 incorporates the new aspects introduced in the Corporate Enterprises Act ("LSC") by Act 5/2021 of 12 April amending the recast Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010 of 2 July, and other financial provisions to encourage the long-term involvement of shareholders in listed companies ("Act 5/2021"). In this regard although, pursuant to Transitional Provision One of Act 5/2021, the new regulations introduced by Act 5/2021 for approving the Directors' Remuneration Policy (amendments to section 529.novodecies LSC) did not enter into force until six months after the date of publication of that Act in the Official State Gazette (i.e. until 3 November 2021), the contents of the Directors' Remuneration Policy 2022-2024, which was approved at the General Meeting held on 30 June 2021, were nevertheless adapted to the new requirements introduced by Act 5/2021 in order to avoid having to submit an amendment at the Annual General Meeting 2022 to adapt it to the new regulations.

The Directors' Remuneration Policy 2022-2024 was drawn up by the Nomination and Remuneration Committee at its meeting on 24 May 2021. Once the Nomination and Remuneration Committee had issued the corresponding specific report (pursuant to section 5.2.9.novodecies.4 LSC), the proposed Policy was presented to the Board of Directors, which resolved to lay it before the Annual General Meeting for approval on 30 June 2021 (pursuant to section 511.bis LSC).

Just as its precursor, the current Directors' Remuneration Policy 2022-2024 is based on the following principles:

(i) Directors shall be remunerated according to their duties, responsibilities, and dedication. This remuneration shall be sufficient to retain talent and acknowledge the Directors' track record.

(ii) The remuneration shall be set according to the importance of the Company, its economic situation from time to time and comparable market standards.

(iii) Directors' remuneration should be reasonable without compromising their independence of judgement, especially that of non-executive Directors.

(iv) The remuneration system for Directors, particularly executive Directors for their management duties, shall be designed to boost the company's long-term sustainability and profitability and maximise its value for the benefit of all its shareholders, avoiding excessive exposure to risks and reward for unfavourable results. In this regard, an attractive remuneration structure has been designed for executive Directors for their executive duties (and other senior executives of the Group), with a view to attracting and retaining talent and professional worth on the one hand and securing an adequate balance between Company and Group earnings and risk exposure on the other.

Based on those principles, in the Directors' Remuneration Policy 2022-2024 Directors' remuneration is structured as follows:

a) All the Directors, as such, receive the fixed remuneration established each year by the General Meeting. The relevant proposal submitted by the Board of Directors to the Annual General Meeting will take account of the importance of the company and its economic situation. Pursuant to Article 22 of the Articles of Association regarding Directors' remuneration, it is up to the General Meeting to set the annual fixed sum to be received by all the Directors, for their duties as such. Then, following a report by the Nomination and Remuneration Committee, the Board of Directors establishes the individual remuneration of each Director for their duties as such, taking into account the positions held by the Directors on the Board of Directors, their membership of Board

Committees and any other objective circumstances that the Board of Directors may consider appropriate, within the framework of the Articles of Association and the Remuneration Policy. The Board of Directors shall also decide on the timing of successive payments. For this purpose, a points system has been established in the terms described hereinbelow.

The remaining contents of this section A.1, point 1, continue in section D of this report.

A.1.2. Relative importance of the variable remuneration items in respect of the fixed remuneration (remuneration mix) and what criteria and goals have been taken into account to determine them and to guarantee an appropriate balance between the fixed and variable components of the remuneration. In particular, describe the actions taken by the company regarding the remuneration scheme to reduce excessive risk exposure and align the scheme with the long-term goals, values and interests of the company, including where appropriate a reference to measures contemplated to ensure that the remuneration policy takes into account the company's long-term results, measures adopted with respect to certain categories of employees whose professional activities have a significant impact on the company's risk profile and measures to avoid conflicts of interest.

Indicate also whether the company has established an accrual or vesting period for certain variable remuneration items payable in cash, shares or other financial instruments, a deferred payment period or the delivery of financial instruments already accrued and vested, or whether a clause has been agreed to reduce the deferred remuneration not yet vested, or for clawback of bonuses based on data which subsequently prove to be manifestly inaccurate or misstated.

In pursuance of the Directors' Remuneration Policy 2022-2024 (which follows on from the previous Policy on this point), the Chairman of the Board of Directors, as executive Director performing executive duties, is the only Director who will receive variable remuneration on similar terms to the other senior executives of the company, according to the criteria and targets established in the Directors' Remuneration Policy 2022-2024.

The variable remuneration of the Chairman of the Board of Directors for his executive duties includes:

- Ordinary annual variable remuneration, established in the executive Director's contract, which is proportionate to the level of achievement of the targets established in the Director's Remuneration Policy 2022-2024.

This remuneration, as a percentage of the fixed annual remuneration, is proportionate to fulfilment of the targets set, establishing a floor (below which variable remuneration is zero) and a ceiling (above which variable remuneration is capped at 150% of the amount payable for meeting the targets). This variable remuneration accrues and is paid on an annual basis, after assessing the financial results of the year. The ordinary annual variable remuneration corresponding to the Executive Chairman for the current year (2022) will thus be determined in 2023, once the financial results of 2022 are known.

- Deferred annual variable remuneration, linked to fulfilment of the Strategic Plan 2022-2024, applicable to the senior management of the Ebro Foods Group. The payment of bonuses is conditional upon meeting the targets set each year by the Remuneration Scheme (corresponding to the targets set in the Strategic Plan 2022-2024) and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation, or any other extraordinary circumstance which may, in the Board of Director's opinion, materially affect the Scheme.

Bonuses are paid 11 months after being determined (after checking the degree of fulfilment of the annual targets and comparing them with those set in the Strategic Plan 2022-2024), so by the time they are paid, more than one year has passed since the end of the year to which the bonus corresponds. Accordingly, the bonus that may be payable to the Executive Chairman, the only Director with executive duties, for 2022 (the first year of the Directors' Remuneration Policy 2022-2024) would be paid in 2024.

The general conditions of the Scheme include an adjustment clause whereby the Board of Directors of Ebro Foods, S.A. will adopt such resolutions as may be necessary to ensure that in any event or corporate operation or other extraordinary circumstances that might affect calculation of the deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

The Scheme also includes a ("clawback") clause whereby the Board of Directors of Ebro Foods, S.A. may require executives to repay all or part of any deferred bonus paid under the Scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the Scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

With this Deferred Annual Variable Remuneration Scheme, the remuneration of the Executive Chairman, the only Director with executive duties, is aligned with the medium and long-term results of the Company and its Group. It should also be borne in mind for this purpose that the Executive Chairman, the only Director with executive duties, is one of the principal shareholders of the Company.

This year (2022) is the first year of the Directors' Remuneration Policy 2022-2024. When the Policy was drawn up and approved by the Annual General Meeting, the Strategic Plan 2022-2024 had not yet been defined by the Board of Directors. This notwithstanding, the Directors' Remuneration Policy 2022-2024 incorporates the targets of the Strategic Plan 2022-2024 and ties to them the Deferred Annual Variable Remuneration of the Executive Chairman.

A.1.3. Amount and nature of the fixed components expected to be accrued during the year by directors for their duties as such.

The fixed remuneration of the Directors for their duties as such for the current year (2022) will be set at the Annual General Meeting to be held in 2023.

As determined in the current Directors' Remuneration Policy, in the light of the circumstances and the Group's business performance during this year (2022), the Nomination and Remuneration Committee will submit a proposal that it considers appropriate to the Board of Directors, which will in turn decide on a proposal it considers appropriate to lay before the Annual General Meeting to be held in 2023. It should be borne in mind that, according to Article 22 of the Articles of Association (and the current Remuneration Policy 2022-2024): "Both the fixed annual allocation for the Board of Directors as a whole and the amount of attendance fees shall be determined by the General Meeting and shall remain in force until a resolution is passed to change them." Therefore, unless otherwise decided at the Annual General Meeting 2023, the fixed remuneration of the Directors for their duties as such accrued during this year will be the same as the amount established for the reporting period (2021). In this regard, on 16 February 2022 the Nomination and Remuneration Committee resolved to propose to the Board of Directors, submitting a favourable report, that the fixed remuneration for the Board of Directors as a whole for 2021 should be the same as that established for 2020 (i.e. 2,850,000 euros).

The criteria established in the current Remuneration Policy 2022-2024 (which are the same as those set in the previous Policy) will be applicable for distribution among the different Board members of the fixed remuneration of the Directors for their duties as such during the present year. Therefore, distribution will be based on a points system, where points are assigned to each Director according to the following scale (which was established by the Board of Directors in 2006, following the proposal submitted by the Nomination and Remuneration Committee):

- Member of the Board of Directors: 1 point
- Chairman of the Board of Directors: 1 point
- Vice-Chairman of the Board of Directors: 0.5 points
- Member of the Executive Committee: 1 point
- Committees other than the Executive Committee:
-- Member of the Committee: 0.2 points
-- Committee Chairman: 0.05 points per meeting
-- Committee Members: 0.03 points per meeting

The Board of Directors will set the individual remuneration of each Director this year subject to a report by the Nomination and Remuneration Committee and based on the application of the above scale.

A.1.4. Amount and nature of the fixed components accrued by executive directors during the year for senior management duties.

According to the criteria for annual review of the fixed remuneration of the Executive Chairman (the only Director who performs executive duties), he will receive a fixed cash remuneration of 1,560,000 euros gross this year (2022), which is 4% more than the annual fixed remuneration received in the reporting period (2021). That 4% increase was approved by the Board of Directors in February 2022 (with effect from 1 January 2022), at the proposal and subject to a favourable report by the Nomination and Remuneration Committee, and the review was approved generally for all the executives of the Ebro Group in Spain.

Together with that monetary remuneration, the Executive Director will also receive, as fixed remuneration in kind, private use of a company car (see the following section in this respect).

The Chairman of the Board of Directors is the only executive Director performing executive duties. Although Hercalianz Investing Group, S.L. is recognised as an executive Director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, has received no remuneration for such duties. See the explanatory note in section D of this report regarding the classification of Hercalianz Investing Group, S.L. as an executive Director.

A.1.5. Amount and nature of any remuneration in kind that will be accrued during the year, including, but not limited to, insurance premiums paid for directors.

The Chairman of the Board of Directors, as the only executive Director performing executive duties, receives remuneration in kind to the extent of private use made of the company car allocated to him. The value of this remuneration in kind estimated to accrue for the current year (2022) is 8,000 euros gross.

In addition, the Company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the executives included in the Scheme (including the Executive Chairman), so that they may receive part of that remuneration in the form of products and services previously selected by the Company. The value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training. Under no circumstances do those items entail any additional remuneration to that received in cash, since the amounts paid by the Company to the corresponding service providers are deducted from the fixed cash remuneration.

In addition, in line with common practice in other comparable companies, the Company has taken out and maintains in force (and will continue to maintain in the current year) a liability insurance Policy for its Directors and executives.

A.1.6. Amount and nature of the variable components, distinguishing between those established at short and long term. Financial and non-financial parameters -including among the latter social, environmental and climate change factors- selected to determine the variable remuneration in the current year. Explain to what extent those parameters are aligned with the performance of both the director and the company and their risk profile, and the methodology, necessary time and techniques contemplated to determine, at year-end, the effective level of achievement of the parameters used to design the variable remuneration. Explain the criteria and factors applied in respect of the time required and methods to check that the performance parameters -or any other parameters to which the accrual and vesting of each component of the variable remuneration was tied- have actually been met.

Indicate the range, in monetary terms, of the different variable components according to the level of achievement of the goals and parameters established and whether there is a maximum monetary amount in absolute terms.

As mentioned earlier, of the Directors, only the Chairman of the Board of Directors, as executive Director performing executive duties, will receive variable remuneration (according to the Directors' Remuneration Policy 2022-2024) and he will do so on similar terms to the other senior executives of the Company and its Group.

The variable remuneration of the Chairman of the Board of Directors for his executive duties includes:

(i) Ordinary annual variable remuneration:

According to the Directors' Remuneration Policy 2022-2024, the annual variable remuneration of the Executive Chairman is proportionate to the level of achievement of the target for consolidated adjusted EBITDA-A of the Group established in the corresponding annual budget (in 2022, the consolidated Adjusted EBITDA-A budgeted for 2022).

The ordinary annual variable remuneration of the Executive Chairman for the performance of his executive duties accrues according to the following rules:

- If the targets are fully met (100% achievement of the consolidated adjusted EBITDA-A budgeted for the year), the annual variable remuneration is equivalent to 100% of the fixed remuneration.

- In the event of over-achievement of the targets, the annual variable remuneration may be increased to no more than 150% of the fixed remuneration. So if targets are met in a proportion of over 100%, the ordinary annual variable remuneration will be increased in the same proportion up to a ceiling of 150% of the fixed annual remuneration, which would accrue in the event of over-achievement of 115%. Therefore, if the target is over-achieved by more than 115%, the annual variable remuneration would be capped at 150% of the annual fixed remuneration.

If the degree of achievement of the target is set at between 100% and 115%, the variable remuneration will be determined proportionately.

- In the event of under-achievement of the targets, the ordinary annual variable remuneration will be reduced in proportion to the percentage fulfilment (under 100%) achieved, with a floor of 85%, below which no annual variable remuneration accrues. If achievement of the consolidated EBITDA-A target is set at between 100% and 85%, the annual variable remuneration will be determined proportionately.

- As an exception, considering the special dedication by the Executive Chairman to the performance of his executive duties and a temporary situation in the Company or Group, the Board of Directors may, at the proposal of the Nomination and Remuneration Committee, decide to raise the variable remuneration of the Executive Chairman to the maximum limit established for his fixed remuneration.

Based on this, once the financial results of 2022 are known (in 2023, generally in February), the Nomination and Remuneration Committee will review the degree of achievement and submit a proposal to the Board of Directors, for approval, regarding the annual variable remuneration to be received by the Executive Chairman for the current year (2022).

In monetary terms and taking account of the above-mentioned rules of accrual, the annual variable remuneration of the Executive Chairman for 2022 may vary between 0 euros (if targets are met by less than 85%) and 2,340,000 euros gross (if targets are met by 115% or more).

(ii) Deferred annual variable remuneration:

In 2022, once the Board of Directors has approved the Strategic Plan 2022-2024, the Nomination and Remuneration Committee will prepare and submit to the Board of Directors for approval a new Deferred Annual Variable Remuneration Scheme (deferred annual bonus scheme) linked to fulfilment of the Strategic Plan 2022-2024 for the executive managers o Ebro Foods Group. The Chairman of the Board of Directors, as executive Director and for his executive duties, will participate in that Scheme according to the terms of the Directors' Remuneration Policy 2022-2024 and his contract.

At present, the new Scheme is expected to be substantially identical to the one that ended in 2021 (tied to the Strategic Plan 2019-2021), as indicated in the current Directors' Remuneration Policy 2022-2024.

The beneficiaries of the Scheme (including the Chairman of the Board of Directors as executive Director) are only entitled to receive the deferred remuneration if they are still working in the Ebro Group at the date of payment. As an exception, the Scheme is expected to contemplate (as its precursor did) early payment in the event of: (i) termination of the employment relationship with the Company during the period of the Scheme owing to the death or a final declaration of total, absolute or major disability; or (ii) takeover of the Group or any similar corporate operation.

According to the Directors' Remuneration Policy 2022-2024, the Chairman of the Board of Directors is entitled to participate in the Scheme by virtue of his executive duties. On the terms of that Policy, the deferred annual bonus that would be received by the Executive Chairman under the Scheme would be proportional to the degree of achievement of the targets set in the Policy (tied to the targets identified in the Strategic Plan 2022-2024), in the terms described in the Remunerations Policy.

The outlines of the future Scheme are established in the Directors' Remuneration Policy 2022-2024, as follows:

- The targets of the Scheme for the first two years (2022, payable in 2024, and 2023, payable in 2025) are the annual adjusted EBITDA-A and ROCE for those years established in the Strategic Plan 2022-2024, to which the 25% of the deferred variable remuneration is subject to the achievement of those targets.

- The degree of achievement of the Adjusted EBITDA-A will represent 80% of the deferred bonus for each year and the degree of achievement of the ROCE will account for the remaining 20%.

- The targets of the Scheme for the final year (2024, payable in 2026) are: (i) the annual adjusted EBITDA-A and ROCE for that year (representing 80% and 20%, respectively), to which the 25% of the deferred variable remuneration is tied; (ii) the aggregate sum of adjusted EBITDA-A of the years included in the Scheme (2022-2024) in comparison with the sum of those contemplated in the Strategic Plan 2022-2024, 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment; and (iii) the general assessment of the development of the Strategic Plan 2022-2024 in financial aspects other than adjusted EBITDA-A and non-financial aspects set by the Scheme (from among those identified in the Strategic Plan 2022-2024). The Strategy and Investment Committee will make the general assessment of the development of the Strategic Plan 2022-2024 and the Audit and Compliance Committee will assess achievement of the non-financial targets. Both committees will submit their respective proposals to the Nomination and Remuneration Committee, the remaining 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment.

- In the first two years of the Scheme (2022 and 2023):

a) If the consolidated adjusted EBIDTA-A and ROCE targets are achieved at 100%, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties each year will be 100% of 25% (i.e. 25%) of the fixed remuneration established for the three-year period.

b) In the event of over-achievement of the aforesaid consolidated adjusted EBIDTA-A and ROCE targets in any of the first two years of the three-year period, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties in each of those two years will be increased in proportion to the percentage of achievement (above 100%), capped at 125%, such that if the targets are achieved in a proportion equal to or greater than 125%, the corresponding deferred bonus for that year will be 125% of 25% (i.e. 31.25%) of the fixed remuneration established for the three-year period.

c) In the event of under-achievement of the aforesaid consolidated adjusted EBIDTA-A and ROCE targets in any of the first two years of the three-year period, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties in each of those two years will be reduced in proportion to the percentage of achievement (below 100%), floored at 85%, such that if the targets are achieved in a proportion of less than 85%, the deferred bonus for that year will be zero.

In the third and final year of the Scheme (2024):

a) In relation to the achievement of the aforementioned consolidated adjusted EBIDTA-A and ROCE targets established for that year, 25% of the fixed remuneration corresponding to the three-year period will be determined. The provisions set out above for over-achievement and under-achievement will be applicable.

b) The final 25% of the fixed remuneration corresponding to the three-year period will be determined as follows, if appropriate:

> Fifty per cent (50%) according to the degree of achievement of the accumulated consolidated EBITDA-A target for the entire three-year period according to the Strategic Plan 2022-2024, applying the same rules as above for over-achievement and under-achievement.

> Twenty-five per cent (25%), in the percentage determined by the Board of Directors at the proposal and subject to a report by the Nomination and Remuneration Committee, according to the assessment of the achievement of non-financial targets included in the Strategic Plan 2022-2024 and identified in the Scheme.

> And the remaining twenty-five per cent (25%), in the percentage determined by the Board of Directors at the proposal and subject to a report by the Nomination and Remuneration Committee, according to the overall assessment of global achievement of the Strategic Plan 2022-2024.

- The Nomination and Remuneration Committee will review each year (once the results of the preceding year are known) the level of achievement of the economic variables to which this deferred bonus is linked (EBITDA-A and ROCE). The Nomination and Remuneration Committee will also review and validate, during the final year of the Scheme, the proposed general assessment of the development of the Strategic Plan 2022-2024 submitted by the Strategy and Investment Committee and the proposed assessment of the degree of achievement of the non-financial targets made by the Audit and Compliance Committee. After these verifications, the Nomination and Remuneration Committee will submit a proposal to the Board of Directors, which is responsible for the final setting of the amounts for the Executive Chairman (and the other executives included in the Scheme).

Based on the foregoing and once the Scheme has been put in place and the reference to the variable remuneration that might correspond to the Executive Chairman within the Scheme in 2022 has been established:

- In 2023, once the Group's consolidated results for the year 2022 have been determined (generally in February), the Nomination and Remuneration Committee will review the degree of achievement of the objectives set out in the Strategic Plan for that year and submit to the Board of Directors, for approval, the annual remuneration to be received by the Executive Chairman (in 2024) for the year 2022.

- In monetary terms and taking account of the above-mentioned rules, the deferred annual variable remuneration of the Executive Chairman for 2022 may vary between 0 euros (if targets are met by less than 85%) and approximately 1,462,500 euros gross (if targets are met by 125% or more). This figure has been calculated based on the annual monetary fixed remuneration of the Executive Chairman in 2022 and assuming that it will remain stable over the three-year period of the Scheme (2022-2024).

During this year (2022), the Executive Chairman has received the sum of 1,058,191.51 euros gross as his deferred annual remuneration for 2020.

The Scheme described above is not indexed to the value of the Company's share and the beneficiaries do not receive shares or any other rights thereover.

In any case, it should be stressed that the Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2022-2024 has not, at the time of writing this report, been fully defined by the Nomination and Remuneration Committee, as it depends on the prior approval of the Strategic Plan. This notwithstanding, the Scheme proposed by the Nomination and Remuneration Committee will have to be adjusted to the foregoing, according to the provisions of the Directors' Remuneration Policy 2022-2024, currently in force.

A.1.7. Main features of the long-term saving schemes. This information should include, inter alia, the contingencies covered by the scheme, whether it is defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution schemes, the benefit to which beneficiaries are entitled under defined-benefit schemes, the conditions for the vesting of economic rights in favour of the directors and compatibility with any kind of termination benefit payable for or in connection with interruption or expiry of the contractual relationship between the company and the director.

State whether accrual or vesting of rights under any of the long-term savings schemes is subject to the achievement of certain targets or parameters related with the short and long-term performance of the director.

No contributions have been made in previous years, nor are any expected to be made this year (2022), to any pension funds or schemes for former or existing members of the Board of Directors (neither the Directors for their duties as such nor the executive Directors for the performance of executive duties) and no obligations have been contracted in this respect.

Nor have any contributions been made or obligations contracted for Directorships in other group companies (for the Directors for their duties as such or the executive Directors for the performance of executive duties).

A.1.8. Any kind of payment or compensation for termination, early or otherwise, of the contractual relationship between the company and the director, at the initiative of the company or the director, and any arrangements agreed, such as exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment.

No compensations have been arranged or paid for termination of Directors' duties (neither the Directors for their duties as such nor the executive Directors for the performance of executive duties).

A.1.9. State the terms and conditions to be respected in the contracts of executive directors performing senior management duties. Include information, inter alia, on the term, limits on severance pay and other compensations, continued service clauses, required notice, payment in lieu of notice and any other clauses relating to golden hellos, golden handshakes, golden parachutes, or any other compensation payable on termination, early or otherwise, of the contractual relationship between the company and the executive director. Include, inter alia, details of any clauses or agreements on restraint of trade, exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment, save as explained in the previous section.

Pursuant to sections 249, 529 octodecies and 529 quindecies of the Corporate Enterprise Act and Article 22 of the Articles of Association, the Board of Directors is competent to establish the terms of contracts to be signed by the company with its executive Directors having executive duties, at the proposal of the Nomination and Remuneration Committee and within the confines of Directors' Remuneration Policy approved by the General Meeting.

According to the Directors' Remuneration Policy 2022-2024, the principal terms of contract of the Executive Chairman (the only Director with executive duties) for his executive duties (apart from his remuneration, which is explained in other sections of this report) are as follows:

- Term: indefinite
- Notice: three months
- Termination benefits: none
- Continued service or post-contract no competition clauses: none

See the explanatory note in section D of this report for the reasons why Hercalianz Investing Group, S.L. is classified as an executive Director.

As regards the possible incorporation in the future of other executive Directors, the Directors' Remuneration Policy 2022-2024 provides that the current remuneration scheme for executive Directors for the performance of executive duties and other aspects relating to their contractual relationship with the Company consider that the only executive Director who performs those duties is a reference shareholder of the Company.

For this reason, if new executive Directors with executive duties join the Board of Directors during the effective term of the Directors' Remuneration Policy 2022-2024, it might be necessary to revise some of those aspects, such as: (i) establishment of the continued service and/or no competition clauses (and the corresponding remuneration) or (ii) inclusion in the remuneration of aspects indexed to the value of the company's share or that entail the receipt of shares or rights thereover. In this case, the Policy would be amended, and the corresponding amendment would be tabled before the General Meeting for approval on the terms stipulated in law.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will accrue by directors this year for services rendered in addition to those inherent in their directorship The nature.

No supplemental remuneration is expected to be earned by Directors (Directors for their duties as such or executive Directors for the performance of executive duties) for services rendered in addition to those inherent in their Directorship and/or the performance of executive duties.

A.1.11. Any other remuneration, such as advances, loans and guarantees granted to directors by the company, and other remuneration.

The company has not granted and does not foresee granting this year (2022) any loans, advances or guarantees to members of the Board of Directors (the Directors for their duties as such or the executive Directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

A.1.12. The nature and estimated amount of any other supplementary remuneration not included in the preceding paragraphs, paid by the company or another company in the group, that will accrue in directors' favour this year.

There is no remuneration other than as explained in this Report, apart from the attendance fees that received by the Executive Chairman each year as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group). This year (2022), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2021 (5,000 euros gross).

The Executive Chairman also receives attendance fees each year, as Director of Riso Scotti, S.p.A., an associate and not part of the Group, in which Ebro Foods, S.A. has a 40% interest (it is an associate consolidated by the equity method). This year (2022), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2021 (5,200 euros gross).

A.2. Explain any significant change in the remuneration policy applicable this year, deriving from:

a) A new policy or modification of the policy already approved by the general meeting.

b) Significant changes in the specific criteria established by the board for this year within the current remuneration policy in respect of those applied in the previous year.

c) Proposals that the board has agreed to submit to the general meeting at which this annual report will be presented, for application to this year.

This year (2022) is the first year of application of the Directors' Remuneration Policy 2022-2024.

As explained earlier, this new Policy continues along the lines of the previous Policy (corresponding to the period 2019-2021). The only important aspect that distinguishes this Policy from the previous one is the fact that part of the deferred annual bonus of the Executive Chairman is tied to the achievement of the non-financial targets from the Strategic Plan 2022-2024 determined in the Deferred Bonus Scheme tied to fulfilment of the Strategic Plan 2022-2024.

At the date of writing this Report, no amendments to the current Directors' Remuneration Policy 2022-2024 are expected to be laid before the Annual General Meeting in 2022.

A.3. Indicate the direct link to the document containing the current remuneration policy of the company, which must be available on the company's website.

https://www.ebrofoods.es/wp-content/uploads/2021/06/Directors-Remuneration-Policy-2022-2024.pdf

A.4. In view of the details provided in section B.4, explain how the shareholders' advisory vote at the general meeting on the annual report on remuneration of the previous year has been taken into account.

Given the large majority of the capital that voted in favour of the advisory vote on the Director's Remuneration Report for the year 2020, with more than two-thirds of the capital present and represented at the General Meeting voting for the approval (73.5633%, with 12.9848% abstaining), it has not been considered necessary to take any measures in this regard.

B. OVERALL SUMMARY OF APPLICATION OF THE REMUNERATION POLICY DURING THE REPORTING PERIOD

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remunerations reflected in section C of this report. This information should include the role played by the remuneration commission, the decisions taken by the board and, if appropriate, the identity and role of the external advisers whose services were used in the process of applying the remuneration policy during the reporting period.

a) Remuneration of Directors for their duties as such.

The fixed remuneration for all the Directors for their duties as such for 2020 was paid during the reporting period (2021).

In this regard, the Nomination and Remuneration Committee resolved on 17 February 2021 to submit a proposal to the Board of Directors, to be tabled by the latter at the Annual General Meeting to be held that year (2021), to set the fixed remuneration for all the Directors for their duties as such for the reporting period (2020) at 2,850,000 euros gross. It further proposed maintaining the amount of attendance fees for Board of Directors meetings (1,600 euros gross per meeting) and meetings of the Board of Directors Committees (800 euros gross per meeting). On 28 February 2021, the Board of Directors resolved to table a motion with those proposals submitted by the Nomination and Remuneration Committee at the Annual General Meeting held on 30 June 2021, when they were approved.

Based on the foregoing and the resolutions passed at the Board of Directors and Committee meetings held in 2020, the aggregate annual fixed remuneration of the Directors for their duties as such for 2020 was distributed as follows:

- membership of the Board of Directors: a total sum of 1,870,805.67 euros gross
- membership of the Board of Directors Committees: a total sum of 979,194.30 euros gross.

The fees for attendance of Board of Directors and Committee meetings of Ebro Foods, S.A. in 2020 amounted to 316,800 euros gross.

At a meeting on 16 February 2022, the Nomination and Remuneration Committee resolved to submit a proposal to the Board of Directors (to be tabled at the Annual General Meeting in 2022) to set the aggregate fixed remuneration for all the Directors for their duties as such for the reporting period (2021) at 2,850,000 euros gross (the same amount as in 2020). It further proposed maintaining the amount of attendance fees for Board of Directors meetings (1,600 euros gross per meeting) and meetings of the Board of Directors Committees (800 euros gross per meeting).

On 28 February 2022, the Board of Directors resolved to table a motion with those proposals at the Annual General Meeting to be held in 2022.

If that amount is approved at the Annual General Meeting to be held in 2022, it will be distributed among the Board of Directors members in accordance with the prevailing distribution criteria (see section A.1). Based on those criteria, the annual fixed assignment to Directors for their duties as such for 2021, considering the meetings of the Board of Directors and its Committees during that year, would be as follows:

- membership of the Board of Directors: a total sum of 1,871,425.52 euros gross
- membership of the Board of Directors Committees: a total sum of 978,574.44 euros gross.

If the proposals are approved, the attendance fees for Board of Directors and Committee meetings of Ebro Foods, S.A. in 2021 would amount to 317,600 euros gross.

The total amount of the fixed assignment to Directors for their duties as such is distributed among the individual Directors based on the points system established in the Remuneration Policy in place from time to time (see section A.1. of this report). For this purpose, in view of a report by the Nomination and Remuneration Committee, the Board of Directors approves the individual remuneration of each Director in view of the Board of Directors Committees they are on and the number of meetings held by those committees.

b) Remuneration of the Chairman of the Board of Directors as executive Director for the performance of executive duties.

In 2021, the fixed cash remuneration of the Executive Chairman (the only Director with executive duties) for the performance of his executive duties was 1,500,000 euros gross, in accordance with the resolution adopted by the Board of Directors on 13 February 2020, proposed by the Nomination and Remuneration Committee. That is the fixed remuneration established in the Directors' Remuneration Policy 2019-2021 (amended to update the information it contained on the annual fixed remuneration of the Executive Chairman, approved at the Annual General Meeting held on 29 July 2020).

With regard to the annual variable remuneration for the reporting period (2021), on 16 February 2022 the Nomination and Remuneration Committee examined the degree of achievement of the consolidated adjusted EBITDA-A target indicated in the budget, this being the variable taken to determine the annual bonus of the Executive Chairman and submitted the corresponding report to the Board of Directors in respect of that annual variable remuneration.

At the same meeting on 16 February 2022, the Nomination and Remuneration Committee reviewed the level of achievement of the quantitative and qualitative targets to which the long-term variable remuneration for 2021 is tied, according to the Deferred Annual Bonus Scheme 2019-2021. 2021 being the last year of the Scheme, up to 50% of the deferred variable remuneration for the three-year period, depending on the achievement of: (i) the adjusted EBIDTA-A and ROCE targets included in the Strategic Plan 2019-2021 for 2021; (ii) the cumulative consolidated adjusted EBIDTA-A target over the three years of the Scheme; and (iii) the qualitative assessment of the Strategic Plan 2019-2021, for which the Nomination and Remuneration Committee received a prior report from the Strategy and Investment Committee.

Accordingly, the sums corresponding to the Executive Chairman (the only Director with executive duties) for the performance of executive duties in the reporting period (2021), according to his contract and the Directors' Remuneration Policy 2019-2021 and after the corresponding verifications by the Nomination and Remuneration Committee, were as follows:

- Fixed remuneration: 1,504,655 euros gross (1,500,000 euros gross of fixed cash remuneration and 4,655 euros gross in kind)

- Short-term ordinary annual variable remuneration: 1,593,733.37 euros gross.

- Deferred annual variable remuneration: 1,897,671 euros gross. A provision for this amount has been recognised in the annual accounts at 31 December 2021, as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board of Directors (as executive Director and for the performance of executive duties) and it will be paid in 2023 to the extent that the Executive Chairman remains with the Group at the date of the payment, as explained earlier. It should be borne in mind that in 2021, the last year of the Deferred Variable Remuneration Scheme (2019-2021), 50% of the variable remuneration for the three-year period was determined.

In addition, during the reporting period (2021), the Executive Chairman received the sum of 897,081.36 euros gross as deferred annual variable remuneration for 2019, payable in 2021. A provision for that amount had been recognised in the 2019 accounts.

B.1.2. Explain any deviation during the year from the procedure established for application of the remuneration policy.

There were no deviations in 2021 from the procedure established for application of the Directors' Remuneration Policy 2019-2021.

B.1.3. State whether any temporary exception to the remuneration policy has been applied and, if so, explain the exceptional circumstances giving rise to those exceptions, the specific components of the remuneration policy that were affected and the reasons why the company considered those exceptions necessary for the long-term interests and sustainability of the company overall or to guarantee its viability. Quantify the impact that the application of those exceptions has had on the remuneration of each director during the year.

No temporary exceptions to the Directors' Remuneration Policy 2019-2021 were applied during 2021.

B.2. Explain the different actions taken by the company regarding the remuneration system and how they have contributed to reducing excessive risk exposure, and align it with the long-term goals, values, and interests of the company, indicating what measures have been adopted to ensure that remuneration has accrued in consideration of the long-term results of

the company, striking an appropriate balance between the non-variable and variable components of remuneration, what measures have been taken with respect to those categories of personnel whose professional activities have a significant impact on the company's risk profile, and what measures have been taken to avoid conflicts of interest, where necessary.

The Deferred Annual Variable Remuneration Scheme in place during the reporting period (2021), i.e. the one linked to the Strategic Plan 2019-2021, makes the payment of bonuses conditional upon meeting targets set each year and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation or any other extraordinary circumstance which may, in the Board of Directors's opinion, materially affect the Scheme.

The general conditions of the Scheme include an adjustment clause whereby the Board of Directors of Ebro Foods, S.A. will adopt such resolutions as may be necessary to ensure that in any event or corporate operation or other extraordinary circumstances that might affect the calculation of deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

The Scheme also includes a clawback clause whereby the Board of Directors of Ebro Foods, S.A. may require Directors to repay all or part of any deferred bonus paid under the Scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the Scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

Finally, as indicated earlier, the Scheme is structured in such a way that the deferred annual bonus corresponding to any of the years within the Scheme will be paid 11 months after being determined (after checking the degree of fulfilment of the targets), so by the time they are paid, a reasonable time will have passed (approx. 14 months), enabling greater certainty as to the accuracy of the financial information used to calculate the bonus. The corresponding remuneration of the members of the Scheme in 2021 will thus be paid in 2023, provided they are still employed in the Ebro Group.

B.3. Explain how the remuneration accrued and vested during the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term sustainable profitability.

Describe the relationship between the remuneration received by the directors and the earnings or other short and long-term performance indicators of the company explaining, where appropriate, how any variations in the company's performance may have had a bearing on the variation in directors' remuneration, including any deferred remuneration, and how they contribute to the short and long-term results of the company.

As explained elsewhere in this Report, the remuneration of the Directors for their duties as such is set by the General Meeting of Shareholders, so the General Meeting must assess the remuneration proposed in view of the performance of the Company and its Group.

The variable remuneration (both ordinary and deferred) of the Chairman of the Board of Directors as executive Director, for his executive duties, is linked to the development of the Group's business, being determined in accordance with the level of achievement of the targets set (linked to the future targets of the Group), as indicated in this report and in the Directors' Remuneration Policy.

In the reporting year (2021), the Directors' Remuneration Policy 2019-2021 expressly contemplated both principles. It should be noted in particular that the variable remuneration of the Executive Chairman (the only Director with executive duties) for his executive duties is tied to the achievement of quantitative targets (meeting the adjusted EBIDTA-A and ROCE targets both for the year and, in the case of the corresponding remuneration through his participation in the Deferred Annual Bonus Scheme, for the three-year period 2019-2021) and qualitative targets (part of the remuneration through his participation in the Deferred Annual Bonus Scheme in the last year of the three-year period is tied to the qualitative assessment of fulfilment of the Strategic Plan 2019-2021). This is designed to link his remuneration to the short and long-term development of the Company. So, through achievement of the financial goals set for each year (either in the budget, for the annual variable remuneration, or in the Strategic Plan 2019-2021, for the remuneration received by virtue of his participation in the Deferred Annual Bonus Scheme), the remuneration of the Executive Chairman is tied to the evolution of the Group's results.

These criteria are maintained this year (2022), when the new Directors' Remuneration Policy 2022-2024 establishes the same structure for the pay package of the Executive Chairman (the only Director with executive duties), apart from the novelty that in the last year of the applicable period, the remuneration corresponding to the Executive Chairman for his participation in the Deferred Annual Bonus Scheme will be tied, in addition to the quantitative and qualitative criteria mentioned above, to the degree of achievement during the three-year period of non-financial targets established in the Strategic Plan 2022-2024.

B.4. Report on the results of the advisory vote by the General Meeting on the annual report on remuneration of the previous year, indicating the number of abstentions, blank votes and votes for and against.

	Number	% total
Votes cast	122,877,877	79.86

	Number	% votes cast
Votes against	16,528,512	13.45
Votes for	90,393,065	73.56
Blank votes	894	0.00
Abstentions	15,955,406	12.98

Comments

B.5. Explain how the fixed components accrued and vested during the year by the directors for their duties as such were determined, their relative proportion for each director and how they have varied in respect of the previous year.

As explained earlier, the fixed remuneration of the Directors for their duties as such is set by the General Meeting, following assessment and a proposal by the Nomination and Remuneration Committee and the Board of Directors.

The proposal by the Nomination and Remuneration Committee and the Board of Directors generally takes into account the economic situation of the Group and the development of its business, as well as the number of Board of Directors members (being a collective remuneration for all the Directors for their duties as such).

Accordingly, the Annual General Meeting held on 30 June 2021 resolved to set the collective remuneration of all the Directors for their duties as such for 2020 at 2,850,000 euros gross.

With regard to the remuneration for 2021, the Board of Directors resolved in February 2022 to table a motion at the Annual General Meeting to be held in June 2022 to maintain the collective fixed remuneration for the Directors for their duties as such at 2,850,000 euros gross.

That sum was distributed among the individual Directors (for 2020) and will be distributed (for 2021) on the basis of the points system (explained in section A.1.3 of this Report and in the Directors' Remuneration Policy 2019-2021).

B.6. Explain how the salaries accrued and vested by each of the executive directors for their management duties was determined in the reporting period and how they have varied in respect of the previous year.

In 2021 (the reporting period), the fixed cash remuneration of the Executive Chairman (the only Director with executive duties) for the performance of executive duties is specified in his contract. In this respect, following the review by the Board of Directors of the fixed cash remuneration of the Executive Chairman on 27 February 2020, in line with the proposal submitted by the Nomination and Remuneration Committee (as per the Directors' Remuneration Policy 2019-2021), the fixed cash remuneration for 2021 was 1,500,000 euros gross. That was 250,000 euros (20%) more than the fixed cash remuneration received in 2020 (1,250,000 euros gross). It should be remembered that as stipulated in the Directors' Remuneration Policy 2019-2021 and at the proposal of the Nomination and Remuneration Committee, the Board of Directors resolved on 27 February 2020 to raise the annual fixed cash remuneration of the Executive Chairman in two tranches: 1,250,000 euros gross in 2020 and 1,500,000 euros gross in 2021.

The annual variable remuneration amounts (both ordinary and deferred) are determined by the Nomination and Remuneration Committee, which checks the level of achievement of the quantitative and qualitative variables to which such variable remunerations are subject, considering the reports issued by other Committees where appropriate, and submits a proposal to the Board of Directors.

The following variable amounts were thus earned by the Executive Chairman for 2021:

- annual variable remuneration of 1,593,733 euros gross (compared to 1,875,000 euros gross in 2020);

- deferred annual remuneration for 2021 of 1,897,671 euros gross (compared to 1,058,192 euros gross in 2020). A provision for this amount has been recognised in the annual accounts 2021 as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board of Directors (as executive Director and for the performance of executive duties) and it will be paid in 2023. It should be borne in mind that in 2021, the last year of the Deferred Variable Remuneration Scheme (2019-2021), 50% of the variable remuneration for the three-year period was determined.

In accordance with the Deferred Annual Bonus Scheme and the collection criteria applicable to the corresponding sums thereunder, the Executive Chairman received in 2021 the sums accrued in 2019, amounting to 897,081.36 euros gross.

B.7. Explain the nature and main features of the variable components of the remuneration schemes accrued and vested during the reporting period.

In particular:

a) Identify each of the remuneration schemes that determined the variable remunerations accrued by each of the directors during the reporting period, including information on the scope, date of approval, date of implementation, vesting conditions if any, accrual and effective periods, criteria used to assess performance and the effect they had on the setting of the variable amount accrued, as well as the measurement criteria used and the time necessary to be in a position to measure adequately all the conditions and criteria stipulated. Include a detailed explanation of the criteria and factors applied with regard to the required time and the methods for checking that the performance and any other requirements on which the accrual and vesting of each component of the variable remuneration was conditional were actually met.

b) In the case of stock options and other financial instruments, the general features of each scheme shall include information on the conditions for acquiring unconditional rights (vesting) and exercising those options or financial instruments, including the price and time for exercise.

c) Each of the directors and their category (executive directors, non-executive proprietary directors, non-executive independent directors and other non-executive directors) who are beneficiaries of remuneration systems or schemes that include variable remuneration.

d) If applicable, provide information on any payment deferral periods established that have been applied and/or the periods for retaining/not disposing of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration schemes:

Variable remuneration (short and long-term) for the performance of executive duties corresponds exclusively to the Chairman of the Board of Directors, the only Director performing executive duties, on the terms set out elsewhere in this report.

The ordinary annual variable remuneration established in the executive Director's contract is proportionate to the level of achievement of the targets set for each year by the Board of Directors, based on a proposal by the Nomination and Remuneration Committee. As established in the Directors' Remuneration Report 2019-2020 (and the Policy currently in place for the period 2022-2024), accrual of the Executive Chairman's annual variable remuneration is linked to the degree of achievement of the Group's consolidated adjusted EBITDA-A target set in its annual budget. See in this regard section A.1.6 of this report.

Once the results of the preceding year are available (normally in February of the following year) the Nomination and Remuneration Committee checks the degree of achievement of the target, which is taken as the basis for determining the annual variable remuneration, if any, payable to the Executive Chairman.

The annual variable remuneration of the Executive Chairman is monetary.

Neither the Executive Chairman nor any Director participates in stock option schemes or similar schemes in respect of other financial instruments.

Explain the long-term variable components of the remuneration schemes:

Only the Executive Chairman, the only Director with executive duties, receives a long-term annual variable remuneration.

That long-term variable remuneration derives from the participation of the Executive Chairman, together with the senior executives of the Group, in the Deferred Annual Bonus Scheme (which is in turn tied to the three-year Strategic Plan in place from time to time).

The payment of bonuses is conditional upon meeting the targets set each year by the Remuneration Scheme and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation, or any other extraordinary circumstance which may, in the Board of Director's opinion, materially affect the Scheme.

The targets to which the long-term bonus is tied are those identified in the Scheme for each year of the three-year period. A more detailed explanation is given in section A.1.6 of this report.

Bonuses are paid 11 months after being determined (after checking the degree of achievement of the targets), so by the time they are paid, more than one year has passed since the end of the year to which the bonus corresponds.

Once the results of the preceding year are available, the Nomination and Remuneration Committee checks the degree of achievement of the quantitative targets taken as the basis for determining the corresponding remuneration in each year of the Scheme. The assessment by the Nomination and Remuneration Committee of the qualitative aspects considered to determine the long-term bonus is made following a report by the Strategy and Investment Committee.

B.8. Indicate whether certain variable components accrued have been adjusted downward after deferral of the payment of non-vested amounts, or repayment has been claimed after vesting and payment of those components, in view of information subsequently found to be inaccurate. State the amounts reduced or repaid by application of the malus and clawback clauses, why these clauses were enforced and the years to which they correspond.

No such circumstances have existed.

B.9. Explain the main features of the long-term savings schemes, the amount or equivalent annual cost of which is indicated in the tables in Section C, including retirement and any other survival benefit, wholly or partially financed by the company with internal or external funds, stating the type of scheme, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions for the vesting of economic rights in favour of the directors and the compatibility thereof with any kind of termination benefit payable upon interruption of the contractual relationship between the company and the director.

There are no such schemes.

B.10. State any compensations or other kind of payment accrued and/or received by directors during the reporting period upon termination of their contracts, at the initiative of the company or the director, early or at the end of the specified term.

No compensation has been arranged or paid for termination of Directors' duties (to Directors for their duties as such or executive Directors for their executive duties).

B.11. State whether there have been any significant modifications in the contracts of senior executives or executive directors and explain those changes, if any. Explain the main terms and conditions of the new contracts signed with executive directors during the reporting period, unless they have been explained in section A.1.

In the reporting year (2021), as resolved by the Board of Directors on 27 February 2020 in line with a proposal by the Nomination and Remuneration Committee, the annual fixed cash remuneration of the Executive Chairman was set at 1,500,000 euros gross. That resolution led to: (i) amendment of the Directors' Remuneration Policy 2019-2021 to adjust the amounts indicated therein regarding the fixed cash remuneration of the Executive Chairman (amendment approved by the General Meeting on 29 July 2020); and (ii) the corresponding modification of the Executive Chairman's contract with the Company regarding the performance of his executive duties.

B.12. Explain any deviation during the year from the procedure established for application of the remuneration policy.

As explained earlier, no supplementary remuneration is earned by the Directors (for their duties as such or for executive duties) in consideration for services rendered other than those corresponding to their office or, exclusively with regard to the Executive Chairman, to the performance of executive duties. However, as also mentioned earlier (see section A.1.12), the Executive Chairman receives annual attendance fees as a Director of: (i) a Group company, and (ii) an associate company which does not form part of the Group.

B.13. Explain any supplementary remuneration accrued by directors in consideration for services rendered other than those corresponding to their office as such.

Neither the Company nor any other companies in the Group have granted any loans, advances or guarantees to members of the Board of Directors (to the Directors for their duties as such or the executive Directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

B.14. Describe the remuneration in kind accrued by directors during the year, including a brief explanation of the nature of the different remuneration components.

As explained earlier (see sections A.1.4 and A.1.5 of this Report), only the Chairman of the Board of Directors, as the only executive Director with executive duties, receives remuneration in kind, consisting of the private use made of the company car allocated to him. The value of his remuneration in kind for the reporting year (2021), 4,655 euros, is included within the fixed remuneration of the executive Director accrued in 2021.

In addition, the Company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the executives included in the Scheme (including the Chairman of the Board of Directors), so that they may receive part of that remuneration in the form of products and services previously selected by the Company. The value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training. Therefore, these items do not entail additional remuneration to that received in cash, since the amounts paid by the Company to the corresponding service providers are deducted from the beneficiary's cash remuneration.

B.15. Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity to which the director renders services, when those payments are intended to remunerate said director's services in that company.

No payments of this nature have been made.

B.16. Explain and provide details of the amounts accrued during the year in connection with any item of remuneration other than those listed above, of whatever nature and provenance within the group, including all benefits in whatsoever form, such as when it is considered a related party transaction or when it may distort the true and fair view of the total remuneration accrued by the director. The amount awarded or pending payment, the nature of the payment received and the reasons, where appropriate, why it has been considered not to form part of the director's remuneration, for their duties as such or for executive duties, and whether or not it has been considered appropriate to include it within the amounts accrued as "other items" in section C.

As explained earlier, there are no remunerations other than those listed above, without prejudice to the fees received by the Chairman of the Board of Directors as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group), of 5,000 euros gross in 2021.

In 2021, the Chairman of the Board of Directors also received Directorship fees from Riso Scotti, S.p.A. in a sum of 5,200 euros gross. As indicated in Article A.1, point 12, above, Riso Scotti, S.p.A. is an associate and does not form part of the Ebro Foods Group.

C. DETAILS OF INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period 2021
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	From 01/01/2021 to 31/12/2021
DEMETRIO CARCELLER ARCE	Proprietary Vice-Chairman	From 01/01/2021 to 31/12/2021
ALIMENTOS Y ACEITES, S.A.	Proprietary Director	From 01/01/2021 to 31/12/2021
BELÉN BARREIRO PÉREZ-PARDO	Independent Director	From 01/01/2021 to 31/12/2021
MARÍA CARCELLER ARCE	Proprietary Director	From 01/01/2021 to 31/12/2021
FERNANDO CASTELLÓ CLEMENTE	Independent Director	From 01/01/2021 to 31/12/2021
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2021 to 31/12/2021
CORPORACIÓN FINANCIERA ALBA, S.A.	Proprietary Director	From 01/01/2021 to 31/12/2021
MERCEDES COSTA GARCÍA	Lead Independent Director	From 01/01/2021 to 31/12/2021
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary Director	From 01/01/2021 to 31/12/2021
JAVIER FERNÁNDEZ ALONSO	Proprietary Director	From 01/01/2021 to 31/12/2021
GRUPO TRADIFÍN, S.L.	Proprietary Director	From 01/01/2021 to 31/12/2021
HERCALIANZ INVESTING GROUP, S.L.	Executive Director	From 01/01/2021 to 31/12/2021
PEDRO ANTONIO ZORRERO CAMAS	Independent Director	From 01/01/2021 to 31/12/2021

C.1. Complete the following tables regarding the individual remuneration of each of the directors (including the remuneration for executive duties) accrued during the financial year.

a) Remuneration accrued in the reporting company:

i) Remuneration in cash (thousand euros)

Complete the following Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term annual variable remuneration	Long-term annual variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
ANTONIO HERNÁNDEZ CALLEJAS	241	23	147	1,505	1,594	897			4,407	4,152
DEMETRIO CARCELLER ARCE	181	27	181						389	400
ALIMENTOS Y ACEITES, S.A.	121	18							139	144
BELÉN BARREIRO PÉREZ-PARDO	121	22	33						176	180
MARÍA CARCELLER ARCE	121	18							139	144
FERNANDO CASTELLÓ CLEMENTE	121	27	76						224	224
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	121	18	26						165	172
CORPORACIÓN FINANCIERA ALBA, S.A.	121	18							139	257
MERCEDES COSTA GARCÍA	121	27	78						226	226
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	121	18							139	144
JAVIER FERNÁNDEZ ALONSO	121	29	184						334	140
GRUPO TRADIFÍN, S.L	121	27	70						218	219
HERCALIANZ INVESTING GROUP, S.L	121	18	26						165	172
PEDRO ANTONIO ZORRERO CAMAS	121	28	158						307	312

Comments

The total remuneration of the Directors in 2021 amounted to 7,163,731 euros gross, rounded up to 7,164 thousand euros. This differs from the amount indicated in the table as a result of the rounding off to thousands of the individual remuneration of each Director.

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

ii) Table of changes in share-based remuneration schemes and gross earnings on the vested shares or financial instruments.

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0.00				
DEMETRIO CARCELLER ARCE	Scheme							0.00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0.00				
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0.00				
MARÍA CARCELLER ARCE	Scheme							0.00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0.00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0.00				
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0.00				
MERCEDES COSTA GARCÍA	Scheme							0.00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0.00				
JAVIER FERNÁNDEZ ALONSO	Scheme							0.00				

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	Equivalent shares
GRUPO TRADIFÍN, S.L.	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L.	Scheme							0.00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0.00				

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
BELÉN BARREIRO PÉREZ-PARDO	
MARÍA CARCELLER ARCE	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MERCEDES COSTA GARCÍA	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
JAVIER FERNÁNDEZ ALONSO	
GRUPO TRADIFÍN, S.L.	
HERCALIANZ INVESTING GROUP, S.L.	
PEDRO ANTONIO ZORRERO CAMAS	

Name	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
BELÉN BARREIRO PÉREZ-PARDO								
MARÍA CARCELLER ARCE								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
CORPORACIÓN FINANCIERA ALBA, S.A.								
MERCEDES COSTA GARCÍA								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								

Name	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
JAVIER FERNÁNDEZ ALONSO								
GRUPO TRADIFÍN, S.L.								
HERCALIANZ INVESTING GROUP, S.L.								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
MARÍA CARCELLER ARCE	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	

Name	Item	Amount
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MERCEDES COSTA GARCÍA	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
JAVIER FERNÁNDEZ ALONSO	Item	
GRUPO TRADIFÍN, S.L.	Item	
HERCALIANZ INVESTING GROUP, S.L.	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

b) Remuneration
i))

Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
ANTONIO HERNÁNDEZ CALLEJAS		5							5	5
DEMETRIO CARCELLER ARCE										
ALIMENTOS Y ACEITES, S.A.										
BELÉN BARREIRO PÉREZ-PARDO										
MARÍA CARCELLER ARCE										
FERNANDO CASTELLÓ CLEMENTE										

Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL										
CORPORACIÓN FINANCIERA ALBA, S.A.										
MERCEDES COSTA GARCÍA										
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.										
JAVIER FERNÁNDEZ ALONSO										
GRUPO TRADIFÍN, S.L.										
HERCALIANZ INVESTING GROUP, S.L.										
PEDRO ANTONIO ZORRERO CAMAS										

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

ii) Table of changes in share-based remuneration schemes and gross earnings on the shares or financial instruments vested.

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0.00				
DEMETRIO CARCELLER ARCE	Scheme							0.00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0.00				

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0.00				
MARÍA CARCELLER ARCE	Scheme							0.00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0.00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0.00				
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0.00				
MERCEDES COSTA GARCÍA	Scheme							0.00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0.00				
JAVIER FERNÁNDEZ ALONSO	Scheme							0.00				
GRUPO TRADIFÍN, S.L.	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L.	Scheme							0.00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0.00				

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
BELÉN BARREIRO PÉREZ-PARDO	
MARÍA CARCELLER ARCE	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MERCEDES COSTA GARCÍA	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
JAVIER FERNÁNDEZ ALONSO	
GRUPO TRADIFÍN, S.L.	
HERCALIANZ INVESTING GROUP, S.L.	
PEDRO ANTONIO ZORRERO CAMAS	

Name	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
BELÉN BARREIRO PÉREZ-PARDO								
MARÍA CARCELLER ARCE								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
CORPORACIÓN FINANCIERA ALBA, S.A.								
MERCEDES COSTA GARCÍA								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								
JAVIER FERNÁNDEZ ALONSO								
GRUPO TRADIFÍN, S.L.								
HERCALIANZ INVESTING GROUP, S.L.								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
MARÍA CARCELLER ARCE	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MERCEDES COSTA GARCÍA	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
JAVIER FERNÁNDEZ ALONSO	Item	
GRUPO TRADIFÍN, S.L.	Item	
HERCALIANZ INVESTING GROUP, S.L.	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

c) Summary of remunerations (thousand euros):

	Remuneration accrued in the Company					Remuneration accrued in Group companies					
Name	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2021 company	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2021 group	Total 2021 company + group
ANTONIO HERNÁNDEZ CALLEJAS	4,407				4,407	5				5	4,412
DEMETRIO CARCELLER ARCE	389				389						389
ALIMENTOS Y ACEITES, S.A.	139				139						139
BELÉN BARREIRO PÉREZ-PARDO	176				176						176
MARÍA CARCELLER ARCE	139				139						139
FERNANDO CASTELLÓ CLEMENTE	224				224						224
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	165				165						165
CORPORACIÓN FINANCIERA ALBA, S.A.	139				139						139
MERCEDES COSTA GARCÍA	226				226						226
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	139				139						139
JAVIER FERNÁNDEZ ALONSO	334				334						334
GRUPO TRADIFÍN, S.L	218				218						218
HERCALIANZ INVESTING GROUP, S.L	165				165						165
PEDRO ANTONIO ZORRERO CAMAS	307				307						307
TOTAL	7,167				7,167	5				5	7,172

Comments

The total remuneration of Directors in 2021 was 7,168,731 euros, rounded up to 7,169 thousand euros. This differs from the amount indicated in the table as a result of the rounding off to thousands of the individual remuneration of each Director.

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

C.2. Indicate the evolution over the past 5 years.

	Total amounts accrued and % annual variation								
	2021	% Variation 2021/2020	2020	% Variation 2020/2019	2019	% Variation 2019/2018	2018	% Variation 2018/2017	2017
Executive Directors									
ANTONIO HERNÁNDEZ CALLEJAS	4,412	6.13	4,157	36.21	3,052	22.92	2,483	-17.32	3,003
HERCALIANZ INVESTING GROUP, S.L.	165	-4.07	172	1.18	170	-8.60	186	0.00	186
Non-executive Directors									
DEMETRIO CARCELLER ARCE	389	-2.75	400	-0.25	401	-9.68	444	0.68	441
ALIMENTOS Y ACEITES, S.A.	139	-3.47	144	5.11	137	-9.87	152	-3.80	158
BELÉN BARREIRO PÉREZ- PARDO	176	-2.22	180	1.12	178	-8.72	195	-0.51	196
MARÍA CARCELLER ARCE	139	-3.47	144	5.11	137	8.73	126	-	0
FERNANDO CASTELLÓ CLEMENTE	224	0.00	224	-0.88	226	-10.67	253	19.91	211
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	165	-4.07	172	1.18	170	-15.00	200	0.00	200
CORPORACIÓN FINANCIERA ALBA, S.A.	139	-45.91	257	-23.28	335	3.08	325	-	0
MERCEDES COSTA GARCÍA	226	0.00	226	0.44	225	-7.79	244	20.20	203
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	139	-3.47	144	5.11	137	-9.87	152	-1.30	154
JAVIER FERNÁNDEZ ALONSO	334	138.57	140	-	0	-	1	-99.70	329
GRUPO TRADIFIN, S.L.	218	68.99	129	-40.83	218	-10.66	244	3.39	236
PEDRO ANTONIO ZORRERO CAMAS	307	-1.60	312	3.65	301	n.s	24	-	0
Consolidated earnings of the company									
	238,629	24.02	192,415	35.74	141,752	0.12	141,589	-35.82	220,600
Average remuneration of employees									
	41,356	-3.71	42,948	1.63	42,261	-	0	-	0

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

See Explanatory Note Two in section D of this report regarding the classification of Hercalianz Investing Group, S.L. as an executive Director.

With regard to the average remuneration of employees:

- The information contained in the computer files for 2018 is not adjusted to the criteria established in this Report and, therefore, is not comparable.

- We do not have information for 2017 in our computer files.

D. OTHER INFORMATION OF INTEREST

If there are any material.

CONTINUATION OF SECTION A.1.1, POINT 1, OF THIS REPORT

The Directors also receive, for their duties as such, fees for attending the meetings of the Board of Directors and any Board of Directors Committees they are on.

The amount of those fees is also set by the General Meeting and remain in force until amended.

b) Non-executive Directors do not receive any variable remuneration based on the profits of the Company or Group.

c) The executive Directors, just as the other senior executives of the Group, receive an annual remuneration for their executive duties according to the terms of their respective contracts. The remuneration structure of executive Directors (and other senior executives in the Group) includes the following components:

- annual fixed remuneration;
- short-term variable remuneration;
- deferred annual variable remuneration, linked to the Strategic Plan 2022-2024, as explained hereinbelow.

The fixed remuneration is the remuneration established in the corresponding contract signed between the company and the Executive Committee. With regard to the variable remunerations, both short-term annual and deferred annual, the Nomination and Remuneration Committee rates each year the degree of achievement of the targets to which they are linked (established in the Remuneration Policy 2022-2024), taking account of any reports submitted by other Committees, and submits the corresponding proposal and report to the Board of Directors of Director in respect of the individual remuneration of each Executive Director in that year.

The current Directors' Remuneration Policy 2022-2024 does not contemplate the application of any temporary exceptions.

EXPLANATORY NOTE ONE, REGARDING THE CHANGES PRODUCED IN THE BOARD OF DIRECTORS

The following changes were produced in the composition of the Board of Directors during 2021:

- Alejandra Olarra Icaza joined the Board of Directors on 24 November 2021 as representative of the Director Corporación Financiera Alba, S.A., replacing Tomás Hevia Armengol in that appointment; and

- Pedro Antonio Zorrero Camas tendered his resignation from the Board of Directors on 15 December 2021, with effect from 31 December 2021. Consequently, as of that date he ceased to be a company Director and member of the Executive Committee and Audit and Compliance Committee. Mr. Zorrero Camas was classified as an independent Director.

Moreover, on 31 January 2022, the Board of Directors resolved to appoint Marc Thomas Murtra Millar Director by the procedure of cooptation, to fill the vacancy produced upon Mr. Zorrero Camas' resignation (effective as of 31 December 2021). Mr. Murtra is classified as a non-executive independent Director and was also appointed member of the Executive Committee and Audit and Compliance Committee.

Finally, it is hereby stated that Alimentos y Aceites, S.A. (proprietary Director and reference shareholder) tendered his resignation as Director on 24 March 2022, with effect from 29 March 2022 (see the communication sent to the National Securities Market Commission by the Company as "Other Relevant Information" on 24 March 2022 with registry number 15141).

On the same date of issue of this Report[CLM1], 30 March 2022, Mr. Jordi Xuclà Costa was appointed proprietary Director of Alimentos y Aceites, S.A. to fill the vacancy caused by the resignation tendered by the company.

EXPLANATORY NOTE TWO, REGARDING THE CLASSIFICATION OF HERCALIANZ INVESTING GROUP, S.L. AS EXECUTIVE DIRECTOR

As mentioned throughout this Report, although Hercalianz Investing Group, S.L. is classified as an Executive Director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group, so has never received and does not receive any remuneration as such.

Hercalianz Investing Group, S.L. has been classified as an Executive Director (pursuant to section 212 bis of the Corporate Enterprises Act) because its representative on the Board of Directors of Ebro Foods, S.A. is an executive of a subsidiary of the Ebro Foods Group.

This annual remuneration report was approved by the Board of Directors of the company at its meeting on:

30/03/2022

State whether any Directors voted against or abstained in connection with the approval of this Report.

[√] Yes
[ ] No

Name of board member (s) who did not vote for approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
ALIMENTOS Y ACEITES, S.A.	Abstention	Mr Jordi Xuclà Costa is the proprietary Director of Alimentos y Aceites, S.A. (the reference shareholder who was a Director until 29 March 2022), who abstained from voting on this Report, stating that the Board of Directors of SEPI (as controlling shareholder of Alimentos y Aceites, S.A.) decides on the vote of SEPI as shareholder of Ebro Foods, S.A. See the Explanatory Note One in section D. of this Report.

**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.**

AUDITOR'S REPORT
CONSOLIDATED ANNUAL ACCOUNTS

04

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 THE CONSOLIDATED FNANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

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, 2021, 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, 2021, 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.

Building a better working world

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 and other businesses in the US, Canada, and France

Description:

As explained in notes 5 and 25 to the accompanying consolidated financial statements, at year-end 2020 the Group reached agreements to sell its dry pasta business in the US and Canada. The sale of part of the related assets was completed in 2021. In addition, at year-end 2021, the Group sold its dry pasta, semolina flour, couscous, and sauces businesses in France.

Group management derecognized the assets and liabilities related to the businesses sold during the reporting period (part of which were recorded under "Non-current assets held for sale" and "Liabilities held for sale" at year-end 2020), classifying the related income and expenses under "Gains (loss) on discontinued operations" on the consolidated statement of profit or loss.

Due to the qualitative and quantitative significance of the transactions described above, and their impact on the consolidated financial statements, we determined this to be a key audit matter.

Information on the applicable measurement standards and the related disclosures are provided in notes 5 and 25 to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding Group management's process for recording and valuing the sale of the dry pasta and other businesses in the US, Canada, and France.
- Reviewing and analyzing the terms and conditions included in the corresponding sale agreements entered into by Group management.
- Performing specific analyses and tests on the net assets sold, including an assessment of the reasonableness of the allocation of goodwill to the businesses to ensure that the assets were correctly classified and recognized in the Group's accounting records.
- Analyzing the reasonableness of gains and losses and the cash flow derived from discontinued operations.
- Checking that the sale transaction carried out during the period was correctly recorded and presented in the consolidated financial statements.
- Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Measurement of goodwill, other intangible assets, and property, plant and equipment.

Description

At December 31, 2021, the Group recorded goodwill, other intangible assets (primarily brands), and property, plant and equipment for a carrying amount of 809,359 thousand euros, 434,348 thousand euros, and 788,681 thousand euros, respectively, under "Goodwill", "Intangible assets", and "Property, plant and equipment" on the consolidated statement of financial position.

At least once a year, the Group 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 PP&E belonging to them. For purposes of this analysis, Group management determines, in collaboration with an independent expert, the impairment tests using the cash flow method at a risk-free rate.

Since determining the recoverable amount requires the use of complex estimates, for which Group management must make judgments to establish the assumptions underlying those estimates, and due to the significance of the amounts involved, we determined this to be a key audit matter.

The information on the applicable measurement standards and key assumptions for determining the impairment loss on the abovementioned assets and the related disclosures are provided in notes 15, 8, and 9 to the consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding the process designed by Group management to determine whether there are indications of impairment as well as the recoverable amount of goodwill, other intangible assets, and property, plant and equipment, in addition to assessing the design and implementation of the related relevant controls.
- Reviewing the methodology used by the independent expert engaged by Group management to determine the recoverable amount, with the involvement of our valuation specialists, paying particular attention to the methodology's mathematical coherence and the reasonableness of the cash flow projections of each material CGU, discount rates, and long-term growth rates.
- Reviewing the projected financial information in each CGU's business plan by understanding and analyzing historical and budgetary financial information, the CGU's business, its operating markets, and other information provided by parent company management.
- Assessing the sensibility of the analyses used to evaluate changes in the main assumptions used.
- Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Revenue recognition – discounts and incentives

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, recognizing discounts and incentives for accounting purposes entails the use of estimates that may be significant, requiring Group management to make complex judgments. As a result, contractual terms that give rise to adjustments to sales may be incorrectly recorded and thus, revenue recognized in the consolidated financial statements may be incorrectly measured.

Due to the variety of discounts and incentives offered, as well as the potential complexity associated with the estimates that Group management must make to record some of them at year-end, we determined this to be a key audit matter.

Information on the applicable measurement standards and the disclosures for revenue are provided in notes 3 r) and 6 to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding Group management's process for recognizing revenue and assessing the design and implementation of the related relevant controls for the Group's key components.
- Carrying out analytical procedures for the Group's key components, analyzing the performance of revenue, discounts and incentives, cost of sales, and real margins as compared with budgeted data.
- Analyzing, through meetings held with Group management, the contractual terms and conditions related to discounts and incentives included in significant contracts, and assessing the reasonableness of the assumptions underlying the most relevant related estimates.
- Reviewing the most relevant estimates made in connection with discounts and incentive schemes at year-end via customer confirmation letters and alternative procedures.
- Performing cut-off procedures for a sample of revenue transactions carried out near the reporting date to ensure that they are correctly recorded.
- Analyzing other adjustments and credit notes issued after the reporting date.
- Performing analytical procedures on revenue-related daily ledger entries for 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 and assessing whether they are in conformity with the applicable financial reporting framework.

Other information: Consolidated Management Report

Other information refers exclusively to the 2021 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 and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

Building a better working world

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 2021 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 the other legally stipulated disclosure requirements

European Single Electronic Format

We have examined the digital files of the European single electronic format (ESEF) of EBRO FOODS, S.A. and subsidiaries for the 2021 financial year, consisting of XHTML files containing the financial statements for the year and the XBRL files marked up by the entity, which will form part of the annual financial report.

The directors of Ebro Foods, S.A. are responsible for submitting the annual financial report for the 2021 financial year in accordance with the formatting and mark-up requirements established by Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (the "ESEF Regulation").

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

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 7, 2022.

Term of engagement

During the Ordinary General Shareholders’ Meeting held on July 29, 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, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

____
Alfonso Manuel Crespo
(Registered in the Official Register of Auditors under No. 22308)

April 7, 2022

CONSOLIDATED ANNUAL ACCOUNTS AND MANAGEMENT REPORT

05

EBRO FOODS, S.A.

Consolidated statement of financial position at year-end 2021 and 2020

(000€)	NOTE	12-31-2021	12-31-2020
NON-CURRENT ASSETS		**2,205,307**	**2,577,452**
Intangible assets	8	434,348	449,356
Property, plant and equipment	9	788,681	857,799
Right-of-use assets	10	59,375	76,242
Investment properties	11	19,398	19,454
Financial assets	12	4,874	7,616
Investments in associates	14	43,002	43,387
Deferred tax assets	21	46,270	61,996
Goodwill	15	809,359	1,061,602
CURRENT ASSETS		**1,733,315**	**1,316,236**
Inventories	16	702,699	578,280
Trade and other receivables	12	415,938	442,931
Current tax assets	21	23,097	17,055
Taxes receivable	21	35,465	48,526
Other financial assets	12	4,265	3,356
Derivatives	12	527	1,611
Other current assets		12,085	13,991
Cash and cash equivalents	13	539,239	210,486
Non-current assets held for sale	5 & 25	0	141,974
TOTAL ASSETS		**3,938,622**	**4,035,662**

(000€)	NOTE	12-31-2021	12-31-2020
EQUITY		**2,133,190**	**1,957,798**
Equity attributable to equity holders of the parent	17	**2,101,627**	**1,927,351**
Share capital		92,319	92,319
Share premium		4	4
Restricted parent company reserves		21,633	21,633
Retained earnings		1,882,678	1,814,239
Translation differences		104,993	(844)
NON-CONTROLLING INTERESTS		**31,563**	**30,447**
NON-CURRENT LIABILITIES		**881,681**	**895,175**
Deferred income	18	10,326	11,437
Provisions for pensions and similar obligations	19	35,088	56,466
Other provisions	20	15,538	14,089
Financial liabilities	12	598,509	570,267
Deferred tax liabilities	21	222,220	242,916
CURRENT LIABILITIES		**923,751**	**1,165,216**
Other financial liabilities	12	445,916	591,759
Derivatives	12	1,270	2,732
Trade and other payables	12	415,565	485,642
Current tax assets	21	37,454	49,875
Taxes payable	21	19,766	32,785
Other current liabilities		3,780	2,423
Liabilities of non-current assets held for sale	5 & 25	0	17,473
TOTAL EQUITY AND LIABILITIES		**3,938,622**	**4,035,662**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2021.

EBRO FOODS, S.A.

Consolidated statement of profit or loss for the years ended december 31, 2021 and 2020

(000€)	NOTE	2021	2020 RESTATED
Revenue from contracts with customers	6	2,427,068	2,430,310
Change in inventories of finished goods and work in progress		19,398	5,443
Own work capitalised		243	435
Other operating income	7	25,687	11,374
Raw materials and consumables used and other external expenses	6	(1,356,990)	(1,359,154)
Employee benefits expense	7	(333,188)	(325,729)
Depreciation and amortisation	8, 9, 10 & 11	(94,565)	(93,421)
Other operating expenses	7	(484,595)	(463,725)
OPERATING PROFIT		**203,058**	**205,533**
Finance income	7	32,130	41,463
Finance costs	7	(39,601)	(57,471)
Impairment of goodwill	15	0	(35,104)
Share of profit of associates	14	3,144	5,448
PROFIT BEFORE TAX		**198,731**	**159,869**
Income tax	21	(53,512)	(42,642)
PROFIT FROM CONTINUING OPERATIONS		**145,219**	**117,227**
Profit after tax from discontinued operations	25	105,027	89,424
PROFIT FOR THE YEAR		**250,246**	**206,651**
Attributable to:			
EQUITY HOLDERS OF THE PARENT		**238,629**	**192,415**
Non-controlling interests		11,617	14,236
		250,246	**206,651**

	NOTE	2021	2020
Earnings per share (euros)	17		
From continuing operations			
Basic		0.868	0.669
Diluted		0.868	0.669
From profit for the period			
Basic		1.551	1.251
Diluted		1.551	1.251

The accompanying notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the year ended December 31, 2021.

EBRO FOODS, S.A.

Consolidated statement of comprehensive income for the years ended december 31, 2021 and 2020

(000€)	NOTE	2021 GROSS AMOUNT	2021 TAX EFFECT	2021 NET AMOUNT	2020 GROSS AMOUNT	2020 TAX EFFECT	2020 NET AMOUNT
1. Profit for the year				**250,246**			**206,651**
2. Other comprehensive income recognised directly in equity:		**116,049**	**(2,330)**	**113,719**	**(112,804)**	**1,667**	**(111,137)**
2.1 Other comprehensive income to be reclassified to profit or loss in subsequent periods		**105,972**	**0**	**105,972**	**(105,089**	**0**	**(105,089)**
Translation differences	17	105,070	0	105,070	(105,089)	0	(105,089)
Translation differences reclassified to profit or loss during the reporting period		902	0	902	0	0	0
2.2 Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**10,077**	**(2,330)**	**7,747**	**(7,715)**	**1,667**	**(6,048)**
Actuarial gains and losses	19	10,077	(2,330)	7,747	(7,715)	1,667	(6,048)
1+2 TOTAL INCOME AND EXPENSE RECOGNISED DURING THE PERIOD:	17			**363,965**			**95,514**
Attributable to:							
Equity holders of the parent	17			352,213			81,404
Non-controlling interests	17			11,752			14,110
				363,965			**95,514**

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, 2021.

EBRO FOODS, S.A.

Consolidated statement of changes in equity for the years ended december 31, 2021 and 2020

				EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (000€)								
	EQUITY	NCI	TOTAL	SHARE CAPITAL	SHARE PREMIUM	REVALUATION RESERVE	LEGAL RESERVE	RETAINED EARNINGS	PROFIT/ (LOSS)	INTERIM DIVIDEND	TRANSLATION DIFFERENCES	OWN SHARES
BALANCE AT 31 DECEMBER 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**
Distribution of prior-period profit	**0**	0	**0**	0	0	0	0	141,752	(141,752)	0	0	0
Dividend payment	**(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
Transactions with non-controlling interests	**(11,528)**	(11,528)	**0**	0	0	0	0	0	0	0	0	0
Other movements in equity	**(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. Unrealised gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realised 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) recognised in equity	**1,667**	0	**1,667**	0	0	0	0	1,667	0	0	0	0
Total income and expense recognised	**95,514**	**14,110**	**81,404**	**0**	**0**	**0**	**0**	**(6,048)**	**192,415**	**0**	**(104,963)**	**0**
BALANCE AT 31 DECEMBER 2020	**1,957,798**	**30,447**	**1,927,351**	**92,319**	**4**	**3,169**	**18,464**	**1,621,824**	**192,415**	**0**	**(844)**	**0**

				EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (000€)								
	EQUITY	NCI	TOTAL	SHARE CAPITAL	SHARE PREMIUM	REVALUATION 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	192,415	(192,415)	0	0	0
Dividends paid (note 17)	**(184,089)**	(8,682)	**(175,407)**	0	0	0	0	(175,407)	0	0	0	0
Gain/(loss) on own share sales	**(4)**	0	**(4)**	0	0	0	0	(4)	0	0	0	0
Transactions with non-controlling interests	**(1,882)**	(1,954)	**72**	0	0	0	0	72	0	0	0	0
Other movements (notes 5 & 22)	**(2,598)**	0	**(2,598)**	0	0	0	0	(2,598)	0	0	0	0
Total distribution of profit and transactions with shareholders	(188,573)	(10,636)	(177,937)	0	0	0	0	14,478	(192,415)	0	0	0
Profit for the year (as per statement of profit or loss)	**250,246**	11,617	**238,629**	0	0	0	0	0	238,629	0	0	0
Change in translation differences	**105,070**	135	**104,935**	0	0	0	0	0	0	0	104,935	0
Translation differences reclassified to profit or loss	**902**	0	**902**	0	0	0	0	0	0	0	902	0
Fair value of financial instruments:												
1. Unrealised gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realised gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
Change due to actuarial gains/(losses)	**10,077**	0	**10,077**	0	0	0	0	10,077	0	0	0	0
Tax effect of gains/(losses) recognised in equity	**(2,330)**	0	**(2,330)**	0	0	0	0	(2,330)	0	0	0	0
Total income and expense recognised	**363,965**	**11,752**	**352,213**	**0**	**0**	**0**	**0**	**7,747**	**238,629**	**0**	**105,837**	**0**
BALANCE AT 31 DECEMBER 2021	**2,133,190**	**31,563**	**2,101,627**	**92,319**	**4**	**3,169**	**18,464**	**1,644,049**	**238,629**	**0**	**104,993**	**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, 2021.

EBRO FOODS, S.A.

Consolidated statement of cash flows for the years ended ended december 31, 2021 and 2020

(000€)	NOTE (*)	2021	2020
Receipts from customers		3,002,908	3,354,263
Payments to suppliers and employees		(2,845,104)	(2,916,960)
Interest paid		(8,757)	(12,484)
Interest received		373	974
Dividends received		4,350	3,634
Other operating activity receipts / payments		223	11,899
Income tax paid	21	(136,510)	(71,463)
NET CASH FLOWS FROM OPERATING ACTIVITIES	a)	**17,483**	**369,863**
Investing activities			
Purchase of fixed assets	b)	(120,035)	(117,600)
Proceeds from sale of fixed assets	c)	3,724	20,966
Purchase of financial assets (net of cash acquired)		(24,063)	(10,106)
Proceeds from sale of financial assets and/or businesses	d)	750,202	210,906
Other investment activity proceeds / purchases		(116)	832
NET CASH FLOWS FROM INVESTING ACTIVITIES		**609,712**	**104,998**
Acquisition of own shares		(632)	(644)
Proceeds from sale of own shares		14	0
Dividends paid to shareholders (including NCI holders)	e)	(185,719)	(397,375)
Proceeds from borrowings		1,481,723	1,122,367
Repayment of borrowings		(1,608,919)	(1,231,663)
Other financing activity proceeds / payments and grants		(1,833)	41
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(315,366)**	**(507,274)**
Translation differences arising on cash flows from foreign companies		8,429	3,742
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**320,258**	**(28,671)**
Cash and cash equivalents, opening balance		210,486	252,072
Effect of year-end exchange rate on opening balance		8,495	(12,915)
CASH AND CASH EQUIVALENTS, CLOSING BALANCE	**13**	**539,239**	**210,486**
The consolidated statements of cash flows for 2021 and 2020 include the cash flows pertaining to the discontinued activities consisting of the US and Canadian Dry Pasta businesses. The related cash flows so included are disclosed by category below:			
NET CASH FLOWS FROM OPERATING ACTIVITIES		**2,457**	**123,810**
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(10,693)**	**(17,614)**
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(3,095)**	**(3,286)**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of cash flows for the year ended December 31, 2021.

(*) 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 operations decreased year-on-year due to the decline in Group profitability (EBITDA-A) after an exceptional year on account of the pandemic; a considerable increase in the net working capital requirement; and a sharp increase in tax payments as a result of corporate transactions. Note that the amounts in question are not comparable on account of the operations classified as discontinued.

b) This balance, less the 4,355 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 these amounts, in 2021, 208,597 thousand euros stems from the sale of the dry pasta business in Canada and the rest of the US dry pasta business not already sold in 2020, and 536,450 thousand euros stems from the sale of the dry pasta business in France, net of transaction expenses and the cash drawn from that business (note 5). In 2020, 209,406 thousand euros corresponded 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 175,407 thousand euros.
– Dividends paid to non-controlling shareholders and holders of stock options (put & call options) in the amount of 10,312 thousand euros.

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 is the Parent of the international Ebro Foods Group (hereinafter, the Group or the Ebro Group).

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 2020 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 30, 2021 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 15, 2021 for submission for ratification at the upcoming Annual General Meeting is as follows:

AMOUNTS RELATING ONLY TO THE PARENT'S SEPARATE FINANCIAL STATEMENTS	
(000€)	**IMPORTE**
Basis of appropriation	
Unrestricted reserves	796,856
Profit for the year (as per statement of profit or loss)	327,145
TOTAL	**1,124,001**

The profit generated by the Ebro Foods Group in 2021 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 2022, 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 1, June 30, and October 3, 2022.

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, 2021, which were authorised for issue by the Parent's directors on March 30, 2022, 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 2021 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 intangible 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 authorising these consolidated financial statements for issue regarding the facts analysed, 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, recognising the effects of the changes in estimates in the related consolidated financial statements.

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

The global economy continues to be severely affected by the COVID-19 pandemic, which triggered an unprecedented contraction in global GDP during the first half of 2020. In response, governments all around the world rolled out decisive fiscal and monetary policy measures which, together with the waning impact of the virus itself, enabled a considerable recovery in the economy in the second half of 2020. Even so, global GDP contracted by approximately 3.3% in 2020, notwithstanding the impact of other factors outlined in note 28.

Although it is probable that the pandemic will continue to have an adverse effect on economic activity in the short term, the recovery is expected to continue, facilitated by the advanced progress of the vaccination effort, the gradual easing of restrictions on mobility and the economic stimulus measures. The significant fiscal stimulus packages announced in the US at the end of 2020 and during 2021 and the extension of lax monetary policy by the main central banks have reinforced the outlook for a global economic recovery. Nevertheless, epidemiological, financial, economic and geopolitical factors cast uncertainty over the ongoing recovery. Even though the advent of a new variant of Covid towards the end of 2021 implied a fresh setback for the recovery, the hope is that the impact of this new 'wave' of contagion will be surmounted in the early months of 2022 with things returning definitively to almost pre-pandemic ways (especially in Europe and North America) throughout 2022.

In Spain events were marked by the declaration of a succession of states of alarm (which ended on May 9, 2021) and the approval of a raft of urgent and extraordinary measures to address the economic and social fallout from COVID-19. Other countries took 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. In 2021, the trend in sales was far more 'normal' and akin to that observed in other years prior to the onset of the pandemic, such as 2019 and 2018. Sales of our products were distorted during the first half of 2020, particularly in March and April and, to a lesser degree, in May, while June 2020 was already a more normal month for sales.
3. The pandemic situation had a small impact on the Ebro Group in 2021. The Group's performance in 2021 was similar to that of 2019 and the second half of 2020 and was not marked by the extraordinary impacts observed 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, 2021 and additional information. As disclosed 3 below, the Group has used the same accounting policies to prepare the 2021 consolidated financial statements as it used to prepared the 2020 set. 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 Ebro 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; nor has it given rise to the need to recognize any impairment losses of significance.
   - → 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 judgements used to analyse the Group's accounts receivable with respect to those used at year-end 2020 (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 verified that the prevailing extraordinary circumstances have not had any impact on the recognition of deferred tax assets or the utilisation 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.

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, 2021, 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 the notes to the consolidated financial statements, the figures for the year ended December 31, 2020.

The following significant changes were made to the prior-year figures in order to make them comparable year-on-year:

As a result of the decision to discontinue and sell the dry pasta business in France (notes 5 and 25), the consolidated statement of profit or loss for the year ended December 31, 2021 has been restated to reclassify all of that business's income and expenses within "Profit after tax from discontinued operations". The information pertaining to 2020 has also been reclassified in the consolidated statement of profit or loss to present the discontinued business's cash flows separately, as required under IFRS 5.

C) CHANGES IN THE SCOPE OF CONSOLIDATION

Notes 4 and 5 detail the main changes affecting the consolidation scope in 2021 and 2020, 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	8.0% to 25%
Other items of 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 judgements and estimates made to determine the term of leases with extension options:** The Group determines the lease term as the non-cancellable 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 judgement 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 programmes 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

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. That business involves the sale of finished food products and food-based raw materials to customers and that is generally the only performance obligation to be satisfied. 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 judgements 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 is realized within a relatively short period of time, the Group has ample historical experience with respect to its customers' behaviour and the subjectivity involved in the estimation required is very low.

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 capital expenditure. 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 2020 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 in annual periods beginning on or after January 1, 2021:

   Certain standards of standard amendments became applicable for the first time from January 1, 2021 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - phase 2 of interest rate benchmark reform) but did not have any impact on these consolidated financial statements.

2) At the date of authorising 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, 2021 or are still pending adoption by the European Union. None of the upcoming standards has been adopted early by the Group.

   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 a significant 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
	12-31-21	12-31-20	12-31-21	12-31-20		
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%	-	EF	Lyon (France)	Sold
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%	-	Tilda	Isle of Man	Liquidated
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
	12-31-21	12-31-20	12-31-21	12-31-20		
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
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%	-	HF	Cairo (Egypt)	Sold
Herba Ricemills Rom, SRL	-	100.0%	-	HF	Romania	Sold
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
Indo European Foods Limited	100.0%	-	HF	-	London (UK)	Production and sale of rice
Ebro Foods Netherland, B.V. (EFN)	100.0%	100.0%	HF	HF	Amsterdam (Netherlands)	Investment management
Lassie Netherland, 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%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Holdco
Herba Ingredients, B.V. (Grupo) (HI) (B)	100.0%	100.0%	EFN/HF/RCC	EFN/HF/RCC	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
Gourmet Foods and Beverages Limited	100.0%	-	EFN	-	London (UK)	Sale and marketing 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 commercialisation

SUBSIDIARIES AND ASSOCIATES

	OWNERSHIP INTEREST, %		PARENT COMPANY		REGISTERED OFFICE	BUSINESS ACTIVITY
	12-31-21	12-31-20	12-31-21	12-31-20		
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
Ebro Premiun Foods, (formerly, LTL) (EPF)	99,8%	99,8%	EF	Panzani	Lyon (France)	Investment management
Lustucru Riz	99,9%	99,9%	EPF	EPF	Lyon (France)	In liquidation
Lustucru Frais	100.0%	100.0%	EPF	EPF	Lyon (France)	Production and sale of food
Roland Monterrat, SAS	100.0%	100.0%	EPF	EPF	Lyon (France)	Production and sale of flour and semolina
Panzani Development, S.A.	100.0%	100.0%	EPF	Panzani	Lyon (France)	Investment management
S.F.C. Silo de la Madrague, SAS	-	100.0%	-	Panzani	Lyon (France)	Sold
S.F.C. d'Investissements, SAS	100.0%	100.0%	EPF	Panzani	Marseilles (France)	Industrial operations
Bertagni, Spa. (Bertagni) (B)	70,0%	70,0%	EPF	EPF	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
Riviana Canadá, Ltda	100.0%	100.0%	Riviana	Riviana	Montreal (Canada)	Production and sale of rice
Garofalo France, S.A.	100.0%	100.0%	Garof/EPF	Garof/Panzani	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, 2021 and 2020.

5. Significant transactions (business combinations, disposals, etc.) closed in 2021 and 2020 and impact on comparability

5.1 BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL IN 2021

There were no internal company restructuring transactions in 2021, other than the restructuring of the Group's subsidiaries in France prior to the sale of the French dry pasta business (note 5.3).

5.2 BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL IN 2020

There were no internal company restructuring transactions in 2020.

5.3 THIRD-PARTY BUSINESS COMBINATIONS UNDERTAKEN IN 2021 AND 2020 AND IMPACT ON COMPARABILITY. CHANGES IN CONSOLIDATION SCOPE:

NEW TRANSACTIONS IN 2021

COMPANIES ADDED TO THE CONSOLIDATION SCOPE AND INCREASES IN SHAREHOLDINGS IN 2021

COMPANY AFFECTED	SUBGROUP	%	COMMENTS
Indo European Foods Limited (UK)	Rice	100%	Outright acquisition of this business
Gourmet Food & Beverages Ltd (UK)	Rice	100%	Outright acquisition of this business

COMPANIES REMOVED FROM THE CONSOLIDATION SCOPE AND DECREASES IN SHAREHOLDINGS IN 2021

COMPANY AFFECTED	SUBGROUP	%	COMMENTS
French dry pasta business Panzani SAS (France) and S.F.C. Silo de la Madrague, SAS (France)	Pasta	100%	Sale of these companies
Brand Associated Limited (UK)	Rice	100%	Liquidation of this company
Herba Ricemills Rom, SRL (Romania)	Rice	100%	Sale of this company
Herba Egipto Rice Mills, S.A.E.	Rice	100%	Liquidation and sale of this company

The most important transactions undertaken in 2021 were the following:

Acquisition of the Kohinoor brand for use in Europe

In April 2021, the Group acquired, through its rice business, 100% of two English companies, "Indo European Foods Limited" and "Gourmet Foods and Beverages Limited", and ownership of the Kohinoor trademark for use in the main European markets. The Group's investment totaled 20.8 million euros. The acquisition was financed from own funds.

The Group took effective control of this business on April 15, 2021, which is the date of its first-time consolidation. The preliminary estimate of the fair value of the net assets acquired as at April 15, 2021 is as follows:

KOHINOOR (000€)	DATE OF FIRST-TIME CONSOLIDATION 15-04-2021
	VALOR RAZONABLE
Intangible assets	17,108
Property, plant and equipment	714
Right-of-use assets	7,760
Inventories	3,881
Cash	133
Other current assets	7,638
TOTAL ASSETS	**37,234**
Non-current financial liabilities	7,612
Deferred tax liabilities	927
Current financial liabilities	6,714
Trade payables	624
Other current liabilities	540
TOTAL LIABILITIES	**16,417**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**20,817**
Goodwill arising on acquisition	0
PURCHASE CONSIDERATION TRANSFERRED	**20,817**
Non-controlling interests	0
Financed with financial liabilities and cash	20,817
PURCHASE CONSIDERATION TRANSFERRED	**20,817**
Net cash (debt) acquired with the subsidiary	(14,194)
Revenue since the acquisition date	16,901
Net profit contribution since the acquisition date	411
Revenue since January 1 **(a)**	25,028
Net profit contribution since January 1 **(a)**	1,697

(a) Estimate as if the businesses had been acquired on 1 January

The Group expects to conclude the process of valuing and analysing the various assets in order to determine the definitive fair value of the net assets acquired as of the date of first-time consolidation by the Ebro Group in the coming months.

French dry pasta business

During the first half of 2021, the Group took stock of the interest expressed by several players in the dry pasta business conducted by the Ebro Group in France (following the recent disposals of its dry pasta businesses in the US and Canada) and decided to initiate contact with the potentially interested parties in order to assess the potential sale of the business in the event of an attractive offer. On 26 July 2021, Ebro Foods, S.A. received a binding offer from CVC Capital Partners VIII and decided to give that candidate exclusivity in relation to the sale of Panzani's dry pasta, semolina, couscous and sauce business in France (the "French Dry Pasta" business).

The sale of this business to Pimente Investissement, a vehicle majority owned by funds managed or advised by CVC Capital Partners VIII Limited or its affiliates, closed on December 31, 2021. The sale agreement closed after the various stipulated closing conditions and formalities had been satisfied and the transaction had been approved at an Extraordinary General Meeting held by Ebro Foods, S.A. on December 15, 2021. The sale price, of 550 million euros (albeit subject to debt and working capital adjustments, which are not expected to be significant) was collected on December 31, 2021, which is when the business was delivered to the buyer and the sale was recognized for accounting purposes. The transaction generated an after-tax gain of 48.5 million euros for the Ebro Group.

Accordingly, under the applicable accounting standard, the assets and liabilities of this business have been derecognized at December 31, 2021, and the business's income and expenses for the years ended December 31, 2021 and 2020 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.

Prior to the sale of the French Dry Pasta business, the Group de-merged the businesses that were to be carved out of the sale of the French subsidiary disposed of, Panzani, SAS. Panzani constituted a subgroup in France made up of several businesses. Specifically, the sale encompassed the Panzani dry pasta, semolina, couscous and sauce businesses, leaving the Ebro Group with the fresh pasta and rice businesses. Today the parent of the French subgroup is LTL (formerly a 100%-owned subsidiary of Panzani SAS). LTL is the holding company which now encompasses all the French fresh pasta and rice businesses retained by Ebro.

2020 TRANSACTIONS THAT CLOSED IN 2021

Sale and discontinuation of the Canadian Dry Pasta business

At year-end 2020, the assets and liabilities comprising this business were classified as non-current assets held for sale (refer to the 2020 consolidated financial statements). 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).

Execution of the transaction was subject to performance of the opportune requirements for Canadian anti-trust purposes and other standard closing conditions. Once those closing conditions had been met, the transaction closed on January 29, 2021; 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 13.5 million euros for the Ebro Group.

Sale and discontinuation of the US Ronzoni Pasta business

At year-end 2020, the assets and liabilities comprising this business were classified as non-current assets held for sale (refer to the 2020 consolidated financial statements). The Ebro Group, through its US subsidiary, Riviana, agreed the sale of the Ronzoni dry pasta business and the Winchester dry pasta factory to 8th Avenue Foods & Provisions Inc on March 26, 2021. The business was valued for transaction purposes at 95 million dollars (the value of 100% of the business, before potential 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. Once those closing conditions had been met, the transaction closed on May 31, 2021; 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 21.7 million euros for the Ebro Group.

Accordingly, under IFRS 5, the assets and liabilities of those businesses (the Canadian Dry Pasta and the US Ronzoni Pasta businesses) were reclassified to 'Non-current assets held for sale' and 'Liabilities associated with non-current assets held for sale', respectively, in the consolidated statement of financial position at December 31, 2020. Likewise, those businesses' income and expenses for the years ended December 31, 2021 and 2020 were reclassified to 'Profit after tax from discontinued operations' (note 25). Those businesses' income and expenses had previously been included in the Group's Pasta segment.

TRANSACTION IN 2020:
Business combinations: the Group did not make any acquisitions in 2020 but it did sell businesses.

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 encompassed 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 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. Once those closing conditions had been met, the transaction closed on December 11, 2020: 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 28.5 million euros for the Ebro Group. 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.

6. Segment reporting and revenue from contracts with customers

The operating segments are organised 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
- Fresh pasta and premium dry pasta business (with the US, Canadian and French 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 subgroup: 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 an extensive 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:

PAÍS	VOLUMEN	VALOR	POSICIÓN
Spain	26.9%	35.80%	#1
Portugal	17.80%	20.00%	#1
Belgium	22.70%	30.10%	#2
Netherlands	21.30%	28.10%	#1

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 subgroup: 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: Its main asset is the Tilda brand, a rice company 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 60% of its sales stem from its home market. In the UK market it is the number-two brand by both volume (13.3%) and value (20.4%); it also commands a market share of 10% (by value) in Ireland.

PREMIUM DRY PASTA AND FRESH PASTA BUSINESS

Fresh pasta France: This is the Group unit specialized in the fresh pasta business.

It is the clear market leader with a share of 48.0% by volume and 41.3% by value. Thanks to its value-added customer proposition, it is the undisputed leader in the French market.

Its products are sold under the Lustucru brand and include fresh pasta, pan-fry gnocchis, snacks, ready-made dishes and sandwiches. It represents a growth segment and a launch pad for the Group's R&D effort. The Roland Monterrat business was added in 2015 and specialises in sandwiches, pâté en croûte and croque-monsieurs.

It also 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, this unit is the number-one player in the French market, with a market share of 19.4% by sales volumes. This business also sells semolina products under the Regia and Ferrero brands, which lead the market by sales volumes.

Until December 31, 2021, this unit included the dry pasta and wheat semolina manufacturing and marketing business conducted by Panzani, as detailed in note 5.

Bertagni subgroup: Added to the Group in March 2018 following the acquisition of 70% of the shares of Bertagni (including an option over the remaining 30%), this business has factories in Vicenza and Alvio (Italy). Bertagni is known as the oldest filled pasta brand in Italy. An expert in the production and sale of fresh pasta in the premium fresh pasta segment, it combines the finest artisan pasta traditions with extraordinary product development and innovation capabilities.

Garofalo subgroup: 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 in recent years, transforming from a small-sized local player into a leader in the Italian premium dry pasta segment (share of 6.1% by volume and 7.7% 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 fresh pasta subgroup: This subgroup includes the North American fresh pasta business, led by the Olivieri brand, which is the undisputed leader in the fresh pasta segment in Canada with a market share of 58.1% by volume and 58.2% by value. Olivieri makes and sells simple and filled fresh pasta products as well as a wide range of traditional and pan-fry 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 and Canadian businesses for which certain expenses were allocated on a pro rata basis (as is common practice in these kinds of situations) between the rice and fresh pasta units. 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 centralisation 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, Ebro France (including Monterrat and Bertagni), Garofalo, Tilda, Kohinoor and Geovita.
- → US & Canada: the Riviana business in the US and the Olivieri business in Canada; to a lesser extent, Bertagni, Tilda and Garofalo.
- → Rest of world: essentially the rice business of Herba and some of the exports of 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):

2020 - GEOGRAPHIC MARKET	SPAIN	EUROPE	AMERICAS	OTHER	TOTAL
Segment revenue	202,143	1,320,654	906,449	231,116	2,660,362
Inter-segment revenue	(10,021)	(87,670)	(111,951)	(20,410)	(230,052)
TOTAL REVENUE	**192,122**	**1,232,984**	**794,498**	**210,706**	**2,430,310**
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**

2021 - GEOGRAPHIC MARKET	SPAIN	EUROPE	AMERICAS	OTHER	TOTAL
Segment revenue	216,082	1,037,062	844,831	531,243	2,629,218
Inter-segment revenue	(13,138)	(54,251)	(97,031)	(37,730)	(202,150)
TOTAL REVENUE	**202,944**	**982,811**	**747,800**	**493,513**	**2,427,068**
Intangible assets	43,395	255,418	135,330	205	434,348
Property, plant and equipment and right-of-use assets	112,022	420,066	254,032	61,936	848,056
Other assets	476,735	1,267,565	752,880	159,038	2,656,218
TOTAL ASSETS	**632,152**	**1,943,049**	**1,142,242**	**221,179**	**3,938,622**
CAPITAL EXPENDITURE	**33,560**	**60,018**	**27,577**	**3,235**	**124,390**

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):

	UNITED STATES		FRANCE	
	2021	2020	2021	2020
Segment revenue	634,936	780,812	380,381	390,612
Inter-segment revenue	(86,845)	(98,898)	(39,937)	(44,789)
TOTAL REVENUE	**548,091**	**681,914**	**340,444**	**345,823**
Intangible assets	129,355	120,429	40,106	88,878
Property, plant and equipment	234,884	222,069	127,558	264,315
Other assets	703,566	569,578	312,096	671,366
TOTAL ASSETS	**1,067,805**	**912,076**	**479,760**	**1,024,559**
CAPITAL EXPENDITURE	**24,192**	**26,232**	**41,261**	**35,723**

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, 2021 and 2020.

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS (000€)

EBRO FOODS GROUP	TOTAL CONSOL. FIGURES		RICE BUSINESS (EXCL. N. AMERICA)		NORTH AMERICA RICE & FRESH PASTA		FRESH PASTA BUS. (EXCL. NORTH AMERICA)		EF HOLDCO		OTHER BUSINESSES & CONSOL. ADJUSTMENTS	
STATEMENT OF FIN'L POSITION	**12-31-21**	**12-31-20**	**12-31-21**	**12-31-20**	**12-31-21**	**12-31-20**	**12-31-21**	**12-31-20**	**12-31-21**	**12-31-20**	**12-31-21**	**12-31-20**
Intangible assets	434,348	449,356	194,561	181,386	135,330	125,945	81,490	129,996	21,659	10,726	1,308	1,303
Property, plant and equipment	848,056	934,041	346,744	311,090	254,026	240,671	237,404	371,799	1,683	2,408	8,199	8,073
Investment properties	19,398	19,454	22,109	22,133	0	0	0	1	8,478	8,509	(11,189)	(11,189)
Financial assets	9,139	10,972	6,397	4,647	20	629	2,524	4,208	146	146	52	1,342
Investments in associates	43,002	43,387	1	0	46,622	43,064	5	5	1,619,592	1,717,879	(1,623,218)	(1,717,561)
Deferred tax assets	46,270	61,996	16,625	14,905	10,481	20,687	7,427	10,320	4,953	6,713	6,784	9,371
Goodwill	809,359	1,061,602	195,392	189,673	281,795	259,979	324,415	604,193	0	0	7,757	7,757
Accounts receivable from group companies	0	0	70,258	41,002	231,532	160,637	16,538	15,543	123,148	211,057	(441,476)	(428,239)
Other current assets	1,729,050	1,312,880	767,071	622,326	460,294	293,821	315,434	381,334	193,457	34,358	(7,206)	(18,959)
	3,938,622	**3,893,688**	**1,619,158**	**1,387,162**	**1,420,100**	**1,145,433**	**985,237**	**1,517,399**	**1,973,116**	**1,991,796**	**(2,058,989)**	**(2,148,102)**
Assets held for sale	0	141,974			0	141,974	0				0	0
TOTAL ASSETS	**3,938,622**	**4,035,662**			**1,420,100**	**1,287,407**	**985,237**				**(2,058,989)**	**(2,148,102)**
Total equity	2,133,190	1,957,798	984,188	893,694	1,177,731	1,001,864	294,656	645,694	1,254,277	1,101,276	(1,577,662)	(1,684,730)
Deferred income	10,326	11,437	4,411	6,321	0	0	5,915	5,116	0	0	0	0
Provisions for pensions and similar obligations	35,088	56,466	15,007	18,118	8,161	13,021	6,347	20,566	3,682	2,652	1,891	2,109
Other provisions	15,538	14,089	2,551	528	102	183	1,566	1,584	11,240	11,240	79	554
Non-current & current financial liabilities	1,044,425	1,162,026	251,558	161,918	33,473	34,227	359,024	326,223	375,978	616,735	24,392	22,923
Deferred tax liabilities	222,220	242,916	62,523	52,160	89,749	77,535	38,877	52,532	30,661	60,315	410	374
Borrowings from group companies	0	0	96,185	75,073	24,778	30,596	123,671	210,757	261,036	167,430	(505,670)	(483,856)
Other current liabilities	477,835	573,457	202,735	179,350	86,106	112,508	155,181	254,927	36,242	32,148	(2,429)	(5,476)
	3,938,622	**4,018,189**	**1,619,158**	**1,387,162**	**1,420,100**	**1,269,934**	**985,237**	**1,517,399**	**1,973,116**	**1,991,796**	**(2,058,989)**	**(2,148,102)**
Liabilities of non-current assets held for sale	0	17,473			0	17,473	0				0	0
TOTAL LIABILITIES	**3,938,622**	**4,035,662**			**1,420,100**	**1,287,407**	**985,237**				**(2,058,989)**	**(2,148,102)**
Capital expenditure for the year	124,390	115,943	52,431	47,777	25,510	26,610	45,874	40,797	263	618		
Capital employed	2,060,319	2,183,209	1,004,366	895,243	496,359	724,341	548,711	562,570	12,176	14,781		
ROCE	10,1	9,7										
Leverage	41,2%	47,6%										
Average headcount for the year	6,440	7,664										
Stock market data:												
Number of shares outstanding ('000)	153,865	153,865										
Market cap. at year-end	2,597	2,914	Millions of euros									
EPS	1,55	1,25										
Dividend per share (DPS)	1,14	2,51										
Underlying carrying amount per share	13,66	12,53										

Within “North America: Rice and Fresh Pasta”, the breakdown of intangible assets and property, plant and equipment between the Rice and Fresh Pasta segments is as follows (thousands of euros):

	12-31-2021			12-31-2020		
	RICE	PASTA	TOTAL	RICE	PASTA	TOTAL
Intangible assets	129,354	5,976	135,330	120,428	5,517	125,945
Property, plant and equipment	234,878	19,149	254,027	222,064	18,607	240,671
	364,232	25,125	389,357	342,492	24,124	366,616

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS (000€)

EBRO FOODS GROUP	TOTAL CONSOL. FIGURES		RICE BUSINESS		FRESH/PREMIUM PASTA BUS.		EF HOLDCO		OTHER BUSINESSES & CONSOL. ADJUSTMENTS	
STATEMENT OF PROFIT OR LOSS	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
External revenue	2,427,068	2,430,310	1,772,103	1,782,934	646,511	644,235	1	2	8,453	3,139
Inter-segment revenue			38,467	63,865	25,368	21,837	4,468	4,275	(68,303)	(89,977)
TOTAL REVENUE	**2,427,068**	**2,430,310**	**1,810,570**	**1,846,799**	**671,879**	**666,072**	**4,469**	**4,277**	**(59,850)**	**(86,838)**
Change in inventories	19,398	5,443	17,365	2,199	1,930	3,381	0	0	103	(137)
Own work capitalised	243	435	85	272	158	163	0	0	0	0
Other operating income	25,687	11,374	21,832	7,448	10,509	8,636	12,878	14,414	(19,532)	(19,124)
Raw materials and consumables used and other expenses	(1,356,990)	(1,359,154)	(1,080,625)	(1,095,325)	(327,086)	(343,835)	0	0	50,721	80,006
Employee benefits expense	(333,188)	(325,729)	(206,608)	(208,364)	(112,079)	(105,134)	(14,418)	(13,746)	(83)	1,515
Depreciation and amortisation	(94,565)	(93,421)	(58,593)	(57,404)	(34,379)	(34,499)	(1,425)	(1,364)	(168)	(154)
Other operating expenses	(484,595)	(463,725)	(332,923)	(319,033)	(164,572)	(151,869)	(12,493)	(12,239)	25,393	19,416
OPERATING PROFIT	**203,058**	**205,533**	**171,103**	**176,592**	**46,360**	**42,915**	**(10,989)**	**(8,658)**	**(3,416)**	**(5,316)**
Finance income	32,130	41,463	30,113	41,784	3,738	3,554	227,855	52,692	(229,576)	(56,567)
Finance costs	(39,601)	(57,471)	(30,272)	(56,188)	(4,609)	(4,953)	(4,223)	(12,149)	(497)	15,819
Impairment of goodwill	0	(35,104)	0	(183)	0	(34,921)	0	0	0	0
Share of profit of associates	3,144	5,448	4,854	6,041	0	(4)	0	0	(1,710)	(589)
CONSOLIDATED PROFIT (LOSS) BEFORE TAX	**198,731**	**159,869**	**175,798**	**168,046**	**45,489**	**6,591**	**212,643**	**31,885**	**(235,199)**	**(46,653)**

6.3 REVENUE FROM CUSTOMER CONTRACTS

Disaggregated revenue disclosures. The Group's disaggregated revenue from contracts with customers:

TYPE OF GOODS OR SERVICES (000€)

	12-31-2021				
	ARROZ	PASTA	OTROS	INTERCOS	TOTAL
Sale of goods	1,803,479	667,843	9,114	(61,750)	2,418,686
Rendering of services	6,415	618	3,889	(6,102)	4,820
Revenue from royalties *et al.*	307	3,418	599	(1,133)	3,191
Lease income	369	0	2	0	371
	1,810,570	**671,879**	**13,604**	**(68,985)**	**2,427,068**

	12-31-2020				
	ARROZ	PASTA	OTROS	INTERCOS	TOTAL
Sale of goods	1,841,221	663,903	7,222	(85,904)	2,426,442
Rendering of services	4,941	663	3,735	(7,081)	2,258
Revenue from royalties *et al.*	273	1,506	560	(1,092)	1,247
Lease income	364	0	2	(3)	363
	1,846,799	**666,072**	**11,519**	**(94,080)**	**2,430,310**

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)

	2021		2020	
Government grants (related to income and grants)		1,001		1,245
Other operating income		15,232		5,383
Gains on disposal of fixed assets		1,150		323
Gains on disposal of investment properties		264		213
Gains on disposal of investees		948		0
Reversal of non-current asset impairment provisions		566		314
Other income		6,526		3,896
Insurance claims	0		977	
Income from lawsuits	4,372		0	
Reversal of provisions for other lawsuits	582		2,463	
Other less significant items	369		456	
Other income from discontinued activities	1,203			
		25,687		**11,374**

Other income included the following less-recurring items in 2021:

- A gain of 1,150 thousand euros recognized on the sale of items of property, plant and equipment; a gain of 264 thousand euros on the sale of investment properties; and a gain of 566 thousand euros derived from the reversal of impairment allowances against items of property, plant and equipment.
- Income from the reversal of provisions of 582 thousand euros and income from earnouts from businesses sold in prior years in the amount of 720 thousand euros.
- Income from a settlement reached in a lawsuit related with the sale of the business in Puerto Rico several years ago, in the amount of 4,372 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 2020:

- A gain of 563 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.

7.2 OTHER OPERATING EXPENSES (THOUSANDS OF EUROS)

	2021		2020	
External services		(385,168)		(373,035)
Advertising expenditure		(75,474)		(67,408)
Research and development costs		(1,434)		(2,462)
Taxes/levies other than corporate income tax		(8,828)		(9,896)
Loss on sale, derecognition or impairment of property, plant and equipment		(3,650)		(3,618)
Losses on disposal of investees		(754)		0
Other provisions and charges recognised		(9,287)		(7,306)
Provisions for lawsuits and disputes	(2,183)		(1,466)	
Industrial and logistics restructuring charges	(3,473)		(2,754)	
New business and investment acquisition costs	(1,905)		(2,653)	
Tax assessment expenses	(335)		(76)	
Claims expenses	(670)		0	
Other less significant items	(721)		(357)	
		(484,595)		**(463,725)**

The most significant less-recurring items included under other operating expenses in 2021 are:

- A loss of 3,650 thousand euros recognized on the derecognition, sale or restructuring of several pieces of industrial equipment and plant.
- Investment expenditure that did not quality for capitalisation in the amount of 1,905 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centres, etc.).
- Charges for provisions and expenses for lawsuits with third parties in the amount of 2,183 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 3,473 thousand euros.

- A loss of 754 thousand euros on the liquidation and sale of a subsidiary in Egypt.
- Expenditure related with industrial equipment damage and business fines totalling 670 thousand euros.

Other operating expenses included the following less-recurring items in 2020:

- Losses totalling 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 did not quality for capitalisation in the amount of 3,314 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centres, 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 centres totalling 3,755 thousand euros.
- Extraordinary expenses derived from the health pandemic: protective items; 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.

7.3 FINANCE COSTS AND FINANCE INCOME (THOUSANDS OF EUROS)

	2021	2020
Finance costs		
Third-party borrowings	(4,661)	(9,810)
Unwinding of discount on financial liabilities	(1,728)	(1,816)
Unwinding of discount on provisions for pensions and similar obligations	(615)	(783)
Losses on derecognition of financial assets and liabilities	(1)	(5)
Impairment provisions on other financial assets	(1,572)	(1,293)
Expenses/losses related to derivatives and financial instruments	(6,708)	(6,289)
Exchange losses	(24,316)	(37,475)
	(39,601)	**(57,471)**
Finance income		
Third-party loans	1,524	2,813
Gains on derecognition of financial assets and liabilities	964	885
Reversal of financial asset impairment provisions	792	2,363
Gains on derivatives and financial instruments	3,283	2,810
Exchange gains	25,567	32,592
	32,130	**41,463**
NET FINANCE INCOME/(COST)	**(7,471)**	**(16,008)**

7.4 EMPLOYEE BENEFITS EXPENSE

The breakdown of employee benefits expense and the average Group headcount in 2021 and 2020 and at each year-end (thousands of euros):

	2021	2020
Wages and salaries	(257,642)	(249,788)
Other benefit expense	(24,911)	(27,936)
Social security and similar costs	(38,961)	(37,982)
Cost of post-employment and similar benefits	(11,674)	(10,023)
	(333,188)	**(325,729)**

AVERAGE HEADCOUNT

AVERAGE 2021	MEN		WOMEN		TOTAL
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
Officers	209		74	1	284
Skilled staff and other assistants	609	11	284	14	918
Clerical and support staff	367	152	434	39	992
Production staff	2,268	799	699	405	4,171
Other staff	26	19	22	8	75
TOTAL	**3,479**	**981**	**1,513**	**467**	**6,440**

AVERAGE 2020	MEN		WOMEN		TOTAL
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
Officers	292	3	131	1	427
Skilled staff and other assistants	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**

YEAR-END HEADCOUNT

YEAR-END 2021	MEN		WOMEN		TOTAL
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
Officers	198	1	75	1	275
Skilled staff and other assistants	621	14	288	16	939
Clerical and support staff	382	141	446	40	1,009
Production staff	2,307	755	711	450	4,223
Other staff	26	17	23	3	69
TOTAL	**3,534**	**928**	**1,543**	**510**	**6,515**

YEAR-END 2020	MEN		WOMEN		TOTAL
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
Officers	286	1	131	1	419
Skilled staff and other assistants	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**

As required under article 260 of the Corporate Enterprises Act, it is hereby disclosed that the number of people employed by the Group in 2021 (2020) with a disability of a severity of 33% or higher averaged 55 (76) men and 27 (26) 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 2021 and 2020, 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 31 December 2019	0	570,309	6,968	1,977	**579,254**
Balance at 31 December 2020	0	442,203	6,051	1,102	**449,356**
Balance at 31 December 2021	60	429,822	4,222	244	**434,348**

GROSS CARRYING AMOUNTS

	DEVELOPMENT COSTS	PATENTS & TRADEMARKS	COMPUTER SOFTWARE	INTANGIBLES IN PROGRESS	TOTAL
BALANCE AT 31 DECEMBER 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 31 DECEMBER 2020	**0**	**476,144**	**52,571**	**1,102**	**529,817**
Combinación de negocios	17	17,091			17,108
Business sales (exits)		(46,709)	(19,047)		(65,756)
Additions	76	77	3,619	(858)	2,914
Decreases	(17)		(3,150)		(3,167)
Translation differences		21,780	1,533		23,313
Assets held for sale					0
Transfers		17	(17)		0
BALANCE AT 31 DECEMBER 2021	**76**	**468,400**	**35,509**	**244**	**504,229**

AMORTISATION AND IMPAIRMENT

	DEVELOPMENT COSTS	PATENTS & TRADEMARKS	COMPUTER SOFTWARE	INTANGIBLES IN PROGRESS	TOTAL
BALANCE AT 31 DECEMBER 2019	**0**	**(38,732)**	**(45,467)**	**0**	**(84,199)**
Business combinations					0
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 31 DECEMBER 2020	**0**	**(33,941)**	**(46,520)**	**0**	**(80,461)**
Business combinations					0
Ventas (salidas) de negocios		2	17,089		17,091
Additions	(21)	(2,832)	(2,941)		(5,794)
Decreases	5		2,581		2,586
Translation differences		(1,799)	(1,489)		(3,288)
Assets held for sale					0
Transfers		(8)	(7)		(15)
BALANCE AT 31 DECEMBER 2021	**(16)**	**(38,578)**	**(31,287)**	**0**	**(69,881)**

MOVEMENTS IN 2021

The most significant movements under this heading during the year ended December 31, 2021:

- Additions totalling 2,914 thousand euros (mainly software). Also, additions of 17,108 thousand euros due to business combinations (note 5).
- An increase of 20,025 thousand euros due to translation differences.
- Decreases of 5,794 thousand euros due to amortization charges (including 1,095 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta I Panzani business); refer to note 25).
- A decrease of 48,665 thousand euros due to company sales during the year (note 5).
- In 2021, the Group derecognized intangible assets with a carrying amount of 581 thousand euros and derecognized transferred assets with a carrying amount of 15 thousand euros.

The most significant movements under this heading during the year ended December 31, 2020:

- Additions totalling 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 (including 281 thousand euros which were recognized within the charges corresponding to discontinued activities (North American Pasta); refer to note 25).
- Decrease of 49,586 thousand euros due to the reclassification of intangible assets to assets held for sale and of 50,415 thousand euros due to companies sold during the year.
- 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.

TRADEMARKS

At year-end 2021, there are four trademarks (year-end 2020: four) with an original aggregate cost of 42,128 thousand euros (year-end 2020: 40,745 thousand euros) that have been written down for impairment by 21,796 thousand euros in total (20,893 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 2021 and 2020; most of the tests were mostly performed by an independent expert, namely Duff & Phelps. Those impairment tests did not indicate the need to recognize any additional impairment losses in either 2021 or 2020.

SEGMENT	CASH-GENERATING UNIT: TRADEMARKS	NUMBER OF TRADEMARKS	BALANCE AT 31 DECEMBER 2021		
			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	33,315	(2,000)	31,315
Rice	Geovita (Italy)	3	1,970	0	1,970
Rice	Ebro India	1	78	0	78
Rice	Tilda Group	2	123,774	0	123,774
Rice	Riviana (US)	4	106,093	0	106,093
Rice	Riviana (US) SOS	4	16,508	0	16,508
Rice	Riviana (US) Rice select	4	4,008	0	4,008
Rice	Indo European Foods (UK)	1	17,439	0	17,439
Pasta	Riviana (Canada)	1	17,063	(11,143)	5,920
Pasta	Panzani (France)	3	36,400	0	36,400
Pasta	Panzani (France) - Monterrat	1	2,677	0	2,677
Pasta	Garofalo (Italy)	3	34,576	0	34,576
Pasta	Bertagni (Italy)	1	6,169	0	6,169
Other	Harinas (Spain)	1	1,300	0	1,300
			426,435	**(21,796)**	**404,639**
Rice	Riviana (US) Rice select		6,143	(4,044)	2,099
Rice	Riviana (US) Rice select - Customer portfolio		1,661	(1,562)	99
Pasta	Canada - customer portfolio		3,505	(3,505)	0
Rice	Tilda Group - customer portfolio		22,613	(3,517)	19,096
Rice	Geovita - customer portfolio		4,872	(1,300)	3,572
Other indefinite-lived trademarks and patents			3,171	(2,854)	317
			468,400	**(38,578)**	**429,822**

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 2021 (2020) were:

PRODUCT	TRADEMARK/COUNTRY OR BUSINESS	PRE-TAX DISCOUNT RATE		POST-TAX DISCOUNT RATE		GROWTH RATE, G	
		2021	2020	2021	2020	2021	2020
Rice	Herba Germany	5.7%	6.3%	5.3%	5.8%	2.0%	2%
Rice	SOS business (Spain, Netherlands and Portugal)	5.6% - 6.7%	6.2% - 7.5%	5.3% - 6.3%	5.8% - 7.0%	1.9% - 2.0%	1.8% - 1.9%
Rice	Geovita (Italy and France)	6.5%	7.2%	6.0%	6.5%	1.9%	1.7%
Rice	Riviana (US)	6.7%	6.7%	6.3%	6.3%	2.2%	2.2%
Rice	Riviana Abu Bint (Saudi Arabia)	8.6%	8.9%	7.8%	8.0%	1.3%	1.5%
Rice	Riviana (US) SOS	6.7%	6.7%	6.3%	6.3%	2.2%	2.2%
Rice	Tilda (UK)	6.4%	6.6%	6.0%	6.3%	2.0%	2.1%
Pasta	Riviana Canada	6.5%	6.5%	6.0%	6%	2.0%	2%
Rice and Fresh	Ebro France	6.2%	6.8%	5.8%	6.3%	2.0%	1.8%
Pasta	Ebro France - Monterrat	6.2%	6.8%	5.8%	6.3%	2.0%	1.8%
Pasta	Garofalo (Italy and international)	7.4%	8.4%	6.8%	7.5%	1.9%	1.7%
Pasta	Garofalo (Africa and international)	8.4%	9.7%	7.5%	8.5%	1.9%	1.7%
Pasta	Bertagni (Italy)	7.14%	8.1%	6.5%	7.3%	1.9%	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 2021 and 2020, 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 31 December 2019	130,766	256,263	456,886	24,236	8,138	64,971	**941,260**
Balance at 31 December 2020	123,324	226,451	407,988	25,583	9,592	64,861	**857,799**
Balance at 31 December 2021	109,175	213,645	356,329	20,820	9,661	79,051	**788,681**

GROSS CARRYING AMOUNTS

	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	PP&E IN PROGRESS	TOTAL
BALANCE AT 31 DECEMBER 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 31 DECEMBER 2020	**130,821**	**415,543**	**1,105,442**	**79,928**	**25,378**	**64,861**	**1,821,973**
Business combinations			651	63			714
Business sales (exits)	(17,945)	(79,397)	(266,320)	(6,515)		(9,098)	(379,275)
Additions	2,328	15,137	76,149	6,687	1,760	22,621	124,682
Decreases	(1,135)	(6,282)	(56,368)	(1,158)	(2,534)		(67,477)
Translation differences	3,459	9,206	24,943	991	148	667	39,414
Assets held for sale							0
Transfers	(331)	331		1	(1)		0
BALANCE AT 31 DECEMBER 2021	**117,197**	**354,538**	**884,497**	**79,997**	**24,751**	**79,051**	**1,540,031**

DEPRECIATION AND IMPAIRMENT	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	PP&E IN PROGRESS	TOTAL
BALANCE AT 31 DECEMBER 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 31 DECEMBER 2020	**(7,497)**	**(189,092)**	**(697,454)**	**(54,345)**	**(15,786)**	**0**	**(964,174)**
Business combinations							0
Business sales (exits)	383	65,021	198,672	5,844			269,920
Additions	(834)	(17,333)	(63,584)	(10,571)	(1,987)		(94,309)
Decreases	479	3,788	48,201	749	2,773		55,990
Translation differences	(510)	(3,311)	(13,948)	(852)	(156)		(18,777)
Assets held for sale							0
Transfers	(43)	34	(55)	(2)	66		0
BALANCE AT 31 DECEMBER 2021	**(8,022)**	**(140,893)**	**(528,168)**	**(59,177)**	**(15,090)**	**0**	**(751,350)**

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 2021 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 2021

The most significant movements under this heading during the year ended December 31, 2021:

- An increase of 20,637 thousand euros due to exchange gains.
- Decreases of 93,655 thousand euros due to depreciation charges (including 14,917 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta I Panzani business); refer to note 25) and an increase due to the reversal of 566 thousand euros of impairment allowances.
- An increase of 714 thousand euros due to business combinations (note 5).
- Additions of 121,476 thousand related to capital expenditure, essentially investments in technical upgrades, expansion work and new facilities at the Group's various factories. The consolidated management report includes information about the most significant investments recognized under this heading in 2021.
- An increase of 2,552 thousand euros due to the monetary correction of the assets of La Loma de Argentina.
- A decrease of 109,355 thousand euros due to companies sold during the year (note 5).
- In 2021, the Group derecognized assets with a carrying amount of 12,054 thousand euros.

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 wich 11,773 thousand euros corresponded to discontinued activities (North American Pasta business); 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.
- 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.

The depreciation and impairment charges recognized on property, plant and equipment in the 2021 and 2020 consolidated financial statements break down as follows:

- In 2021: 93,655 thousand euros of depreciation charges (including 14,917 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta I Panzani business; refer to note 25) and the reversal of 566 thousand euros of impairment allowances.
- In 2020: 103,168 thousand euros of depreciation charges (including 11,773 thousand euros which were recognized as depreciation charges corresponding to discontinued activities (North American Pasta); refer to note 25) and 2,245 thousand euros of impairment allowances.

The derecognition of items of property, plant and equipment in 2021 generated losses, on the one hand, of 3,650 thousand euros (2020: 1,646 thousand euros) and gains of 1,150 thousand euros (2020: 323 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:

(000€)	LAND	BUILDINGS	PLANT AND EQUIPMENT	OTHER FIXTURES, TOOLS & FURNITURE	OTHER PP&E	ACCUM. DEPRECIATION & IMPAIRMENT	TOTAL	FINANCIAL LIABILITY NOTE 12
BALANCE AT 31 DECEMBER 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)
Transfers 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 31 DECEMBER 2020	**15,202**	**67,300**	**11,915**	**2,719**	**4,570**	**(25,464)**	**76,242**	**(79,951)**
Business combinations (note 5)		7,697			63		7,760	(7,786)
Business sales (exits) (note 5)	(6,682)	(15,441)	(2,534)	(1,045)		7,319	(18,383)	18,854
Additions	161	2,367	1,668	726	1,318		6,240	(6,240)
Decreases		(3,078)	(704)	(534)	(622)	3,714	(1,224)	1,340
Translation differences	460	2,898	35	63	130	(801)	2,785	(3,049)
Transfers					(4)	(3)	(7)	46
Depreciation charges						(14,038)	(14,038)	
Finance costs								(2,029)
Lease payments								14,667
BALANCE AT 31 DECEMBER 2021	**9,141**	**61,743**	**10,380**	**1,929**	**5,455**	**(29,273)**	**59,375**	**(64,148)**

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 31 DECEMBER 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 31 DECEMBER 2020	**(2,028)**	**(13,867)**	**(6,167)**	**(1,124)**	**(2,278)**	**(25,464)**
Business sales (exits)	1,172	4,800	837	510		7,319
Additions	(876)	(8,474)	(2,298)	(898)	(1,492)	(14,038)
Decreases		2,024	704	496	490	3,714
Translation differences	(105)	(574)	(23)	(35)	(64)	(801)
Assets held for sale						0
Transfers		(26)			23	(3)
BALANCE AT 31 DECEMBER 2021	**(1,837)**	**(16,117)**	**(6,947)**	**(1,051)**	**(3,321)**	**(29,273)**

In 2021, the Group recognized depreciation charges of 14,038 thousand euros (2020: 13,973 thousand euros). Of that sum, 2,927 thousand euros (2020: 2,855 thousand euros) are recognized as depreciation charges related to discontinued activities - the French Dry Pasta I Panzani business (note 25).

The breakdown of the Group's lease liabilities by year of maturity and currency of denomination is as follows (thousands of euros):

CURRENCY	2022	2023	2024	2025	2026	OTHER	TOTAL
EUR	3,986	2,560	1,475	989	1,025	7,594	17,629
USD	3,633	3,780	3,820	3,854	4,014	14,421	33,522
GBP	1,000	703	609	908	526	5,154	8,900
INR	80	8	0	0	0	0	88
DKK	8	8	0	0	0	0	16
HUF	20	21	21	0	0	0	62
SEK	31	22	11	0	0	0	64
MAD	3	173	173	173	173	2,906	3,601
THB	166	29	27	26	18	0	266
TOTAL	**8,927**	**7,304**	**6,136**	**5,950**	**5,756**	**30,075**	**64,148**

In 2021 and 2020, the Group recognized the following expenses in connection with short-term leases and leases over low-value assets.

(000€)	2021			2020		
	SHORT-TERM CONTRACTS	LOW-VALUE CONTRACTS	TOTAL EXPENSE	SHORT-TERM CONTRACTS	LOW-VALUE CONTRACTS	TOTAL EXPENSE
Contracts not capitalised:						
Buildings and offices	595		595	633		633
Plant and machinery	69		69	132		132
Warehouses	1,044		1,044	986		986
Industrial equipment	1,307	754	2,061	1,626	900	2,526
Other non-industrial equipment	5	220	225	0	455	455
Vehicles	179		179	284		284
TOTAL	**3,199**	**974**	**4,173**	**3,661**	**1,355**	**5,016**
Lease expense in future years						
In 2022	2,040	528	2,568			
Between 1 and 5 years		321	321			
Over 5 years		105	105			
	2,040	**954**	**2,994**			

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 2021 and 2020, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

CARRYING AMOUNTS	LAND	BUILDINGS	TOTAL
Balance at 31 December 2019	21,592	1,730	**23,322**
Balance at 31 December 2020	17,761	1,693	**19,454**
Balance at 31 December 2021	17,758	1,640	**19,398**

	GROSS CARRYING AMOUNTS			DEPRECIATION AND IMPAIRMENT		
	LAND	BUILDINGS	TOTAL	LAND	BUILDINGS	TOTAL
BALANCE AT 31 DECEMBER 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 31 DECEMBER 2020	**18,388**	**7,618**	**26,006**	**(627)**	**(5,925)**	**(6,552)**
Business combinations			0			0
Business sales (exits)			0			0
Additions			0		(17)	(17)
Decreases	(3)	(2,345)	(2,348)		2,309	2,309
Translation differences			0			0
Transfers	0		0	0		0
BALANCE AT 31 DECEMBER 2021	**18,385**	**5,273**	**23,658**	**(627)**	**(3,633)**	**(4,260)**

The depreciation charge recognized in 2021 amounted to 17 thousand euros (2020: 17 thousand euros), while impairment charges amounted to zero (2020: zero).

The only movement of significance in 2021 was the sale of a property, which generated a gain of 264 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, recognising a gain of 213 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 2021 was an estimated 52 million euros (year-end 2020: 53 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:

	12-31-2021			12-31-2020		
	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT
Classification for statement of financial position purposes						
Financial assets	**9,139**	4,874	4,265	**10,972**	7,616	3,356
Trade and other receivables	**415,938**	0	415,938	**442,931**	0	442,931
Derivatives	**527**	0	527	**1,611**	0	1,611
TOTAL FINANCIAL ASSETS	**425,604**	**4,874**	**420,730**	**455,514**	**7,616**	**447,898**
Classification for measurement purposes						
Financial assets at amortised cost:						
Trade and other receivables	**415,938**	0	415,938	**442,931**	0	442,931
Loans to associates	**1,122**	1,122	0	**1,122**	1,122	0
Loans to third parties	**3,543**	1,403	2,140	**3,855**	2,551	1,304
Deposits and guarantees	**3,323**	1,198	2,125	**4,921**	2,869	2,052
Financial assets at fair value through profit or loss						
Shares in non-group companies	**1,151**	1,151	0	**1,074**	1,074	0
Derivatives	**527**	0	527	**1,611**	0	1,611
TOTAL FINANCIAL ASSETS	**425,604**	**4,874**	**420,730**	**455,514**	**7,616**	**447,898**

Loans to third parties

The year-on-year decrease in the balance of loans to third parties in 2021 is the result of repayments collected in accordance with the corresponding loan schedules. The outstanding balance relates primarily to:

- 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, was still outstanding at December 31, 2020. That payment was due on June 30, 2021 and was settled in July.
- The deferred portion the purchase price for the SOS brand in Mexico and other neighbouring 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 2,134 thousand euros - is due on February 21, 2022 and is recognized in current loans.
- The liquidation and sale in 2021 of the Egyptian subsidiary generated an account receivable of 996 thousand euros, which is included under non-current loans. The Group expects to collect that balance at the end of 2022 or in early 2023.

Of the total recognized under this heading: (i) 276 thousand euros (year-end 2020: 1,311 thousand euros) is denominated in euros; (ii) 463 thousand euros (575 thousand euros) is denominated in US dollars; (iii) 670 (zero) thousand euros is denominated in Moroccan dirhams; and (iii) 2,134 thousand euros (1,969 thousand euros) is denominated in Mexican pesos.

The maturity schedule for these non-current loans is: (i) 2,140 thousand euros in 2022; (ii) 996 thousand euros in 2023; and (iii) the remaining 407 thousand euros in 2026 and beyond.

Trade and other receivables

The breakdown of this heading at year-end 2021 and 2020 (in thousands of euros):

ITEM	12-31-21	12-31-20
Trade receivables	396,339	439,589
Due from associates	827	497
Miscellaneous receivables	27,808	14,981
Provisions	(9,036)	(12,136)
TOTAL	**415,938**	**442,931**

Some of the decrease in trade and other receivables is attributable to the sale of the French Dry Pasta business (note 5).

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, 2021, the ageing analysis of trade receivables is as follows (thousands of euros):

AGEING ANALYSIS	GROSS	IMPAIRMENT ALLOWANCE	NET
Within 3 months	386,094	(3,084)	383,010
Past due by between 3 and 6 months	7,305	(1,932)	5,373
Past due by between 6 and 12 months	571	(571)	0
Past due by between 12 and 18 months	162	(162)	0
Past due by between 18 and 24 months	0	0	0
Past due by > 24 months	2,207	(2,207)	0
	396,339	**(7,956)**	**388,383**

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 2021 (2020): (i) net new provisions of 713 thousand euros (1,483 thousand euros); (ii) the utilisation of 2,146 thousand euros (1,286 thousand euros); (iii) the net derecognition of 1,790 thousand euros (198 thousand euros) due to business combinations; and (iv) translation losses of 123 thousand euros (losses of 172 thousand euros).

There have been no other significant movements in any other financial assets since December 31, 2020.

12.2 FINANCIAL LIABILITIES

The breakdown of the Group's financial liabilities is provided below (in thousands of euros):

	12-31-2021			12-31-2020		
	TOTAL	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT
Classification for statement of financial position purposes						
Financial liabilities	**1,044,425**	598,509	445,916	**1,162,026**	570,267	591,759
Trade and other payables	**415,565**	0	415,565	**485,642**	0	485,642
Derivatives	**1,270**	0	1,270	**2,732**	0	2,732
TOTAL FINANCIAL LIABILITIES	**1,461,260**	**598,509**	**862,751**	**1,650,400**	**570,267**	**1,080,133**
Classification for measurement purposes:						
Financial liabilities at amortised cost:						
Trade and other payables	**415,565**	0	415,565	**485,642**	0	485,642
Bank borrowings	**780,410**	523,463	256,947	**884,563**	308,384	576,179
Borrowings from other entities	**2,981**	426	2,555	**5,806**	2,369	3,437
Lease liabilities (note 10)	**64,148**	55,221	8,927	**79,951**	68,531	11,420
Deposits and guarantees	**84**	57	27	**782**	59	723
Financial assets at fair value through profit or loss						
Financial liabilities structured as share options	**196,802**	19,342	177,460	**190,924**	190,924	0
Derivatives	**1,270**	0	1,270	**2,732**	0	2,732
TOTAL FINANCIAL LIABILITIES	**1,461,260**	**598,509**	**862,751**	**1,650,400**	**570,267**	**1,080,133**

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 2021. Financial liability management unfolded exactly as anticipated, in keeping with the natural and normal maturity schedules.

Trade and other payables

Set out below are the movements in this heading (thousands of euros):

ITEM	12-31-2021	12-31-2020
Trade accounts payable	345,642	386,022
Other liabilities	27,973	46,283
Employee benefits payable	41,746	53,243
Payable to associates	204	94
TOTAL	**415,565**	**485,642**

Some of the decrease in trade and other payables is due to the sale of the French Dry Pasta business (note 5).

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 2021 with respect to year-end 2020.

In 2021, Ebro Madrid (Ebro Foods, S.A. and Ebro Financial Corporate Services, S.L.) repaid loans at maturity and prepaid other loans in an aggregate amount of 540 million euros. In parallel, it arranged four new loans totalling 350 million euros. At December 31, 2021, the Group recognized four non-current loans totalling 200 million euros and current loans in the amount of 415 million euros. At year-end 2021, thanks to the proceeds collected from the sale of the French Dry Pasta business (note 5), non-current borrowings included four new loans of 350 million euros and one current loan in the amount of 25 million euros. The four non-current loans are due in a single instalment in December 2024 and bear interest at an average rate of 0.45%.

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, 2021, the Group had drawn down 36 million euros of those loans on which it has to repay 6 million euros per annum on June 30 of each year. The average rate of interest on those loans is 0.65%.

At the subsidiary in Italy, in 2021, Garofalo applied for two 2-year bank loans totalling 13 million euros to finance its new warehouse and other investments; the loans are due in a single bullet payment and bear interest at 0.10%.

The French subsidiary LTL (Ebro Premium Foods, the new holding company for the Group's businesses in France) has 105.5 million of non-current bank loans, of which 64.5 million euros, carrying an average interest rate of EURIBOR plus 0.35%, falls due between 2024 and December 2028, and 41 million euros, carrying an average interest rate of EURIBOR plus 0.50%, falls due between 2023 and 2026.

As for current borrowings, the most significant developments in 2021, in addition to those already itemized in relation to Ebro Foods, S.A., 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 2020, and the same can be said of the collateral and covenant requirements. The spreads applied to benchmark rates were virtually the same as in 2020.

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							
	12-31-20	12-31-21	2023	2024	2025	2026	OTHER
Of Ebro Foods, S.A	199,851	349,805	0	349,805	0	0	0
Of Herba Group	38,449	30,787	9,885	9,915	9,783	636	568
Of Panzani Group (France)	41,256	87,500	18,000	14,900	14,900	13,900	25,800
Of Garofalo Group (Italy)	28,828	55,371	27,892	9,079	6,827	5,700	5,873
NON-CURRENT BANK BORROWINGS	**308,384**	**523,463**	**55,777**	**383,699**	**31,510**	**20,236**	**32,241**
Of Ebro Foods, S.A	415,171	25,139					
Of Ebro Group France	22,238	20,973					
Of Herba Group	91,876	184,196					
Of Garofalo Group (Italy)	45,242	26,637					
Of Tilda Group (UK)	1,652	2					
CURRENT BANK BORROWINGS	**576,179**	**256,947**					
TOTAL BANK BORROWINGS	**884,563**	**780,410**					

The breakdown of the above borrowings by currency of denomination is as follows (thousands of euros):

CURRENCY	12-31-20	12-31-21
EUR	813,342	696,683
USD	23,155	37,708
GBP	31,062	32,333
INR	7,249	13,059
THB	9,368	1
DKK	387	626
TOTAL	**884,563**	**780,410**

As for the rest of the Group's bank borrowings, at year-end 2021 the various companies had arranged unsecured credit facilities with an aggregate limit of 460 million euros (year-end 2020: 525 million euros), of which 257 million euros (152 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 31 DECEMBER 2021	AMOUNT DRAWN DOWN	AMOUNT UNDRAWN	TOTAL LIMIT
Reverse factoring, receivable discounting and trade finance	9,083	82,246	91,329
Bank guarantee lines (note 22)	66,740	67,285	134,025
CONSOLIDATED GROUP TOTAL	**75,823**	**149,531**	**225,354**

CREDIT FACILITIES ARRANGED			
AT 31 DECEMBER 2020	AMOUNT DRAWN DOWN	AMOUNT UNDRAWN	LÍMITE LIMIT
Reverse factoring, receivable discounting and trade finance	3,240	33,167	36,407
Bank guarantee lines	86,457	63,126	149,583
CONSOLIDATED GROUP TOTAL	**89,697**	**96,293**	**185,990**

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 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 compliant with those 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 non-controlling interests

At December 31, 2021, the Group recognized 196,802 thousand euros of financial liabilities structured as options over non-controlling interests (year-end 2020: 190,924 thousand euros) broken down as follows (refer to 22 for a breakdown of those commitments).

As for the rest of the financial liabilities structured as options over non-controlling interests, the most significant movement in 2021 and 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 2021.

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 2021

	12-31-20	CASH FLOWS	RECLASSIF. SALES/DEREC.	MOVEMENTS IN FOR. CURRENCY	CHANGES IN FAIR VALUE	NEW LEASES	BUSINESS COMBINATIONS	INTEREST ACCRUED	RECLASSIFIC. CURR./NON-CURR.	12-31-2021
Current borrowings	576,179	(405,462)		4,371			4,251	7,042	70,566	256,947
Non-current borrowings	308,384	285,645							(70,566)	523,463
Lease liabilities	79,951	(14,667)	(20,194)	3,005		14,024		2,029		64,148
Dividend payable	0									0
Derivatives	2,732	(618)			(844)					1,270
Other financial liabilities	196,730	(851)	(1,974)		5,878					199,783
Guarantees and deposits received	782	(698)								84
TOTAL LIABILITIES ARISING FROM FINANCING ACTIVITIES	**1,164,758**	**(136,651)**	**(22,168)**	**7,376**	**5,034**	**14,024**	**4,251**	**9,071**	**0**	**1,045,695**

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. CURR./NON-CURR.	12-31-2020
Current borrowings	411,028	(258,375)		(5,818)				11,846	417,498	576,179
Non-current borrowings	579,214	151,069		(4,401)					(417,498)	308,384
Lease liabilities	89,705	(13,303)	(1,239)	(3,328)		5,972		2,144		79,951
Derivatives	1,040	(725)			2,417					2,732
Other financial liabilities	171,648	(10,455)			35,537					196,730
Guarantees and deposits received	97	685								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**

Below is a schedule of the maturities of all of these financial liabilities including all expected actual cash flows, estimated as of December 31, 2021 (thousands of euros):

	STATEMENT OF FINANCIAL POSITION 12-31-21
Bank borrowings	780,410
Borrowings from other entities	2,981
Lease liabilities	64,148
Deposits and guarantees	84
Financial liabilities structured as share options	196,802
Derivatives	1,270
TOTAL FINANCIAL LIABILITIES	**1,045,695**
Estimated future flows:	
2022	451,387
2023	83,559
2024	394,693
2025	38,730
2026	27,166
Other	67,666
TOTAL FUTURE FLOWS	**1,063,201**

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 for 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 to 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 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 optimise 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 optimise the cost of capital and enable adequate shareholder remuneration, business continuity and growth. Note that the Ebro 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 Ebro Group has been concentrating its activities in its key businesses by means of strategic acquisitions, while keeping leverage low.

NET DEBT (000€)	2019	2020	2020/2019	2021	2021/2020
Equity	2,262,203	1,927,351	*(14.8%)*	2,101,627	*9.0%*
Net debt	999,849	950,757	*(4.9%)*	504,723	*(46.9%)*
Average net debt	871,658	917,574	*5.3%*	865,418	*(5.7%)*
Leverage	44.2%	49.3%	*11.6%*	24.0%	*(51.3%)*
Leverage (average net debt) (1)	38.5%	47.6%	*23.6%*	41.2%	*(13.5%)*
EBITDA-A	251,365	305,132	*21.4%*	301,860	*(1.1%)*
Coverage	3.98	3.12		1.67	

(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).

Leverage (net debt over equity attributable to equity holders of the parent) increased slightly in 2019 and 2020 but decreased substantially in 2021. Those movements are the result of the sharp increase in profits in 2020, the major investment in working capital needed to tackle the prevailing inflationary pressures (as detailed in the accompanying management report) and the sale of the various dry pasta businesses, which culminated in 2021 and was accompanied by the payment of extraordinary dividends in 2020 and 2021.

The recent disposals have led to a reduction in borrowings of close to 50% and left a reasonable debt coverage ratio of less than 2 times EBITDA-A from continuing operations (refer to the consolidated 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 Group earnings: the estimated impact on 2021 profit of such a change would be 4.0 million euros (4.6 million euros in 2020).

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 INTERESTS RATES

	2021				2020			
Income/(expense)	(0.50%)	(0.25%)	0.25%	0.50%	(0.50%)	(0.25%)	0.25%	0.50%
Profit before tax	4,014	2,007	(2,007)	(4,014)	4,571	2,286	(2,286)	(4,571)

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') 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. After the main terms of the exit agreement had been negotiated and following a transition period which ran until the end of 2020, the definitive trade and cooperation agreement was executed on December 24, 2020. The trade and cooperation agreement reached is deemed provisional. Although it provides a framework for trade relations it leaves numerous aspects of the future relationship between the EU and the UK open and there have been a number of modification warnings and claims of violations, particularly in relation to the matter of the Irish border.

Although the free trade agreement goes a long way to dissipate uncertainty, the Ebro Group has taken 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.

The Group believes that the Brexit situation does not constitute a material risk in respect of its annual consolidated financial statements. The Group's fixed productive assets in the UK account for 15.8% (2020: 12.6%) of the Group total, while the revenue generated in the UK market in 2021 represented around 12.5% (2020: 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 (France, 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)	
	2021	2020
USD	69,516	117,118
EUR	27,483	29,322
THB (Thailand)	155,000	200,000
GBP	13,016	–
AUD (Australia)	167	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 which trade in euros, mainly UK companies.

Below is a sensitivity analysis, measured in terms of the impact on the Group statement of profit or 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

	2021				2020			
Due to derivates:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	(461)	(240)	255	538	(662)	(343)	370	771

EFFECT OF CHANGES IN THE STERLING RELATIVE TO THE EURO

	2021				2020			
Due to derivates:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	1,050	567	(567)	(1,050)	928	412	(412)	(928)
Due to other financial instruments:								
Ingreso/(Gasto)	(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)

EFFECT OF CHANGES IN THE DOLAR RELATIVE TO THE EURO, STERLING AND BAHT

	2021				2020			
Due to derivates:								
Income/(expense)	(10.00%)	(5.00%)	5.00%	10.00%	(10.00%)	(5.00%)	5.00%	10.00%
Profit before tax	1,666	1,217	(1,192)	(2,449)	(5,111)	(2,698)	2,223	3,931
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	2,006	1,003	(1,003)	(2,006)	240	120	(120)	(240)

In addition to the exposure measured in terms of the impact on the consolidated statement of 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 were restructured and were negligible at year-end; indeed, the Group had a net cash position in US dollars at December 31, 2021.

Impact on borrowings

	CHANGES IN THE USD							
	2021				2020			
+ 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	17,282	8,641	(8,641)	(17,282)	7,590	3,795	(3,795)	(7,590)

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 analyses 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 2021 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, 2021 (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

	12-31-2021		12-31-2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Loans to associates	1,122	1,122	1,122	1,122
Loans to third parties	3,543	3,543	3,855	3,855
Deposits and guarantees	3,323	3,323	4,921	4,921
Shares in non-group companies	1,151	1,151	1,074	1,074
Derivatives	527	527	1,611	1,611
	9,666	**9,666**	**12,583**	**12,583**

FINANCIAL LIABILITIES

	12-31-2021		12-31-2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Borrowings	783,391	786,785	890,369	892,152
Lease liabilities	64,148	64,148	79,951	79,951
Deposits and guarantees	84	84	782	782
Financial liabilities under vendor call options	196,802	196,802	190,924	190,924
Derivatives	1,270	1,270	2,732	2,732
	1,045,695	**1,049,089**	**1,164,758**	**1,166,541**

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€)	12-31-2021	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets				
Equity instruments	**1,151**	–	1,151	–
Derivatives	**527**	–	527	–
Financial liabilities				
Other financial liabilities	**196,802**	–	–	196,802
Derivatives	**1,270**	–	1,270	–

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 2021 and 2020 (in thousands of euros):

ITEM	12-31-21	12-31-20
Cash on hand and at banks	414,448	209,087
Short-term deposits and cash equivalents	124,791	1,399
TOTAL	**539,239**	**210,486**

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 539,239 thousand euros at December 31, 2021 (210,486 thousand euros at year-end 2020).

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 0.20% in 2021 (2020: 0.25%).

14. Investments in associates

The movements under this heading in 2021 and 2020 (in thousands of euros) are shown below:

ASSOCIATE	BALANCE AT 12-31-20	ADDITIONS DUE TO INVESTMENTS	DECREASE DUE TO DISPOSALS	DIVIDENDS PAID	PROFIT/(LOSS) FOR THE YEAR	TRANSLATION DIFFERENCES	OTHER MOVEMENTS	BALANCE AT 12-31-21
Riso Scotti, S.p.a.	35,114			(1,000)	1,072	0	0	35,186
Associates of Riviana Foods Inc.	8,268			(3,171)	2,072	642	0	7,811
Other companies	5	0	0	0	0	0	0	5
	43,387	**0**	**0**	**(4,171)**	**3,144**	**642**	**0**	**43,002**

ASSOCIATE	BALANCE AT 12-31-19	ADDITIONS TO ACQUISITIONS	DECREASE 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**

There were no significant movements under this heading in 2021 or 2020.

The associates of Riviana Foods, Inc. do not have material amounts of assets, income, borrowings or employees. The Ebro 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, 2021, are as follows (in thousands of euros):

(000€)	12-31-20	12-31-21
Trademarks, other intangible assets and goodwill	55,147	54,489
Property, plant and equipment	64,054	59,067
Other non-current assets	17,031	13,195
Current assets	74,196	80,449
Cash	31,623	36,482
Non-current, non-financial liabilities	(21,155)	(20,345)
Financial liabilities	(74,469)	(73,105)
Current, non-financial liabilities	(58,036)	(61,863)
Non-controlling interests	(606)	(403)
	87,785	**87,966**
Ownership interest acquired	40%	40%
	35,114	**35,186**
Revenue	244,500	256,600
Profit for the year	6,045	2,680
No. of employees	340	332

15. Goodwill

The movements under goodwill in 2021 and 2020 (in thousands of euros) are shown below:

SEGMENT	CGU OR GROUPS OF CGUS	12-31-20	ADDITIONS	DECREASE & OTHER	IMPAIRMENT LOSSES	TRANSLATION DIFFERENCES	12-31-21
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,173				163	1,336
Rice	Riceland (Hungary)	2,184					2,184
Rice	Steve & Brotherton (UK)	1,711					1,711
Rice	Ingredients Group	11,198					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)	79,409				5,555	84,964
Rice	Riviana Group (US)	259,977				21,817	281,794
Pasta	Ebro Group France	432,569		(279,778)			152,791
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		1,061,602	**0**	**(279,778)**	**0**	**27,535**	**809,359**
TOTAL GROSS CARRYING AMOUNT		**1,118,537**	**0**	**(279,778)**		**27,535**	**866,294**
ACCUMULATED IMPAIRMENT LOSSES		**(56,935)**					**(56,935)**

SEGMENT	UNIDAD GENERADORA DE EFECTIVO O GRUPOS	12-31-19	ADDITIONS	DECREASE & 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	Ebro 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)**		**(32,484)**	**1,118,537**
ACCUMULATED IMPAIRMENT LOSSES		**(22,431)**			**(35,104)**	**600**	**(56,935)**

The Group undertook several business combinations in 2021 and 2020. 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 and UK subsidiaries.

The decrease in 2021 corresponds to the sale of the French Dry Pasta business (note 5). The decreases in 2020 related to: (i) 64,807 thousand euros related to the sale of the North American Dry Pasta Business; and (ii) 36,808 thousand euros related to the reclassification in 2020 of the Canadian Dry Pasta business to non-current assets held for sale, which were sold in 2021.

The Ebro Group establishes its cash-generating units (CGUs) 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 2021 and 2020 (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.

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 2021 (2020) were:

SEGMENT	CGU	PRE-TAX RATE		POST-TAX RATE		GROWTH RATE, G	
		2021	2020	2021	2020	2021	2020
Rice	Frozen Foods (Germany and Denmark)	5.4%	6.1%	4.5%	5.0%	2.0%	1.8%
Rice	UK Business	6.8%	6.5%	5.3%	5.5%	2.0%	2.1%
Rice	Ingredients (Belgium and Netherlands)	5.4%	6.0%	4.5%	4.8%	2.0%	1.9%
Rice	SOS Business (Spain)	6.8%	7.5%	5.5%	6.0%	2.0%	1.9%
Rice	Geovita (Italy and France)	7.2%	7.9%	5.8%	6.3%	1.9%	1.7%
Rice	Transimpex (Germany)	5.4%	6.1%	4.5%	5.0%	2.0%	1.8%
Rice	Riviana Group (US)	6.6%	6.6%	5.5%	5.5%	2.2%	2.2%
Rice	Tilda Group (UK)	6.4%	6.4%	5.3%	5.5%	2.0%	2.1%
Pasta	Riviana Group (Canada)	N/A	6.3%	N/A	5.3%	N/A	2.0%
Pasta	Ebro Group France	6.0%	6.4%	5.0%	5.3%	2.0%	1.8%
Pasta	Garofalo (Italy and international)	7.6%	8.3%	6.0%	6.5%	1.9%	1.7%
Pasta	Bertagni (Italy)	7.2%	8.0%	5.8%	6.3%	1.9%	1.7%
Other	Harinas Santa Rita (Spain)	6.7%	7.4%	5.5%	6.0%	2.0%	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 2021. Moreover, the results of its 2021 impairment tests were satisfactory.

In 2020 the Ebro Group recognized an impairment allowance against its 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 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, shaped by 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)	1.25%	(0.5%)
Rice	Ingredients (Belgium and Netherlands)	a)	a)
Rice	SOS Business (Spain)	a)	a)
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	Ebro Group France	a)	a)
Pasta	Garofalo (Italy and international)	a)	a)
Pasta	Bertagni (Italy)	a)	a)
Other	Harinas Santa Rita (Spain)	1.5%	(0.5%)

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 2021 and 2020 (in thousands of euros):

ITEM	12-31-21	12-31-20
Goods held for resale	10,982	5,574
Raw materials	323,958	217,735
Consumables and replacement parts	13,978	11,974
Containers	31,728	34,660
Work in progress	47,410	34,285
Finished goods	209,818	224,602
By-products and waste	6,264	7,042
Prepayments to suppliers	67,736	50,014
TOTAL GROSS CARRYING AMOUNT OF INVENTORIES	711,874	585,886
Inventory impairment provision	(9,175)	(7,606)
TOTAL CARRYING AMOUNT OF INVENTORIES	**702,699**	**578,280**

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 38,155 thousand euros of rice from rice growers and cooperatives at year-end 2021 (34,879 thousand euros at year-end 2020). The Group was also contractually committed to raw material and packaging material purchases in the US, Canada, France, Spain and Italy totalling 174,122 thousand euros (year-end 2020: 173,633 thousand euros).

The net provision for inventory impairment recognized in 2021 was 4,567 thousand euros (2020: 6,645 thousand euros), while 4,522 thousand euros of previously recognized provisions were utilized (2020: 2,324 thousand euros); 882 thousand euros (2020: zero) were derecognized due to business sales; exchange losses on inventories amounted to 208 thousand euros (2020: losses of 256 thousand euros); and reclassifications to non-current assets held for sale amounted to 0 thousand euros (2020: 275 thousand euros).

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.

Ebro Foods, S.A. gleans the information regarding its significant shareholders and their shareholdings from the information they themselves provide directly to the Company or the disclosures they make under applicable legislation on significant shareholdings and from information collected by it from its shareholders as part of the process of preparing its annual consolidated financial statements. Based on that information, the Parent's significant shareholders and their shareholdings at year-end is as follows:

SIGNIFICANT SHAREHOLDER	2021					2020				
	% OF VOTING RIGHTS ATTRIBUTED TO THE SHARES			% VOTING RIGHTS HELD THROUGH FINANCIAL INSTRUMENTS	% OF TOTAL VOTING RIGHTS	% OF VOTING RIGHTS ATTRIBUTED TO THE SHARES			% VOTING RIGHTS HELD THROUGH FINANCIAL INSTRUMENTS	% OF TOTAL VOTING RIGHTS
	DIRECT	INDIRECT	TOTAL			DIRECT	INDIRECT	TOTAL		
Corporación Financiera Alba, S.A.	14.443	0.000	14.443	0.000	14.443	14.004	0.000	14.004	0.000	14.004
Sociedad Anónima Damm (via 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 (via 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
Hercalianz Investing Group, S.L.	8.621	0.000	8.621	0.000	8.621	8.434	0.000	8.434	0.000	8.434
Grupo Tradifín, 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	0.000	3.420	3.420	0.000	3.420

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 totalling approximately 21.2 million euros (24.8 million euros at year-end 2020) 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 2020: 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 year-end by company (in thousands of euros) is provided below:

	12-31-21	12-31-20
Herba companies	6,821)	(12,138)
RIVIANA Group (US)	88,918	10,464
Ebro Alimentación Mexico	(176)	(183)
Garofalo Group (Italy) - International business	(33)	(88)
Ebro Group France - International business	107	(85)
Tilda Group (UK and UAE)	22,998	1,186
TOTAL	**104,993**	**(844)**

Own shares

In 2021, 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 July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2021, under the scope of the employee share plan, it bought back 37,000 shares, sold 828 and delivered 36,172 own shares to employees. The Company did not hold any own shares at December 31, 2021.

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.

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:

	12-31-21	12-31-20
Profit from continuing operations attributable to ordinary equity holders of the parent	133,602	102,991
Profit from discontinued operations attributable to ordinary equity holders of the parent	105,027	89,424
Profit attributable to ordinary equity holders of the parent	238,629	192,415
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)	238,629	192,415

	2021	2020
	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 30, 2021 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2020 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2021 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 6, June 30, and October 1, 2021.

Extraordinary dividend. Distribution of the dividend approved at the Extraordinary General Meeting held on December 15, 2021, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 0.57 euros per share (before withholdings), for a total outlay of 87,703 thousand euros. That dividend was paid out in one go on December 22, 2021.

DIVIDENDS DECLARED, PAID AND PROPOSED (000€)	2021	2020
Dividends paid:		
Ordinary final dividend paid in 2021: 0.57 euros (2020: 0.57 euros)	87,703	87,703
Extraordinary final dividend paid in 2021: 0.57 euros (2020: 1.94 euros)	87,703	298,499
	175,406	**386,202**
Proposed dividend subject to approval at the Annual General Meeting (not recognised as a liability at year-end)		
Dividend pending payment in 2022: 0.57 euros (2021: 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 2021 and 2020 (thousands of euros):

	GOVERNMENT GRANTS		OTHER DEFERRED INCOME		TOTAL	
	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
OPENING BALANCE	**11,437**	**7,204**	**0**	**0**	**11,437**	**7,204**
Grants received	1,591	5,059	0	0	1,591	5,059
Additions due to GHG allowances	0	0	0	0	0	0
Other increases/decreases	(2,215)	2	20	0	(2,195)	2
Translation differences	4	(3)	0	0	4	(3)
Reclassified to profit or loss from continuing operations	(511)	(825)	0	0	(511)	(825)
CLOSING BALANCE	**10,306**	**11,437**	**20**	**0**	**10,326**	**11,437**

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 2021 and 2020 relates a grant awarded to Garofalo (Italy) to help fund the expansion of its factory.

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	441	1,704	8,161	10,306

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:

	12-31-21 TOTAL	12-31-20 TOTAL
OPENING BALANCE	**56,466**	**47,010**
Translation differences	1,408	(1,141)
Disposals	(14,441)	0
Amounts utilised and paid	(12,270)	(12,419)
Amounts transferred to other accounts	(59)	138
Transfers to liabilities of non-current assets held for sale	0	(1,068)
Surplus provisions and employee departures	0	(189)
Amount provided for in the year for actuarial changes	(10,077)	7,715
Amount provided for in the year for unwind of discount	615	783
Amount provided for in the year for employee benefits expense	11,674	10,023
Amount provided for in the year for other operating expenses	30	124
Amount provided for in the year in respect of discontinued operations	1,742	5,490
CLOSING BALANCE	**35,088**	**56,466**

The breakdown by type of post-employment commitment (in thousands of euros):

	12-31-21	12-31-20
Defined benefit obligations	18,146	26,310
Retirement bonuses and similar obligations	10,918	25,437
Senior management bonus schemes (note 23)	6,024	4,719
TOTAL	**35,088**	**56,466**

The types of commitments extended by company/CGU are summarised 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)			
Ebro 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):

	12-31-21	12-31-20
Ebro Group France	5,014	19,347
Herba Rice Group (Herba)	2,663	2,478
Garofalo (Italy)	433	466
Riviana American Group (Riviana)	2,594	2,937
Ebro Foods, S.A.	200	198
Other minor obligations	14	11
SUBTOTAL	**10,918**	**25,437**

19.1.1 Ebro Foods, S.A.

The balance at year-end 2021 in respect of Ebro Foods, S.A. totals 200 thousand euros (year-end 2020: 198 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 2 thousand euros in 2021 (2020: 11 thousand euros).

19.1.2 Ebro France Group companies

The decrease in the provision for these commitments in 2021 is due to the sale of the French Dry Pasta business (note 5). The Ebro France Group companies have obligations to their employees, mainly in respect of: (i) retirement bonuses (provisions of 4,789 and 15,379 thousand euros at year-end 2021 and 2020, respectively) and long-service bonuses (provisions of 225 and 1,031 thousand euros at year-end 2021 and 2020, respectively) and; (ii) since 2016, for some employees, provisions for termination benefits (zero and 2,937 thousand euros, respectively).

Those provisions were recognized based on actuarial calculations performed internally. The related net expenditure recognized in 2021 amounted to 2,818 thousands euros (2020: 3,792 thousand euros); note that 123 thousand euros was credited directly in equity as actuarial gains (2020: 1,556 thousand euros charged directly against equity as actuarial losses) and that 1,537 thousand euros (2020: 2,125 thousand euros) were charged against earnings from discontinued activities.

These provisions are funded in-house, albeit not by specific assets. The interest rate applied in 2021 was 0.75% (0.50% in 2020).

19.1.3 Herba Rice 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 2021 amounted to 2,648 thousand euros (2,478 thousand euros at year-end 2020). Expenditure in 2021 was 516 thousand euros (2020: 528 thousand euros).

In addition, some Herba Group subsidiaries (S&B Herba in the UK, Boost in Belgium, Ebro Frost 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 2021 was 2,223 thousand euros (2020: 1,788 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 2021 stood at 15 thousand euros (zero euros at year-end 2020). Net expenditure in 2021 was 53 thousand euros (2020: 74 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 2021 amounted to 433 thousand euros (466 thousand euros at year-end 2020). The discounting of this provision implied a finance cost of 2 thousand euros in 2021 (2020: 3 thousand euros), actuarial losses charged directly to equity of 10 thousand euros (11 thousand euros in 2020) and payments totalling 41 thousand euros (2020: 5 thousand euros). The expense recognized in 2021 in respect of the obligation externalized since 2008 amounted to 476 thousand euros (2020: 481 thousand euros).

19.1.5 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 3,235 thousand euros in 2021 (2020: 3,831 thousand euros).

19.2 PENSION AND OTHER DEFINED BENEFIT OBLIGATIONS

The breakdown by company:

DEFINED BENEFIT (000€)						
	12-31-21			12-31-20		
	PENSION COMMITMENTS	OTHER COMMITMENTS	TOTAL	PENSION COMMITMENTS	OTHER COMMITMENTS	TOTAL
Riviana Group (US & Canada)	8,508	(3,880)	4,628	12,430	(3,461)	8,969
Boost (Herba) (Belgium)	143		143	359		359
S&B Group (Herba) (UK)	4,654		4,654	7,867		7,867
Ebro Germany (Germany)	1,891		1,891	2,109		2,109
Euryza (Herba) (Germany)	4,820		4,820	4,990		4,990
Transimpex (Germany)	2,010		2,010	2,016		2,016
	22,026	**(3,880)**	**18,146**	**29,771**	**(3,461)**	**26,310**

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 2021 and 2020:

(000€)	TOTAL		EUROPE		US & CANADA	
	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
Provisions for pensions - obligations						
Opening balance	81,135	81,120	30,122	28,559	51,013	52,561
Charge for the year	3,151	3,821	445	611	2,706	3,210
Actuarial changes	(4,106)	8,432	(2,680)	2,977	(1,426)	5,455
Benefits paid	(5,462)	(5,902)	(881)	(1,057)	(4,581)	(4,845)
Reclassification to liabilities of non-current assets held for sale	0	(1,068)	0	0	0	(1,068)
Translation differences	5,546	(5,268)	1,364	(968)	4,182	(4,300)
CLOSING BALANCE	**80,264**	**81,135**	**28,370**	**30,122**	**51,894**	**51,013**
Provisions for pensions - plan assets						
Opening balance	(54,824)	(59,833)	(12,781)	(12,886)	(42,043)	(46,947)
Return on plan assets	(876)	(1,253)	(157)	(235)	(719)	(1,018)
Contributions by employer	(1,875)	(1,792)	(827)	(762)	(1,048)	(1,030)
Actuarial changes	(5,802)	(2,256)	(1,149)	(584)	(4,653)	(1,672)
Benefits paid	5,463	5,902	881	1,057	4,582	4,845
Translation differences	(4,204)	4,407	(819)	629	(3,385)	3,778
CLOSING BALANCE	**(62,118)**	**(54,825)**	**(14,852)**	**(12,781)**	**(47,266)**	**(42,044)**
CLOSING BALANCE	**18,146**	**26,310**	**13,518**	**17,341**	**4,628**	**8,969**

NET ANNUAL COST BY COMPONENT

	TOTAL		EUROPE		US & CANADA	
	12-31-21	12-31-20	12-31-21	12-31-20	12-31-21	12-31-20
Current service cost	1,730	1,797	116	161	1,614	1,636
Borrowing costs	1,422	2,024	329	450	1,093	1,574
Expected return on plan assets	(876)	(1,253)	(157)	(235)	(719)	(1,018)
	2,276	**2,568**	**288**	**376**	**1,988**	**2,192**
Actuarial changes recognised directly in consolidated equity: (gains)/losses	(9,909)	6,176	(3,829)	2,393	(6,080)	3,783

ACTUARIAL ASSUMPTIONS

	12-31-21	12-31-20	12-31-21	12-31-20
Discount rate	0.55% - 1.90%	0.10% - 1.30%	2.51% - 3.07%	2.66% - 2.93%
Future salary increases	1.50% - 3.20%	1.50% - 3.00%	2.50%- 3.00%	2.50% - 3.00%
Expected return on plan assets	0.55% - 1.90%	0.10% - 1.30%	2.51% - 3.07%	2.66% - 2.93%

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 in the US has not been adding new employees to this defined benefit scheme since February 2006.

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 2021 and 2020 (in thousands of euros) are shown below:

MOVEMENTS UNDER OTHER PROVISIONS		
	12-31-21	12-31-20
OPENING BALANCE	**14,089**	**15,125**
Translation differences	43	(35)
Other transfers	845	(113)
Amounts utilised and payments	(1,596)	(1,845)
Additions with a charge to profit or loss	3,082	1,517
Unused amounts reversed with a credit to profit or loss	(460)	(560)
Business sales/exits	(465)	0
CLOSING BALANCE	**15,538**	**14,089**

An analysis by underlying concept and company/business (in thousands of euros):

BREAKDOWN OF OTHER PROVISIONS BY CONCEPT		
	12-31-21	12-31-20
Lawsuits and disputes	14,744	13,356
Modernisation and restructuring plan	102	183
Misc. other contingencies of insignificant amount	692	550
	15,538	**14,089**

	12-31-21	12-31-20
Ebro Foods, S.A.	11,240	11,240
Ebro Group France	495	873
Herba Group	2,551	528
Riviana Group	102	183
Garofalo Group	1,071	711
Ebro Group Germany	0	550
Other	79	4
	15,538	**14,089**

20.1 LAWSUITS AND DISPUTES: PROVISIONS COVERING THE OUTCOME OF LAWSUITS RELATED TO THE SALE OF THE DAIRY BUSINESS

One of the provisioned items is the provision recognized to cover the outcome of lawsuits related to the sale of the dairy business (sold in 2010), specifically related to the reps and warranties extended to its buyers, as an unfavourable ruling in these lawsuits has the effect of reducing the sale-purchase price. 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 probable 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. There were no material developments in respect of this lawsuit in 2021.

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 events in relation to the reps and guarantees provided 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 2021, the Group had recognized provisions for other lawsuits and disputes in the amount of 4,298 thousand euros (year-end 2020: 2,849 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):

	12-31-21	12-31-20
Tax and customs assessments signed under protest	2,131	1,412
Judicial review contingencies	12,031	14,210
Other lawsuits	1,749	121
	15,911	**15,743**

21. Tax matters

Year-end balances receivable from and payable to the tax authorities (in thousands of euros):

BREAKDOWN OF BALANCES RECEIVABLE FROM AND PAYABLE TO THE TAX AUTHORITIES

	RECEIVABLE		PAYABLE	
	12-31-21	12-31-20	12-31-21	12-31-20
VAT and personal income tax	27,748	42,751	(15,992)	(29,438)
Social security	44	47	(3,364)	(3,120)
Grants pending collection	3,963	5,000		
Other public authorities	3,710	728	(410)	(227)
TOTAL TAXES RECEIVABLE/PAYABLE	**35,465**	**48,526**	**(19,766)**	**(32,785)**
INCOME TAX - TAX PAYABLE/REFUNDABLE	**23,097**	**17,055**	**(37,454)**	**(49,875)**

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 Ebro France Group 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: 28.41% (32.02% in 2020 and set to decrease to 25% in 2022); the US: 24%; Germany: 30%; the Netherlands: 25.5%; Italy: 28%; Argentina: 30% (previously 25%); and the UK: 19% (set to increase to 23% from 2023). 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, 2021 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 respect of profit from continuing operations) in 2021 was 26.93% (26.67% in 2020). Note that the effective tax rate in 2021 is the result of: (i) a decrease due to several factors (better use in 2021 of tax credits thanks to higher taxable income in some countries and the utilisation in 2021 of tax losses carried forward from prior years, primarily in Spain); offset by (ii) an increase as a result of statutory rate changes in certain countries (like the UK) and the derecognition of certain tax assets.

The breakdown of the tax expense accrued by the Group in 2021 and 2020 (in thousands of euros) is provided below:

	12-31-21		12-31-20	
	ACCOUNTING	TAX	ACCOUNTING	TAX
ACCOUNTING PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	198,731	198,731	159,869	159,869
PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS	140,360	140,360	138,592	138,592
PROFIT/(LOSS) BEFORE TAX RECOGNISED IN EQUITY	10,077	10,077	(7,715)	(7,715)
	349,168	349,168	290,746	290,746
Permanent differences	(650)	(650)	39,316	39,316
Tax losses generated during the year	4,262	4,262	4,852	4,852
Utilisation of individual tax losses	(31,557)	(31,557)	(6,266)	(6,266)
ACCOUNTING PROFIT ADJUSTED FOR PERMANENT DIFFERENCES	321,223	321,223	328,648	328,648
Temporary differences		123,949		97,853
Tax losses generated during the year		0		6,078
Utilisation of tax losses		(11,045)		(220)
ADJUSTED TAXABLE PROFIT	321,223	434,127	328,648	432,359
Impact of differing tax rates (taxable income)	(14,399)	(13,820)	(16,165)	(30,123)
TAXABLE INCOME OF THE GROUP	306,824	420,307	312,483	402,236
Tax calculated at statutory rate of 25%	76,706	105,077	78,121	100,559
Tax credits utilised	(6,997)	(7,078)	0	0
TAX PAYABLE	69,709	97,999	78,121	100,559
Adjustments in respect of prior-year's income tax	2,299		(481)	
Restatement of net deferred taxes due to changes in tax rates	9,063		(1,682)	
Restatement of net deferred taxes	2,670		40	
Inspection assessments and fines	(3,341)	581	0	0
Equivalent tax charges	10,775	11,151	14,145	17,042
Adjustment in respect of prior year's tax payable		3,316		3,352
TOTAL TAX EXPENSE	91,175	113,047	90,143	120,953
TAX EXPENSE, CONTINUING OPERATIONS	53,512		42,642	
TAX EXPENSE, DISCONTINUED OPERATIONS	35,333		49,168	
TAX EXPENSE, RECOGNISED DIRECTLY IN EQUITY	2,330		(1,667)	
	91,175		90,143	

STATEMENT OF PROFIT OR LOSS - INCOME TAX	12-31-21	12-31-20
Current tax expense, continuing operations	42,348	44,407
Current tax expense, sale of discontinued operations	55,651	64,859
Total deferred tax expense	(30,254)	(29,133)
Tax expense deferred in equity	1,964	(2,011)
Restatement of prior-year's income tax	2,299	(482)
Restatement of net deferred taxes	11,733	(1,642)
Equivalent tax charges	10,775	14,145
Inspection assessments and fines	(3,341)	0
	91,175	**90,143**

TAX EXPENSE, RECOGNISED DIRECTLY IN EQUITY	12-31-21	12-31-20
Change in fair value of financial assets	0	0
Change due to actuarial gains/(losses)	2,330	(1,667)
	2,330	**(1,667)**

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 2021 and 2020:

- A decrease of 8,776 thousand euros (2020: increase of 7,715 thousand euros) due to the tax effect of actuarial losses/gains on pension commitments, recognized directly in equity.
- An increase of 62,614 thousand euros (2020: 84,941 thousand euros) due to the effects of the sale of the assets and liabilities of the dry pasta businesses in the US and Canada (note 5).
- A decrease of 20,738 thousand euros (2020: 18,731 thousand euros) due to the amortization for tax purposes of the goodwill arising on the acquisition of foreign companies.
- An increase of 122,711 thousand euros related with the temporary difference arising from the derecognition of goodwill for tax purposes following the sale of Panzani, SAS (note 5).
- A decrease of 42,762 thousand euros (10,515 thousand euros in 2020) in relation to temporary differences at the Riviana Group (US), mainly due to the amortization for tax purposes of trademarks and other assets and the recognition in different periods for accounting versus tax purposes of items in provision and accrual accounts.
- Temporary differences affecting 2020 but not 2021: An increase of 34,921 thousand euros related with the temporary difference arising from the impairment loss recognized in 2020 on the goodwill allocated to the fresh pasta business in Canada. That goodwill is being amortized for tax purposes on a straight-line basis over a period of 15 years.
- A decrease of 1,310 thousand euros (2020: 4,647 thousand euros) 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 19,673 thousand euros (decrease of 39 thousand euros in 2020) in relation to temporary differences at the Ebro France Group, due mainly to movements under provisions, offset by property, plant and equipment depreciation charges and the carve-out of assets prior to the sale of Panzani, SAS.

- A decrease of 11,503 thousand euros (increase of 5,278 thousand euros in 2020) in consolidation adjustments due to different accounting criteria applied in preparing the separate versus the consolidated annual financial statements.
- An increase of 4,040 thousand euros (2020: decrease of 1,148 thousand euros), mainly in relation to other companies, due to the origination and/or utilisation for tax purposes of provisions recognized and/or reversed during the year, the recognition and/or reversal of depreciation and impairment losses on non-financial assets and other contingencies cancelled and financial assets that were or were not eligible for deduction during the year.

The permanent differences correspond basically to:

- In 2021, an increase of 37,753 thousand euros (2020: 52,722 thousand euros) due to the effects of the sale of the assets and liabilities of the dry pasta businesses in the US and Canada, corresponding essentially to the carrying amount of goodwill derecognized following the sales (note 5). In addition, in 2021, the sale of the French Dry Pasta business gave rise to a net decrease of 19,987 thousand euros, by way of permanent difference, due to the 95% exemption on the gain for tax purposes (net because that decrease was partially offset by taxation on the gain obtained on the asset carve-out carried out prior to the sale of Panzani, SAS) (note 5).
- The remaining 18,416 thousand euros (2020: 13,406 thousand euros) relate 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.

In 2021 the Group utilized 6,997 thousand euros of tax credits (2020: zero). Those 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). The Group did not utilise tax credits 2020 due to the lack of sufficient taxable income.

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 totalling 33.1, 5.0, 115.3, 57.3, 1.5, 16.2, 11.2 and 76.3 million euros, respectively. These 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:

	12-31-2021			12-31-2020		
	ASSETS	LIABILITIES	NET	ASSETS	LIABILITIES	NET
OPENING BALANCE: CONTINUING OPERATIONS	**61,996**	**(242,916)**	**(180,920)**	**57,252**	**(292,826)**	**(235,574)**
OPENING BALANCE: DISCONTINUED OPERATIONS	**608**	**(14,982)**	**(14,374)**	**0**	**0**	**0**
Transfers	378	(218)	160	2,757	(2,769)	(12)
Translation differences	1,995	(9,940)	(7,945)	(2,643)	12,124	9,481
Business combinations	0	(927)	(927)	0	0	0
Disposals / derecognitions	(7,091)	13,204	6,113	0	0	0
Charged / credited in statement of profit or loss	(4,872)	35,129	30,257	3,328	17,100	20,428
Charged / credited to equity	(1,020)	(879)	(1,899)	1,413	598	2,011
Restatements	(5,724)	(691)	(6,415)	497	7,875	8,372
Reclassification to assets and liabilities held for sale	0	0	0	(608)	14,982	14,374
CLOSING BALANCE	**46,270**	**(222,220)**	**(175,950)**	**61,996**	**(242,916)**	**(180,920)**

The breakdown of deferred taxes into their most significant components at year-end is provided in the next table:

	12-31-21		12-31-20	
	DEFERRED TAX		DEFERRED TAX	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	135	(61,633)	5,106	(70,730)
Investment properties	7,255	(50)	7,489	(76)
Goodwill	2,774	(76,558)	2,833	(91,335)
Other intangible assets	4,334	(76,525)	3,705	(68,514)
Inventories	7,478	(198)	9,984	(204)
Receivables and accruals (assets)	2,245	(1,135)	2,148	(33)
Pensions and similar obligations	7,167	(450)	13,405	(31)
Other non-current provisions	1,090	(493)	1,274	(600)
Payables and accruals (liabilities)	10,113	0	10,456	(1,291)
Unused tax credits and tax losses	3,679	0	5,596	0
Tax assessments	0	(2,972)	0	(7,896)
Accrual of tax credits	0	(2,206)	0	(2,206)
TOTAL	**46,270**	**(222,220)**	**61,996**	**(242,916)**

At year-end 2021, the Group companies had around 43 million euros of unused tax losses (63 million euros at year-end 2020), 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 2016 or 2017.

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

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 National High Court rulings in favour of other taxpayers that had brought identical cases.

However, in July 2017, the Supreme Court ruled against the taxpayer in a very similar case. Therefore, the risk that the outcome of the proceedings will not favour the Ebro Foods, S.A. tax group and so entailing an outflow of resources was reclassified from remote to probable. 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.

However, in July 2021 a new Supreme Court ruling found in favour of the taxpayer in relation to this same matter and the potential liability was reassessed, concluding that it is more probable than not that a similarly favourable ruling will be handed down in Ebro Foods, S.A.'s case, prompting the reversal (elimination) of this provision of 3,928 thousand euros in 2021 (by recognising a credit under income tax expense in the consolidated statement of profit or loss).

As for the rest of the items covered in the tax assessments with respect to 2008 to 2011, on September 11, 2020, the Company received word that the High Court had dismissed the Company's appeal and the Company has therefore lodged a new appeal before the Supreme Court.

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 had already been 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 were signed under protest in relation to a specific concept (transfer prices) 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.

Rulings were handed down on three of the lawsuits comprising this part of the assessments in 2021 (friendly agreements between Spain and other countries in order to avoid double taxation) that did not give rise to significant outflows of resources for the Ebro Group.

There were no new developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2021 or 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-cancellable 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-cancellable operating leases at year-end (in thousands of euros) are as follows:

	12-31-21	12-31-20
Within one year	338	862
After one year but not more than five years	174	45
More than five years	0	0
TOTAL	**512**	**907**

CAPITAL COMMITMENTS

Capital expenditure contracted for (machinery purchases and upgrades) at the end of the reporting period but not yet incurred totaled 31,296 thousand euros (32,208 thousand euros at year-end 2020).

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):

	12-31-21	12-31-20
Bank guarantees: Provided to courts and other bodies in relation to claims and tax deferrals (notes 20 & 21)	20,207	20,207
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	45,590	65,782
Other bank guarantees:	943	468
TOTAL	**66,740**	**86,457**

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	DESCRIPTION
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: 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 Transimpex).

In light of the above, with the exception of the Transimpex transaction, the written NCI put options are not considered contingent consideration requiring measurement under IAS 32 but rather 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, GmbH., 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).

- **Garofalo Group.** 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 13 July 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 Geovita 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 Geovita'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).

→ **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 summarised below:

(000€)	TOTAL	GROUP 1	GROUP 2
COMMITMENTS AT 1 JANUARY 2021	**190,924**	**17,969**	**172,955**
Dividends paid in 2021	(9,215)	(1,700)	(7,515)
Share of profit/(loss) in 2021 **(a)**	9,397		9,397
Share of other income and expenses recognised in equity	25		25
Expenses/losses related to derivatives and fin'l inst. (note 7.3)	3,073	3,073	
Option settlement (payment)	0	0	0
Change in fair value in 2021 **(a)**	2,598		2,598
COMMITMENTS AT 31 DECEMBER 2021	**196,802**	**19,342**	**177,460**
Estimated payment timeline			
Potential payments in 2022	177,460		
Potential payments in 2023	19,342		
	196,802		

Group 1: 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 2021.

A summary of the transactions, excluding dividends, between any Ebro Group company and those significant shareholders and their related parties (unless those shareholders are directors, whose transactions are disclosed separately in note 23.2) is provided below (in thousands of euros):

SIGNIFICANT SHAREHOLDER (AND ITS RELATED PARTY)	RELATIONSHIP BETWEEN THE SHAREHOLDER AND ITS RELATED PARTY	EBRO GROUP COMPANY	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Sociedad Anónima Damm (Estrella de Levante, SA.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1,397	1,131
Sociedad Anónima Damm (Cía Cervecera Damm, SA.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	5,262	3,724
Sociedad Anónima Damm (Alfil Logistics, S.A.)	Company	Herba Ricemills, SLU	Purchase of services	7	0

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

The summary of transactions, other than dividends and remuneration payments, between the Ebro Group companies and their directors and parties related to the latter, is as follows (in thousands of euros):

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Antonio Hernández Callejas (Luis Hernández González)	Relative	Ebro Foods, S.A.	Lease (expense)	42	42
Antonio Hernández Callejas	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Fitoplacton Marino, S.L.)	Company	Arotz Foods, S.A.	Sale of goods (finished and in-progress)	4	8
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arotz Foods, S.A.	Sale of goods (finished and in-progress)	1	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	150	143
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	474	474
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	529	405
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	303	154
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	13	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	13	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	R&D transfers and license agreements	0	340
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	107	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	187	34

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ingredients BV	Purchase of services	0	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Services rendered	7	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	388	131
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Tilda LTD	Purchase of goods (finished and in-progress)	0	22
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	194	153
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	20	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	20	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	8	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Arrozeiras Mundiarroz, S.A.	Sale of goods (finished and in-progress)	16	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	7	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	79	235

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	108	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	70	235
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	108	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Arrozeiras Mundiarroz, S.A.	Sale of goods (finished and in-progress)	10	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	1
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	2	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	6,024	10,753
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	70
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Tilda LTD	Purchase of goods (finished and in-progress)	0	22
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	95	159
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	70
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	82	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	82	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Norte, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	5

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	49	110
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	31	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Casudis, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	523	503
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	73	106
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	99	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	126
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	65	225
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	99	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	3	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	65	131
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	116
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	101

DIRECTOR (AND HIS RELATED PARTY)	RELATIONSHIP BETWEEN THE DIRECTOR AND HIS RELATED PARTY	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	99	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	99	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	65	145
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	10	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Agropecuaria Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	261	247
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	30	32
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Zudirroz,S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	489	498
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Oryza Agrícola, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	2	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Rivereta 12, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	14	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hacienda Bocón, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	240	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Greenveta 78, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	181	0
Grupo Tradifín, S.L. (Cabher 96, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	28	135

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 2021 (2020) (expressed in thousands of euros):

- Dividends paid to significant shareholders (excluding directors): 24,837 (58,543)
- Dividends paid to directors and executives: 97,915 (213,717)

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 2021 and 2020 between the Ebro Group and "Other related parties" (in thousands of euros):

OTHER RELATED PARTIES	EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A., with which Félix Hernández Callejas has company ties)	Herba Ricemills, S.L.U.	Services rendered	4	2
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A.)	Herba Ricemills, S.L.U.	Purchase of services	300	300
Félix Hernández Callejas	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	0	1

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 transactions performed between Ebro Foods, S.A. and its Group companies and Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2021 and 2020 (amounts in thousands of euros):

EBRO GROUP COMPANY WITH WHICH THE TRANSACTION WAS PERFORMED	TYPE OF TRANSACTION	2021 AMOUNT	2020 AMOUNT
Ebro Foods, S.A.	Services rendered (income)	0	3
Ebro Foods, S.A.	Dividends received	1,000	0
Arotz Foods, S.A.	Purchase of goods (finished and in-progress)	34	0
Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	389	347
Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	6,054	250
Herba Ricemills, S.L.U.	Finance income	12	0
Mundiriso, S.R.L.	Purchase of goods (finished and in-progress)	842	918
Mundiriso, S.R.L.	Sale of goods (finished and in-progress)	1,180	1,328
Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	122	81
Geovita Functional Ingredients, S.R.L.	Purchase of goods (finished and in-progress)	224	283
Geovita Functional Ingredients, S.R.L.	Sale of goods (finished and in-progress)	613	661
Herba Bangkok, S.L.	Sale of goods (finished and in-progress)	704	1,342
Herba Ingredients Group	Sale of goods (finished and in-progress)	110	0

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 a director; 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 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 a director.
- 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 a director 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 OFFICER REMUNERATION

Director remuneration. The remuneration accrued by the members of the Board of Directors of Ebro Foods, S.A. totaled 7,169 thousand euros in 2021 (2020: 6,898 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2021	2020
Type of remuneration		
Attendance fees	323	322
Fixed remuneration received in their capacity as directors	2,850	2,850
TOTAL DIRECTOR REMUNERATION	**3,173**	**3,172**
Wages, salaries and professional fees	3,996	3,726
Termination and other benefits	0	0
TOTAL EXECUTIVE DIRECTOR REMUNERATION	**3,996**	**3,726**
TOTAL REMUNERATION	**7,169**	**6,898**
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.*

The Board of Directors, subject to a report by the Nomination and Remuneration Committee, shall set the individual remuneration of each director for their duties as such, taking into account the positions held by the directors on the Board, their membership of Board committees and any other objective circumstances that the Board may consider appropriate, within the confines of the Articles of Association and the Remuneration Policy. The board shall also decide on the timing of successive payments…."

With respect to the remuneration of the directors in their capacity as such, at a meeting held on February 28, 2022, 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 2021 at the upcoming 2022 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 2021 (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	388	28	1,505	2,491	4,412
Carceller Arce, Demetrio	362	27	0	0	389
Alimentos y Aceites, S.A.	121	18	0	0	139
Barreiro Pérez-Pardo, Belén	154	22	0	0	176
Carceller Arce, María	121	18	0	0	139
Castelló Clemente, Fernando	197	27	0	0	224
Comenge Sánchez-Real, José Ignacio	147	18	0	0	165
Corporación Financiera Alba, S.A.	121	18	0	0	139
Costa García, Mercedes	199	27	0	0	226
Empresas Comerciales e Industriales Valencianas, S.L.	121	18	0	0	139
Fernández Alonso, Javier	305	29	0	0	334
Grupo Tradifín, S.L.	191	27	0	0	218
Hercalianz Investing Group, S.L. (*)	147	18	0	0	165
Zorrero Camas, Pedro Antonio (**)	279	28	0	0	307
TOTAL	**2,853**	**323**	**1,505**	**2,491**	**(***) 7,172**

(*) Hercalianz Investing Group, S.L. did not perform either executive or management duties at Ebro Foods, S.A. or at any subsidiary and therefore did not receive 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.

(**) Pedro Antonio Zorrero Camas resigned from the Board of Directors on December 15, 2021 with effect from December 31, 2021. On January 31, 2022, the Board of Directors agreed to avail of the co-option procedure to name Marc Thomas Murtra Millar as external independent director to fill the vacancy left following Mr. Zorrero Camas' resignation. Mr. Murtra Millar has also been made a member of the Company's Executive Committee and Audit and Control Committee.

(***) Total director remuneration amounted to 7,168,731 euros (before tax), which, rounded to thousands of euros, comes out at 7,169 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 2021, 897 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2019, a figure representing 25% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2019 financial statements and paid in 2021.

- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2021, the 2021 financial statements recognize a provision of 1,898 thousand euros in respect of the provisional estimate of the amount corresponding to 2021 under the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Plan, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2023.

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 10 people were considered officers of Ebro Foods, S.A. at year-end 2021 (year-end 2020: 11); in 2021 those executives accrued total remuneration (fixed wages and salaries and annual bonuses) of 2,400 thousand euros (2020: 2,453 thousand euros).

Note in relation to the officer remuneration disclosures, the term "officer" refers to the Chief Operating Officer of the Ebro Group, who is the most senior executive after the Executive Chairman, and the professionals in charge of the main departments of Ebro Foods, S.A., irrespective of whether they are considered "senior management".

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 2021 (six at year-end 2020). Their total aggregate pre-tax remuneration in 2021 was 1,876 thousand euros, 677 thousand US dollars and 534 thousand Canadian dollars (1,936 thousand euros, 1,665 thousand US dollars and 546 thousand Canadian dollars in 2020), 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 tied to the Group's 2019-2021 Strategic Plan at December 31, 2021 (11 at year-end 2020). Total aggregate remuneration effectively collected under that scheme in 2021 (corresponding to that accrued by 11 executives in 2019) amounted to 769 thousand euros and 339 thousand US dollars, a figure representing up to 25% of the bonuses earned during the three-year term of the 2019-2021 Scheme and which had been provided for in the 2019 financial statements.

The consolidated financial statements for the year ended December 31, 2021 also recognize a provision of 1,575 thousand euros and 286 thousand US dollars in respect of the provisional estimate of the amount corresponding to the Group's officers (other than the Chairman of the Board of Directors) in 2021 under Deferred Annual Bonus Scheme in 2021, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. Those bonuses are payable in 2023 under 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 192 thousand euros in 2021 (113 thousand euros in 2020), are effective until April 30, 2022 and are currently in the process of being renewed.

24. Environmental disclosures

MANAGEMENT APPROACH

The Ebro Group's main environmental commitments and targets are set down in its Sustainability, Environment and Corporate Social Responsibility Policy: "Steer the company's processes, activities and decisions to protect our environment, prevent and minimize environmental impact, optimize the use of natural resources and preserve biodiversity".

In line with that pledge, the Group's environmental policy is articulated around the following lines of initiative:

1. 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.
2. Minimising the environmental impact of its business operations by searching for eco-efficient solutions and rolling out initiatives designed to reduce its emissions while rationalising the consumption of water, energy and packaging materials.
3. Transitioning towards a circular economy, recovering waste and encouraging its recycling and reuse and using recycled and/or environmentally-friendly raw materials whenever possible.
4. Providing environmental employee training and awareness programmes.
5. Encouraging sustainable farming techniques among its suppliers.

As for its own operations, 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:

1. Emissions into the air: mainly particles derived from the handling of cereals and greenhouse gas (GHG) emissions derived from the consumption of fossil fuels and electricity. The fuel most widely used is natural gas.
2. Noise emissions: derived from the operation of engines, compressors, sleeve filters and other manufacturing equipment. All the factories comply with applicable environmental regulations and their noise levels are monitored regularly; mitigating measures are put in place as necessary.
3. 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 sanitise raw materials and are relatively safe for the environment.
4. 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 vapour, as a refrigerant or as an ingredient in finished products.
5. 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, which is managed by authorised handlers.

PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

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.

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.

CIRCULAR ECONOMY MEASURES

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.

In 2021, in line with the changes introduced in prior years by our dry rice brands, La Fallera and La Cigala (Spain) and Risella (Finland), framed by our circular economy targets in the packaging area (100% recyclable by 2030), we continued to work to make our containers and packaging more recyclable. For example, for our SOS speciality rice brand, which we are currently packaging in non-recyclable flexible containers (PE/PP), we are analysing a switch to recyclable paper containers, which would prevent the placement on the market of 19,480 tonnes of PE/PP packaging which ends up in landfills.

We are also continuing to test and validate a doypack, a stand-up pouch made from high barrier, sterilizable homopolymer (specifically, polypropylene) complexes, to replace complex structures in which the coexistence of different polymeric chains makes mechanical recycling impossible.

It is also worth highlighting that fact that one of the Group's best-selling formats, the Brillante rice cups, are 100% recyclable.

CLIMATE CHANGE

Climate change constitutes a significant risk for the Group's business activities as it impacts fundamental aspects such as the production of raw materials, the availability of critical resources (such as water), the viability of transport, logistics and product distribution operations and implies an increase in the energy needs associated with our productive processes, among other things.

Against that backdrop, and in keeping with the recommendations issued by the Task Force on Climate Related Financial Disclosures (TCFD), we have identified the potential risks, impacts and opportunities climate change may have for our organisation and associated each one with opportune mitigation and/adaptation measures. The next step will be to quantify those risks and impacts in financial terms.

Framed by its commitment to reducing emissions in absolute terms by 2030, the Group has pledged to start to work over the next two years on an emissions-reduction plan aligned with the science-based targets (SBT), globally aligned targets based on climate change science in order to reduce carbon emissions and keep global warming within the limits stipulated in the Paris Agreement.

To that end, in 2020 the Group developed a GHG inventorying system for all Ebro Group companies that is ISO 14064-1:2019 certified. Reporting under that standard has allowed the Group to measure its Scope 1 and 2 GHG emissions; in 2022 the idea is to complete the measurement of its carbon footprint in terms of Scope 3 emissions. Once it has calculated its total carbon footprint, the Group will determine the base year for emissions-reduction comparison purposes.

To that end, the Group has defined a series of action plans framed by its Sustainability Plan, dubbed *HEADING FOR 2030*. Those initiatives are:

- Risk and opportunities analysis and assessment
- Energy efficiency
- Procurement of renewable energy
- Waste recovery
- Management of GHG impacts
- Technology and R&D capabilities

In terms of our Scope 1 and 2 emissions, some Group companies, specifically those located in Italy, have begun to install photovoltaic solar panels at their factories. Likewise, the Garofalo subsidiaries and Ebro Frost Germany are using CHP in their energy mixes, while Ebro Frost Denmark and Ebro India are using biomass.

As for our Scope 3 footprint, in keeping with our membership of the Lean&Green programme for the calculation-reduction-offset of emissions derived from ground transportation nationwide in Spain, we are closing to finalising the plan for the reduction of those emissions by 20% in five years, which is due to be presented during the second quarter of 2022.

Also at the Scope 3 level, the Ebro Group is working actively to foster and research environmentally sustainable rice farming practices in a number of rice producing regions in order to contribute to environmental preservation, protect biodiversity and mitigate climate change. That work is taking the form of in-house initiatives and ad-hoc collaborations with stakeholders and sector associations, such as the SAI Platform (SAI-P) and the Sustainable Rice Platform (SRP).

The flagship projects in this effort in 2021:

- Thailand: Sustainable Aromatic Rice Initiative - Thailand (SARI-T):

  This initiative, carried out in collaboration with Mars Food, GIZ and the Thai Rice Department, is 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 programme entails numerous interventions: it educates rice farmers on the SRP standard and farming technologies and provides them with new skills and access to top quality seeds; it also promotes gender equality. It also verifies the crop for SRP purposes. The project completed its fourth year producing rice in 2021.

→ Spain: Oryzonte programme

Carried out in the marshlands of the Guadalquivir River in Seville together with Mars Food and Danone.

Started up in 2018, this 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 project has evaluated the scope for different practices to reduce the use of water in rice paddies at a commercial scale. In 2021, we worked with several irrigation community organisations to boost knowledge of the trend in salinity within the water circuit during the rice season and the relationship with production yields. In addition, in collaboration with the Sustainable Farming Institute of CSIC (Upper Council of Scientific Research), the project worked on a water and salinity model to assess the situation all along the right bank of the rice-growing basin in Seville.
- As for GHG emissions, the project verified that the implementation of specific practices aligned with the guidelines issued by the Intergovernmental Panel on Climate Change (IPCC), such as alternative wetting and drying (AWD) techniques, effectively unlocked a reduction in GHG emissions in estates located on both banks of the Guadalquivir River without negatively impacting farming outputs.
- Biodiversity. The Group's biodiversity initiatives included the installation of perches and nests for bats and special-interest birds of prey, such as the common own and kestrel. Encouraging the presence of these birds of prey and bats is a promising strategy for reducing the use of pesticides and boosting the sustainability of the agricultural production system.

→ Programmes carried out by Ebro India

Ebro India continues to work on a number of different sustainability projects, some of which have been underway for several years, such as EKTA, Control Farming and Organic Farming. In 2021 the Indian subsidiary added a new programme designed to reduce water consumption and emissions and foster new biological pest control methods.

- This new initiative consists of teaching 50 farmers how to use biological pest control methods (spider bundles and pheromone traps). Pheromone traps are a very visible way of checking whether crops are infested or not, so decreasing indiscriminate use of pesticides. Spider bundles provide a natural habitat for spiders, which are natural predators of insects. By reducing the insect population, the volume of pesticides needed also decreases.

  Lastly, it encourages the use of a AWD tubes in order to check when it is necessary to water, reducing surplus water usage and, by extension, emissions.
- EKTA, underway since 2015, continues to lend support to over 5,000 farmers. EKTA is a programme for the provision of training to farmers on new farming practices and the optimal use of pesticides and fertilisers, 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 programme, Ebro India 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: ongoing work 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 organisational management, debate and exchange opinions and good practices, participate in the global debate and provide input for the decisions taken at the government level.

These measures do not have a significant accounting impact, nor do they imply a significant change in the estimates made by management in prior years.

The useful life of the Group's property, plant and equipment will not be affected by the Group's environmental commitments as, in general, its assets can be operated using energy generated from renewable sources. Against that backdrop, the Ebro Group is also increasing its consumption of renewable sources.

Nor have its environmental commitments triggered the need to recognize any additional impairment losses, in light of the Ebro Group's earnings prospects. Reasonably possible changes in the commitment to reduce emissions in absolute terms would not have a material impact on the estimated values in use of the CGUs that are subject to impairment tests, as itemized in note 15.

At the date of authorising these consolidated financial statements for issue, the Group does not have any contractual or constructive obligation of an environmental nature that could give rise to an estimated outflow of resources with an impact on these consolidated financial statements.

25. Non-current assets held for sale and profit/(loss) after tax from discontinued operations

As disclosed in note 5, on December 31, 2020 the Group reclassified the assets and liabilities of the rest of its US Dry Pasta - Ronzoni business (other than the Garofalo business) and its Canadian Dry Pasta business to non-current assets held for sale. All of the assets and liabilities classified as held for sale at year-end 2020 were sold and derecognized in 2021. The breakdown of those assets and liabilities is as follows:

(000€)	ASSETS		LIABILITIES		
	12-31-21	12-31-20	12-31-21	12-31-20	
NON-CURRENT ASSETS	**0**	**123,437**	**0**	**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	**0**	**18,537**	**0**	**1,395**	**CURRENT LIABILITIES**
Inventories		18,537		85	Financial liabilities
Other current assets		0		1,310	Other current liabilities
	0	**141,974**	**0**	**17,473**	

Likewise, in the consolidated statement of profit or loss for the years ended December 31, 2021 and 2020, the income and expenses of the above-listed businesses, as well as the income and expenses of the French Dry Pasta business sold in 2021 (note 5), as well as the part of the US Dry Pasta business that was sold in December 2020, were reclassified to 'Profit after tax from discontinued operations'. The breakdown of the corresponding income and expenses:

DISCONTINUED OPERATIONS (000€)	12-31-21			12-31-20		
	TOTAL	ENA PASTA (A) MONTHS	PANZANI PASTA 12 MONTHS	TOTAL	ENA PASTA 12 MONTHS	PANZANI PASTA 12 MONTHS
Revenue	504,992	54,628	450,364	806,893	339,614	467,279
Change in inventories	5,674	0	5,674	15,323	0	15,323
Own work capitalised	428	0	428	276	0	276
Other operating income	1,382	494	888	(40)	0	(40)
	512,476	**55,122**	**457,354**	**822,452**	**339,614**	**482,838**
Raw materials and consumables used and other expenses	(279,918)	(15,001)	(264,917)	(423,035)	(155,890)	(267,145)
Employee benefits expense	(75,638)	(19,626)	(56,012)	(105,181)	(44,049)	(61,132)
Depreciation and amortisation	(22,636)	(3,697)	(18,939)	(30,795)	(12,014)	(18,781)
External services	(94,063)	(14,068)	(79,995)	(164,198)	(68,872)	(95,326)
Other operating expenses	(10,431)	(937)	(9,494)	(13,179)	(9,815)	(3,364)
	(482,686)	**(53,329)**	**(429,357)**	**(736,388)**	**(290,640)**	**(445,748)**
OPERATING PROFIT	**29,790**	**1,793**	**27,997**	**86,064**	**48,974**	**37,090**
NET FINANCE INCOME/(COST)	**(1,453)**	**(53)**	**(1,400)**	**(2,234)**	**30**	**(2,264)**
PROFIT BEFORE TAX	**28,337**	**1,740**	**26,597**	**83,830**	**49,004**	**34,826**
Income tax	(7,048)	(430)	(6,618)	(22,949)	(11,738)	(11,211)
PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	**21,289**	**1,310**	**19,979**	**60,881**	**37,266**	**23,615**
Pre-tax loss on the sale of the businesses	112,023	51,349	60,674	54,762	54,762	n/a
Income tax effect of the gains generated by the sales	(28,285)	(16,093)	(12,192)	(26,219)	(26,219)	n/a
TOTAL PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	**105,027**	**36,566**	**68,461**	**89,424**	**65,809**	**23,615**

(a) Corresponds to one month's income and expenses for the Canadian Dry Pasta business and five months' income and expenses for the US Ronzoni & Winchester Dry Pasta business.

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 2021 and 2020 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2021 amounted to 2,188 (2020: 2,205) thousand euros; those corresponding to other assurance services amounted to 83 thousand euros (2020: 88 thousand euros).
- The fees for tax advisory and and/other services totaled 265 thousand euros (2020: 187 thousand euros).

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, 2021 (€)	AVERAGE BALANCE 4Q21 (€)	% INTEREST	CURRENCY
Semola s,r,l,	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Rome	Italy	april-13	0.00	0.00	100%	EUR
	IBAN	BACRIT21575	IT64H0303215201010000476353	Credem SpA	Salerno	Italy	march-21	295,008.84	622,459.12	100%	EUR
Ebro Costa Rica S,L,	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	august-06	20,951.21	24,475.97	100%	USD
Ebro Riviana Guatemala SL	Other	INDLGTGCXXX	0011100015	Banco Industrial Guatemala	Guatemala City	Guatemala	august-06	2,092.90	2,092.90	100%	GTQ
	Other	INDLGTGCXXX	0000683771	Banco Industrial Guatemala	Guatemala City	Guatemala	august-06	24,563.31	24,563.31	100%	USD
	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	march-21	86,331.18	127,344.75	100%	GTQ
EF Alimentación, S de R,L de CV,	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	august-11	3,724.39	4,242.27	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	august-11	20,040.61	19,849.58	100%	USD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2021 (€)	AVERAGE BALANCE 4Q21 (€)	% INTEREST	CURRENCY
Mundiriz	Other	BMCEMAMCXXX	01173500000121000607O9,11	BMCE Bank	Larache	Morocco	2001	207,730.45	291,517.85	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	31,372.41	55,315.73	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	84.57	89.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	2,121,349.01	2,141,027.68	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	march-18	6,866.04	7,542.40	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	sept-21	8,453.74	8,519.56	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	0117350000012100006819,79	BMCE Bank	Larache	Morocco	2007	4,298.97	18,452.23	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	oct-21	9,475.85	9,549.63	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	sept-21	0.00	0.00	100%	MAD
Rivera del Arroz, S,A,	Other	BMCEMAMCXXX	0117350000012100060728,51	BMCE Bank	Larache	Morocco	2002	7,606.71	8,421.55	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	feb.-17	142,609.52	153,895.56	100%	MAD
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	oct-12	807,309.62	814,757.74	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	8,629.82	13,196.50	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 27.3 days in 2021 and 23 days in 2020. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

(000€)	2020	2021
Days		
Average supplier payment term	23.0	27.3
Paid transactions ratio	22.5	29.0
Outstanding transactions ratio	35.5	13.8
Amount		
Total payments made	369,824	400,673
Total payments outstanding	15,090	55,093

28. Events after the reporting period

The recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, are causing significant global uncertainty. The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The recent onset of the conflict and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it may have on the businesses of the Group.

The situation is already affecting the availability and prices of certain commodities (those in which Russia is a leading global producer and exporter, such as wheat and sunflower oil), energy prices and exchange rates. However, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Parent's directors believe that the current situation and its consequences are not and should not have a material impact on the Group, underpinned primarily by the following considerations:

→ The Group has no subsidiaries, branches or operations in the region affected by the armed conflict. The Group does not have (and has not had in the recent past) factories, customers or suppliers in Ukraine or Russia.

→ Neither Russia nor Ukraine are or have been sources of wheat supply for the Group which, moreover, has downsized its dry pasta business significantly in 2021 and 2020 (note 5). As a result, its exposure to the potential impact of inflation in that commodity and its different variants is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia could have on the prices of wheat sourced from other markets).

→ With respect to the global economic impact, the types of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other adverse effects on its supply and distribution channels.

- As for energy costs, the measures announced by the European Union and other countries with the aim of (i) reducing dependence on oil and gas sourced from Russia; and (ii) mitigating the effect of the conflict on energy costs, should mean that those potential increases will not have a significant impact on the Group's businesses.

In light of the foregoing, the Parent's directors believe that these events do not imply the need to make any adjustments whatsoever to its financial statements for the year ended December 31, 2021.

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

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 THE BANK	DATE OPENED	BALANCES 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	12-05-2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB20 CITI 1850 0811 2932 73	CITIBANK NA	London	United Kingdom	12-05-2006	0.00	0.00	100%	USD
Herba Foods	IBAN	CITIGB2L	GB26 CITI 1850 0811 2301 15	CITIBANK NA	London	United Kingdom	18-05-2006	3,861,407.67	1,852,672.54	100%	GBP
	IBAN	CITIGB2L	GB04 CITI 1850 0811 2301 23	CITIBANK NA	London	United Kingdom	18-05-2006	14,160,052.71	1,187,628.24	100%	USD
	IBAN	CITIGB2L	GB48 CITI 1850 0811 2301 07	CITIBANK NA	London	United Kingdom	18-05-2006	(16,841,208.02)	(2,554,763.17)	100%	EUR
Agromeruan	IBAN	BMCEMAMC	011735000012100006819.79	BMCE	Larache	Morroco	2007	4,313.95	18,373.46	100%	MAD
	IBAN	CDMAMAMC	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morroco	oct-21	9,508.87	9,508.87	100%	MAD
	IBAN	CAIXAMAMC	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGER	Morroco	sept-21	0.00	0.00	100%	MAD
Anglo Australian Rice LTD	IBAN	BARCGB22	GB93BARC20510130115193	BARCLAYS BANK	Liverpool	United Kingdom	01-11-1986	15,221.00	15,221.00	100%	GBP
	IBAN	BARCGB22	GB54BARC20510159121999	BARCLAYS BANK	Liverpool	United Kingdom	01-08-2001	0.00	0.00	100%	EUR
Arrozeiras Mundiarroz, S.A.	IBAN	CITIPTPX	PT50016900010003181600936	CITIBANK Internacional, plc	Lisbon	Portugal	24-07-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500811257226	CITIBANK NA	London	United Kingdom	26-07-2006	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB40CITI18500811247905	CITIBANK NA	London	United Kingdom	26-07-2006	0.00	0.00	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754000839	NovoBanco	Coruche	Portugal	14-02-1994	14,955.87	105,874.08	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754110158	NovoBanco	Coruche	Portugal	15-12-1997	0.00	0.00	100%	USD
	IBAN	BBVAPTPL	PT50001900000020004690004	BBVA	Lisbon	Portugal	18/2/92	1,070.33	801.57	100%	EUR
	IBAN	BBVAPTPL	PT50001900000024000185188	BBVA	Lisbon	Portugal	08-02-1994	0.00	0.00	100%	USD
Bertolini, GMBH	IBAN	COBADEFF	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	01-01-2013	45,210.30	157,538.22	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Boost Nutrition, N.V.	IBAN	CITIBEBX	BE53570128815553	CITIBANK NA	Brussels	Belgium	15-06-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB72CITI18500811229966	CITIBANK NA	London	UK	14-06-2006	0.00	0.00	100%	USD
	IBAN	GKCCBEBB	BE73552273580060	Belfius bank	Antwerp	Belgium	02-05-1996	720,937.37	354,560.69	100%	EUR
	IBAN	GKCCBEBB	BE73552273580060 USD	Belfius bank	Antwerp	Belgium	02-05-1996	0.00	0.00	100%	USD
Ebro Foods GMBH	IBAN	COBADEFF	DE05200400000623709300	Commerzbank	Hamburg	Germany	01-07-2011	14,873.83	28,920.39	100%	EUR
Ebro Rice Handling, BVBA (antigua Bosto Panzani Benelux)	IBAN	CITIBEBX	BE75570130425551	CITIBANK NA	Brussels	Belgium	14-04-2008	0.00	0.00	100%	EUR
EF Alimentación, SRL de CV	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico DF	Mexico	Aug/7/2011	3,724.39	4,242.27	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico DF	Mexico	Aug/7/2011	20,040.61	19,849.58	100%	USD
Ebrofrost Denmark A/S	IBAN	CITIGB2L	GB79CITI18500811230034	CITIBANK NA	London	United Kingdom	26-07-2006	(4,615,767.79)	(4,750,000.00)	100%	EUR
	IBAN	CITIGB2L	GB79CITI18500813428915	CITIBANK NA	London	United Kingdom	23-04-2013	15,811.29	15,500.00	100%	USD
	IBAN	JYBADKKK	DK5650600001063204	Jyske Bank A/S	Odense	Denmark	01-01-2014	(4,647,072.80)	(2,567,425.00)	100%	DKK
	IBAN	JYBADKKK	DK3450600001063212	Jyske Bank A/S	Odense	Denmark	01-01-2014	920,421.56	152,688.00	100%	EUR
Ebrofrost Germany, GmBH	IBAN	BYLADEM1GZK	DE83720518400000161315	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	06.01.2013	2,289,489.40	1,884,760.97	100%	EUR
Ebrofrost Holding GmbH	IBAN	BYLADEM1GZK	DE49720518400040319345	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	01-06-2013	1,042,534.09	626,901.54	100%	EUR
Ebrofrost UK Limited	IBAN	BYLADEM1GZK	DE28720518400005600028	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	17-06-2015	184.52	184.52	100%	GBP
	IBAN	BYLADEM1GZK	DE27720518400040428187	Sparkasse Günzburg/ Krumbach	Günzburg	Germany	16-10-2015	(1,078.52)	304,761.64	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Ebro Foods Nederl. Brands, B.V.	IBAN	CITINL2X	NL37CITI0266064566	Citibank	Amsterdam	Netherlands	18-01-2012	(5,836.32)	(3,894.45)	100%	EUR
	IBAN	CITIGB2L	GB83CITI18500814059840	Citibank	London	United Kingdom	31-12-2014	0.00	0.00	100%	USD
	IBAN	RABONL2U	NL25RABO0310990335	Rabobank	Utrecht	Netherlands	11-07-2016	36.19	617.41	100%	USD
Ebro India Private Limited	IBAN	HDFCINBB	50200001041939	HDFC Bank LTd	TARAORI	India	24-05-2013	871,552.13	1,882,945.76	100%	INR
	IBAN	CITIINBX	521059001	Citi bank	New Delhi	India	18-09-2013	137.615.66	434,623.44	100%	INR
	IBAN	BOFA0ND6216	24871013	Bank of America	New Delhi	India	24-08-2014	47.146.74	193,013.33	100%	INR
	IBAN	BOFA0ND6216	Loan	Bank of America	New Delhi	India	24-08-2014	(6,499,127.41)	(1,168,501.86)	100%	USD
	IBAN	BNPAINBBDEL	0906511493200162	BNP PARIBAS	New Delhi	India	28-10-2015	31,483.87	97,571.23	100%	INR
	IBAN	BNPAINBBDEL	refer PCFC Loan Sheet	BNP PARIBAS	New Delhi	India	28-10-2015	(441,463.15)	(1,168,501.86)	100%	INR
	IBAN	INDB0000073	259996544504	IndusInd Bank	Karnal	India	14-03-2017	24,047.99	70,979.95	100%	INR
	IBAN	UCBA0002323	23230210001110	UCO Bank	Karnal	India	06-05-2017	212.15	626.53	100%	INR
	IBAN	HSBC0110005	054708284001	HSBC	New Delhi	India	20-11-2018	194,650.72	454,617.54	100%	INR
	Other	HSBC0110005	Loan	HSBC	New Delhi	India	20-11-2018	(222,010.12)	0.00	100%	USD
	Other	CRLY0000002	02006017100000	Credit Agricole	New Delhi	India	21-12-2019	45,380.92	2,294,222.26	100%	USD
	Other	CHAS0INBX02	5622411725	Jp Morgan	New Delhi	India	26-06-2020	106,362.05	515,872.22	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02-01-2020	(711,582.56)	not available	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02-11-2020	(1,797,312.94)	not available	100%	INR
	Other	CHAS0INBX02	refer PCFC Loan Sheet	Jp Morgan	New Delhi	India	23-07-2020	(916,232.47)	(1,947,503.11)	100%	INR
	Other	CHAS0INBX02	refer PCFC Loan Sheet	Jp Morgan	New Delhi	India	29-07-2020	(1,140,400.69)	(1,947,503.11)	100%	INR
	Other	CHAS0INBX02	Refer WCDL Sheet	Jp Morgan	New Delhi	India	26-11-2020	(5,936,197.75)	(1,978,732.58)	100%	INR
	Other	BNPA0009065	Refer WCDL Sheet	BNP PARIBAS	New Delhi	India	28-10-2015	(3,561,718.65)	(1,187,239.55)	100%	INR
	Other	BOFA0ND6216	Refer WCDL Sheet	Bank of America	New Delhi	India	28-08-2014	(3,561,718.65)	(1,187,239.55)	100%	INR
Ebrosur, SRL	CBU	BSCHARBA	034753/2	Banco Santander Rio SA	Buenos aires	Argentina	15-06-2016	176,857.23	1,347,937.00	100%	ARG
	CBU	BSCHARBA	034754/9	Banco Santander Rio SA	Buenos aires	Argentina	15-06-2016	392.62	392.62	100%	USD
Euryza GMBH	IBAN	COBADEHHXXX	DE04200400000621702000	Commerzbank AG	Hamburg	Germany	2000	(5,878.80)	13,351.22	100%	EUR
	IBAN	CITIDEFFXXX	DE83502109000214587009	Citigroup	Frankfurt	Germany	01-02-2007	0.00	0.00	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Euro Rice Flour, B.V.	IBAN	ABNANL2A	NL15ABNA0240369394	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	101,159.18	3,680,11	100%	EUR
Fentus 61 GmbH	IBAN	COBADEFFXXX	DE47 2004 0000 0626 0509 00	Commerzbank AG	Hamburg	Germany	01-02-2017	4,084.89	6,931,84	100%	EUR
Gourmet Foods and Bever. Ltd.	Other	203883	43597741	Barclays Bank	UK	UK	11-02-2015	326.54	324.34	100%	GBP
	Other	400106	02602865	HSBC	UK	UK	11-02-2015	153.11	178.11	100%	GBP
Herba Bangkok, S.L.	Other	CITITHBX	5-126385-015	CITIBANK NA	Bangkok	Thailand	11-06-2008	1,106,839.62	860,357.03	100%	THB
	Other	CITITHBX	0-126385-005	CITIBANK NA	Bangkok	Thailand	11-06-2008	0.00	0.00	100%	THB
	Other	CITITHBX	5-126385-104	CITIBANK NA	Bangkok	Thailand	25-09-2015	1,043,643.68	711,551.45	100%	USD
	Other	CITITHBX	N/A	CITIBANK NA	Bangkok	Thailand	11-06-2008	0,00	90,400,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	284,087.92	284,087.92	100%	THB
	Other	BNPATHBK	00010 000632 000 09	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	50,000.00	50,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83 USD	BNP Paribas Bank	Bangkok	Thailand	25-06-2013	0.00	0.00	100%	USD
	Other	BNPATHBK	N/A	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	0.00	0.00	100%	THB
	Other	BOFATH2X	33243 017	Bank of America	Bangkok	Thailand	03-08-2016	1,191,248.49	14,325,620.39	100%	THB
	Other	BOFATH2X	33243 025 USD	Bank of America	Bangkok	Thailand	03-08-2016	812,372.00	760,868.53	100%	USD
	Other	BOFATH2X	N/A	Bank of America	Bangkok	Thailand	03-08-2016	0.00	0.00	100%	THB
	Other	KRTHTHBK	092-0-03203-6	Krungthai Bank PCL.	MEA Ploenchit	Thailand	25-08-2006	1,720,228.79	1,846,837.60	100%	THB
Herba Cambodia Co, Ltd	Other	ABAAKHPP	000206556	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	11-07-2016	93,736.66	51,068.90	100%	USD
	Other	ABAAKHPP	000373587	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	02-02-2018	20,765,099.19	124,459,992.19	100%	KMR
Herba Germany GMBH	IBAN	COBADEFFXXX	DE96 2004 0000 0622 0057 00	Commerzbank AG	Hamburg	Germany	2005	(17.85)	(17.16)	100%	EUR
	IBAN	CITIDEFFXXX	DE60502109000214588005	Citigroup	Frankfurt	Germany	12-2006	0.00	0.00	100%	EUR
Herba Ingredients Belgium B, BV	IBAN	KREDBEBB	BE29735042745864	KBC Bank NV	Brussels	Belgium	06-04-2016	589,422.48	32,076.65	100%	EUR
	IBAN	KREDBEBB	BE11 7380 1830 6548	KBC Bank NV	Brussels	Belgium	30-06-2006	48,251.78	26,036.24	100%	EUR
	IBAN	KREDBEBB	BE55736064832844	KBC Bank NV	Brussels	Belgium	02-12-2019	319,254.92	30,397.35	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Herba Ingredients, B.V.	IBAN	CITINL2X	NL08CITI0266059171	CITIBANK NA	Amsterdam	the Netherlands	10-01-2013	0.00	(104,889.50)	100%	EUR
	IBAN	CITIGB2L	GB84CITI18500813594416	CITIBANK NA	London	United Kingdom	10-01-2013	0.00	(2,858.69)	100%	USD
	IBAN	CITIGB2L	GB82CITI18500810232335	CITIBANK NA	London	United Kingdom	13-12-2018	0.00	0.00	100%	GBP
	IBAN	KREDBEBB	BE19731041645812	KBC Bank NV	Brussels	Belgium	22-01-2016	5,010.30	10,388.51	100%	EUR
	IBAN	DEGRBEBB	BE05676528001375	Degroof Petercam	Brussels	Belgium	11-05-2021	0.00	0.00	100%	EUR
Herba Ingredients SC, BV	IBAN	KREDBEBB	BE56 7380 0432 3188	KBC Bank NV	Brussels	Belgium	19-10-2001	420,968.07	27,227.60	100%	EUR
Herba Ingredients Netherl., BV	IBAN	CITINL2X	NL45CITI0266065295	Citibank	Amsterdam	Netherlands	14-02-2012	0.00	3,042.57	100%	EUR
Indo European Foods Limited	Other	203909	44044299	Barclays Bank	Leicestershire	UK	12-08-2021	0.00	0.00	100%	EUR
	IBAN	203909	GB42BARC20390965944844	Barclays Bank	Leicestershire	UK	31-05-2019	747.81	39,809.70	100%	EUR
	IBAN	203909	GB19BARC20390943390527	Barclays Bank	Leicestershire	UK	22-02-2017	277,609.07	415,273.04	100%	GBP
	Other	203909	60710946	Barclays Bank	Leicestershire	UK	20-08-2019	1,093,004.76	726,335.35	100%	GBP
	Other	203909	80119482	Barclays Bank	Leicestershire	UK	12-08-2021	724,545.51	518,252.86	100%	GBP
	Other	203909	43804211	Barclays Bank	Leicestershire	UK	20-08-2019	16.08	15.87	100%	USD
	IBAN	203909	GB94BARC20390988126644	Barclays Bank	Leicestershire	UK	31-05-2019	118.98	930.03	100%	USD
International Pulse Ingredients Company, BV	IBAN	ABNANL2A	NL37ABNA0240369386	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	23,910.81	2,644.07	100%	EUR
Joseph Heap Property	IBAN	BARCGB22	GB52BARC20510170619930	BARCLAYS BANK	Liverpool	United Kingdom	01-02-2004	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB41BARC20510170416428	BARCLAYS BANK	Liverpool	United Kingdom	01-11-1986	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB70BARC20510187433877	BARCLAYS BANK	Liverpool	United Kingdom	01-05-2000	0.00	0.00	100%	EUR
Katania Magrheb, SARL	IBAN	BMCEMAMC	011 735000001210001356226	BMCE Bank	Larache	Morroco	10-02-2017	143,106.37	153,238.62	100%	MAD

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES 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	3,991.14	2,900.49	100%	ARG
	CBU	BSCHARBA	000-00035161/0	Banco Santander Rio SA	Buenos Aires	Argentina	20/01/2017	116.46	78.73	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	05-03-2018	0.00	0.00	100%	USD
	CBU	BERAARBAXXX	42006614643	Nuevo Banco de Entre Ríos	Entre Rios	Argentina	22/05/2002	11,974.50	10,457.66	100%	ARG
	CBU	BFRPARBAXXX	068-000848/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	1,510.33	1,512.31	100%	USD
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	71,680.85	64,302.31	100%	ARG
	CBU	BFRPARBAXXX	068/314545/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	1.60	1.63	100%	ARG
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S. A. - Valores a depositar	Concordia	Argentina	24-10-2018	101,426.39	97,106.98	100%	ARG
	IBAN	BBVAESMM	ES3801826204582012463035	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	13-11-2019	48,544.17	96,176.23	100%	USD
	IBAN	BBVAESMM	ES2801826204520201545968	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	18-11-2019	0.00	0.00	100%	EUROS
	CBU	BFRPARBAXXX	068/000003/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	0.00	1,169.69	100%	EUROS
	PRE FINANCING	BBVAESMM	ES3801826204582012463035	BBVA España	Spain	Spain	13-11-2019	(5,049,202.10)	(4,775,217.68)	100%	USD
Mediterranean Food Labels, BV	IBAN	CITINL2X	NL59CITI0266064558	Citibank	Amsterdam	Netherlands	17-01-2012	0.00	0.00	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Mundi Riso, S.R.L.	IBAN	CITIITMX	IT12D0356601600000122474011	CITIBANK NA	Milan	Italy	27-06-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB22CITI18500811257250	CITIBANK NA	London	United Kingdom	14-06-2006	0.00	0.00	100%	USD
	IBAN	BAPPIT21I87	IT32Q0503410000000000005783	BANCA POPOLAE DI NOVARA	Vercelli	Italy	27-03-1996	15,337.35	69,379.34	100%	EUR
	IBAN	BAPPIT21I87	IT76U0503410000USD100003375	BANCO BPM S.P.A.	Vercelli	Italy	26-01-2017	239.89	272.22	100%	USD
Mundi Riz, S.A.	IBAN	BMCEMAMC	0117350000012100060709.11	BMCE	Larache	Morroco	2001	208,454.19	290,273.42	100%	MAD
	IBAN	CAIXAMAMC	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGER	Morroco	sept-21	8,483.19	8,483.19	100%	MAD
	IBAN	BMCEMAMC	011 735 0000 01 66600 60709 27	BMCE	Larache	Morroco	2009	84.86	89.04	100%	MAD
	IBAN	BMCEMAMC	011 735 000 501 66500 12519 30	BMCE	Larache	Morroco	2015	2,121,349.01	2,141,027.68	100%	Euro
	IBAN	CDMAMAMC	021 735 0000 080 030 167465 07	CDM	Larache	Morroco	01-03-2018	6,889.97	7,510.20	100%	MAD
Neofarms Bio, S.A.	CBU	BFRPARBAXXX	0170068826000000084796	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	24.91	24.94	60%	USD
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	112,989.48	54,710.91	60%	ARG
	CBU	BFRPARBAXXX	0170068820000031454250	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	3.43	3.48	60%	ARG
	CBU	BFRPARBAXXX	0170068821000000000296	BBVA Banco Francés S. A.	Concordia	Argentina	14-01-2019	1,310.82	1,322.73	60%	EUROS
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S. A. - Valores a depositar	Concordia	Argentina	24/10/2018	5,379.95	6,766.97	60%	ARG
	IBAN	BBVAESMM	ES5701826204542012468030	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	24-03-2020	44,868.25	43,308.39	60%	USD
	PRE FINANCING	BBVAESMM	ES5701826204542012468030	BBVA Banco Francés S. A.	Concordia	Argentina	24-03-2020	(5,053,864.26)	(4,577,783.28)	60%	USD
N&C Boost, NV	IBAN	GKCCBEBB	BE49552273940071	Belfius bank	Antwerp	Belgium	02-05-1996	1,262,793.04	1,274,393.11	100%	EUR
	IBAN	GKCCBEBB	BE12055950094292	Belfius bank	Antwerp	Belgium	02-05-1996	0.00	0.00	100%	EUR
Reiskontor Handels, GMBH	IBAN	COBADEFFXXX	DE70200400000621701200	Commerzbank AG	Hamburg	Germany	2001	24,669.30	24,046.02	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Rice&Cereals Consultancy, BV	IBAN	KREDBEBB	BE28 7381 0728 1820	KBC	Sint Kruis	Belgium	not available	70,014.49	58,625.77	100%	EUR
Riceland Magyarorszag	IBAN	CITIHUHX	HU96 10800007 54873009	Citibank	Budapest	Hungary	13-04-2006	411,441.50	228,877.12	100%	HUF
	IBAN	CITIHUHX	HU19 10800007 74873025	Citibank	Budapest	Hungary	26-04-2006	1,369.38	1,369.38	100%	HUF
	IBAN	CITIHUHX	HU09 10800007 64873017	Citibank	Budapest	Hungary	13-04-2006	0.00	0.00	100%	EUR
Risella OY	IBAN	CITIFIHX	FI9571307001700049	Citibank Int. Plc Finland	Helsinki	Finland	23-05-2006	0.00	0.00	100%	EUR
Rivera del Arroz, S.A.	IBAN	BMCEMAMC	011735000001210006O728.51	BMCE Bank	Larache	Morroco	2002	7,633.21	8,385.60	100%	MAD
SBS Commodities, BV	IBAN	ABNANL2A	NL34ABNA0240369440	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	28,535.91	1,335.38	100%	EUR
Suntra Rice BV	IBAN	ABNANL2A	NL56ABNA0240369432	ABN AMRO Bank NV	Amsterdam	The Netherlands	11-03-2010	28,161.57	1,296.52	100%	EUR
S&B Herba Foods, Ltd.	IBAN	CITIGB2L	GB04CITI18500811230026	CITIBANK NA	London	United Kingdom	06-02-2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB06CITI18500811229990	CITIBANK NA	London	United Kingdom	06-06-2012	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB18CITI18500811247913	CITIBANK NA	London	United Kingdom	06-02-2006	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB66BARC20000020118044	BARCLAYS BANK	London	United Kingdom	01-04-1992	32,629.00	31,756.00	100%	GBP
	IBAN	BARCGB22	GB42BARC20000085332255	BARCLAYS BANK	London	United Kingdom	01-10-1998	0.00	0.00	100%	EUR
	IBAN	BARCGB22	GB85BARC20000055842899	BARCLAYS BANK	London	United Kingdom	01-12-1992	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB19BARC20000086447199	BARCLAYS BANK	London	United Kingdom	01-04-1992	0.00	0.00	100%	USD
TAG Nahrungsmittel, GMBH	IBAN	COBADEFFXXX	DE12200400000623705100	Commerzbank	Hamburg	Germany	01-08-2011	9,934.00	4,061.22	100%	EUR
TBA Suntra Beheer B.V.	IBAN	ABNANL2A	NL25ABNA0240369408	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	2,141.40	2,150.94	100%	EUR

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
TBA Suntra B.V.	IBAN	ABNANL2A	NL59ABNA0240369378	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	4,446.03	10,783.71	100%	EUR
	IBAN	ABNANL2A	NL11ABNA0242125360	ABN AMRO Bank NV	Amsterdam	the Netherlands	01-04-2011	5,749.84	5,749.84	100%	USD
	IBAN	CITINL2X	NL62CITI0266064698	CITIBANK NA	Amsterdam	the Netherlands	21-02-2012	0.00	(9,887.00)	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500813090817	CITIBANK NA	London	United Kingdom	21-02-2012	0.00	0.00	100%	USD
Transimpex Warenhandelsgesell-Schaft, GmbH	IBAN	COBADEFFXXX	DE70 5454 0033 0703 0075 00	Commerzbank AG	Ludwigshafen	Germany	01-10-2017	691,626.26	1,222,475.55	100%	EUR
	IBAN	SOLDAES1HDB	DE47 6725 0020 0009 1217 22	Sparkasse	Heidelberg	Germany	01-07-2008	2,904,880.20	1,230,758.15	100%	EUR
	IBAN	COBADEFF545	DE14 5454 0033 0209 9901 00	Comerzbank AG	Ludwigshafen	Germany	01-03-2006	160,963.51	537,136.31	100%	EUR
	IBAN	GENODE61MA2	DE11 6709 0000 0015 1800 05	VR Bank Rhein-Neckar eG	Mannheim	Germany	01-03-1996	1,542,374.76	544,177.75	100%	EUR
	IBAN	HYVEDEMM489	DE40 6702 0190 0007 0683 28	Hypo Vereinsbank	Mannheim	Germany	01-06-1999	1,029,665.81	1,527,540.54	100%	EUR
	IBAN	HYVEDEMMXXX	DE03 7002 0270 0874 3304 42	Hypo Vereinsbank	Mannheim	Germany	01-10-1999	428,038.39 USD	175,410.92 USD	100%	USD
	IBAN	HYVEDEMM489	DE05 6702 0190 0023 0897 69	Hypo Vereinsbank	Mannheim	Germany	01-10-2014	0.00	0.00	100%	USD
Vogan, LTD	IBAN	BARCGB22	GB23BARC20748190929786	BARCLAYS BANK	Sandy	United Kingdom	01-06-1987	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB87BARC20748172495433	BARCLAYS BANK	St Neots	United Kingdom	01-01-2001	0.00	0.00	100%	EUR

MANAGEMENT INFORMATION AND BUSINESS PERFORMANCE

1. Group situation

ORGANISATIONAL 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 company and a globally well positioned producer of premium and fresh pasta, with leadership positions in its operating markets. Through its network of 34 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 characterised by decentralisation, 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. **The premium and fresh pasta business:** includes the production and sale of fresh pasta and high-end dry pasta. The fresh pasta business is carried on by Ebro Premium Foods Group in France and Benelux, the Bertagni Group in multiple markets and the Riviana Group, through the Olivieri brand, in North America. The premium dry pasta business is led by Garofalo (Italy and the rest of the world).

In both businesses, framed by the Group's commitment to using food to promote good health, nearly all of the brands' portfolios include healthy, bio and organic ranges.

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 84 brands which it sells in 71 countries. It has a manufacturing and sales presence in 15 of those markets. In the remaining 55 it has a sales presence only. Its manufacturing operations encompass a total of 75 facilities, including factories, offices and warehouses.

LIST OF COUNTRIES WITH A SALES AND MANUFACTURING PRESENCE

Germany	Denmark	Argentina	Italy
Belgium	Spain	France	Morocco
Cambodia	US	Netherlands	Portugal
Canada	Thailand	India	UK

LIST OF COUNTRIES WITH A SALES PRESENCE ONLY				
Angola	Colombia	Haiti	Libya	Saint Martin
Saudi Arabia	Costa Rica	Hungary	Lithuania	Saint Lucia
Algeria	Curacao	Ireland	Mexico	Singapore
Aruba	Egypt	Iceland	Mozambique	South Africa
Austria	United Arab Emirates	US Virgin Islands	Oman	Sweden
Bahamas	Estonia	Israel	Panama	Switzerland
Bahrain	Finland	Jamaica	Peru	Tortola
Barbados	Gabon	Japan	Puerto Rico	Trinidad and Tobago
Bermuda	Ghana	Jordan	Qatar	Tunisia
Brazil	Greece	Kuwait	Czech Republic	Venezuela
Chile	Guinea	Lebanon	Romania	Yemen

Note 6 of the accompanying annual 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, fresh pasta, premium dry pasta and healthy grains markets and in other cross-cutting segments with convenience in common. 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 organisation'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 organisation and the multiple stakeholders that engage directly and indirectly with it.
- Generating a labour 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 organisation'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 pursues 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, flavours 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 centres. The organisation's investment policy is designed to foster the crystallisation 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 named 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.** Promotion of health through food, specifically by offering a range of healthy, natural and differentiated products that help consumers follow healthy diets and lifestyles, while enjoying what they eat. The R&D Department's work is guided by these aims and the brands' various communication channels focus their messaging on healthy habits and creative ways of eating by means of recipes, blogs and advertising campaigns.
- → **Our planet.** Environmental preservation and minimisation of our environmental impact all along our value chain, paying special attention to mitigating and adapting to the effects of climate change. To that end, the Group fosters, either on its own or together with other stakeholders, a number of sustainable farming programmes in its main source markets and carries out a range of initiatives designed to move the Group towards a circular economy model by ensuring the recyclability of its packaging, the phase-out of plastics and the recovery of waste.

2. Business performance and results

GENERAL BACKDROP

2021 was meant to be the year of economic recovery. The thinking was that the economy would emerge swiftly from the crisis induced by the pandemic on the back of the vaccination drive, which would pave the way for a rebound in spending and the resumption of international travel. And that was so, but only in part, due to the onset of new variants which spelled restrictions all year long, the gradual withdrawal of the expansionary economic policies announced by the various central banks, the bottlenecks caused by the pandemic and the rebound in the consumption of certain goods and services.

Global GDP growth is estimated at 5.5% in 2021, with the developed economies coming in at around that level (US: 5.55%; EU: 5.2%), while the emerging economies posted more vigorous growth. However, the recovery waned in the last few months of the year and the latest growth forecasts put the bulk of the developing economies still at pre-pandemic levels of output.

In parallel, a number of threats in the form of inflationary pressures (affecting commodities and transportation above all) gathered as the year unfolded. In some products prices reached record highs (some metals), with others reaching levels not seen for many years (energy and some foods).

It was originally expected that the inflationary pressures would prove fleeting, dissipating as supply once again caught up with demand in an economy in clear recovery mode. However, the recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, have sparked significant global uncertainty. The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people. The recent onset of the conflict and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it may have on economic growth.

CONSUMER TRENDS

In general, the trends that were glimpsed last year continued, specifically considerable swings in consumption related with the various waves of the virus but also a significant recovery in the hospitality channel, accompanied by a drop in meals eaten at home and a recovery in sales of higher value-added products. Consumption normalised as the year unfolded.

Some of the changes in consumer dynamics accelerated by the pandemic remain with us, including the step change in online shopping, which is generating new consumption experiences at home and away from home and at-home food delivery opportunities for the best-known restaurant brands. In tandem the pandemic has consolidated the importance of neighbourhood supermarkets for physical shopping.

The general trends pivot around:

Personalisation 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. Ethics are also increasingly driving purchase decisions.

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 personalisation.

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 neighbourhood 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 virtual players such as Amazon and the emergence of new players in the retail market driven by the latest trends in consumption and the use of technology.

d. New ways of cooking and eating (ordering in, vending machines, snacking instead of sitting down to eat, etc.).

The return of normality is driving growth in eating out, with the food service channel registering a healthy recovery, having had to navigate a very difficult period during the pandemic and associated lockdowns. The resurgence of the hospitality industry is shaping a drop in business in the traditional retail channel but also a return to higher value-added solutions. As people return to work, home meals are decreasing and convenience solutions are making a comeback. The brands with strong recognition will lead this change.

All these 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 budgets are moving online and now account for more than 50% of the Group's campaigns.

Online advertising is characterised by its agility and constant consumer listening throughout product development and launch, compressing those timeframes and enabling faster responses. Lastly, the commitment to end-to-end sustainability is fundamental: Convenience + Health + Sustainability are the drivers of innovation.

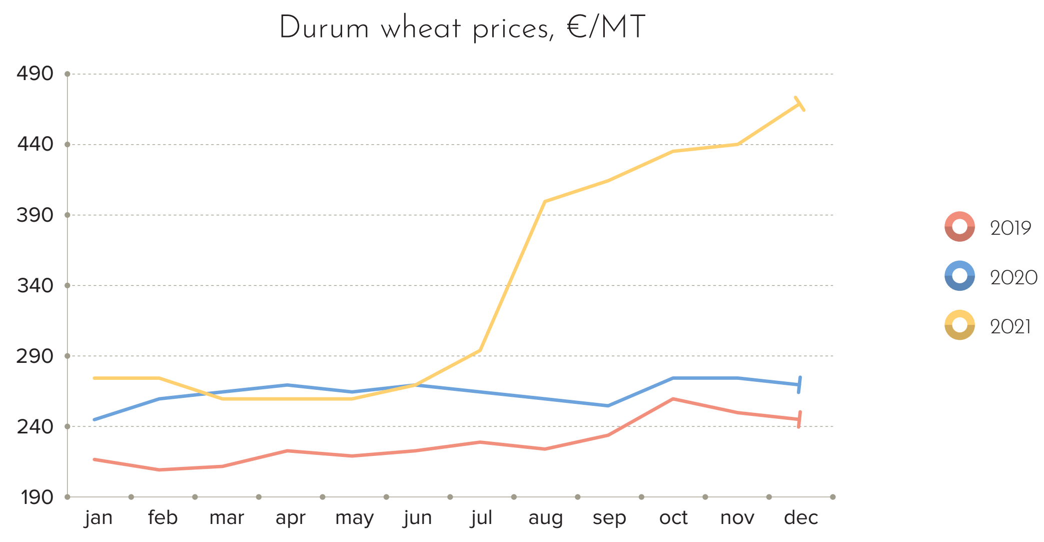
COMMODITY MARKETS

Sharp growth in demand for goods and services in the wake of the recovery and certain bottlenecks in logistics and goods production were the main drivers of the headline inflation observed in 2021, which affected energy and metal prices in particular.

The run-up in energy prices was gradual, marked by an increase in the price of a barrel of Brent oil of approximately $20 and very pronounced increases in gas and coal prices. Metals had been on the rise since the last quarter of 2020 and remained at high levels. Some, such as brass, aluminium and steel, reached record levels or levels not seen for more a decade.

As for farm products, prices increased by 23% on average (World Bank), fuelled by growing demand and higher energy, transport and fertiliser prices. The increase in transport costs, particularly shipping costs, was particularly noteworthy (more information below).

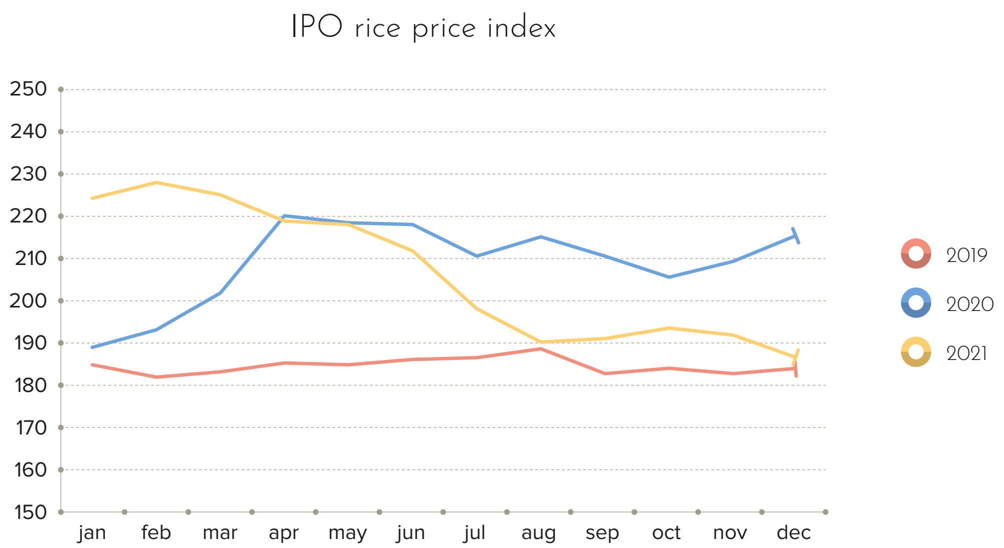
Durum wheat prices surged after the summer with the arrival of the new harvest, marked by drought and grain quality issues in the main producer markets. Since then, prices have been on the rise and are not expected to come back down until the new harvest allows for growth in stock availability.



SOURCE: Terre,net and Ebro data

The 20/21 rice harvest was again strong. According to data published by the Food and Agriculture Organisation (FAO), production was an estimated 515 million tonnes of white rice equivalent, marking slight growth from the previous harvest. The forecast for 21/22 is for a similar harvest in volume terms, coupled with high carryover stocks.

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.



Farm gate prices declined during the first half of the year other than in the odd place due to weather phenomena (hurricanes in the US, drought in California and southern Spain). However, manufacturers were nevertheless faced with higher landed raw material costs on account of the run-up in transport prices, which proved a tremendous challenge for the supply chain, with some source markets proving uncompetitive, at least at prevailing shipping prices, as detailed next.

TRANSPORT

As indicated in our description of the Group's business model, the grain used by the Group as raw material is often grown in regions far away from where it is transformed and consumed. The finished product has to cover a shorter distance to make it to the end consumer but those logistics are marked by multiple destinations and high frequencies, another factor of relevance when it comes to setting prices and margins.

As a result, transport price volatility can have a significant impact on the business. The inflation in transport prices in 2021 affected ground, air and maritime transportation alike.

Road transportation sustained widespread price increases as a result of the increase in oil prices and a shortage of drivers, in turn caused by: a) tighter regulation of driver hours; b) the scant incentives on offer to these professionals (who earn better money running short intercity or inter-province routes); and c) geopolitical issues such as Brexit. Those higher costs had a direct impact on the landed cost of finished products.

Shipping is key in our industry, as carriers are used to transport dry grain in bulk, while speciality rice and lower volume loads are shipped in containers. The pandemic triggered an abrupt slump in global demand coupled with tremendous uncertainty about the outlook for international trade. The pandemic itself and the related lockdowns drove major growth in online consumption and a change in the types of products in demand (prioritising health products sourced primarily from the Far East). Faced by that situation, the shipping supply chain adapted, modifying routes, taking containers out of circulation and freezing the potential release and/or expansion of tanker capacity.

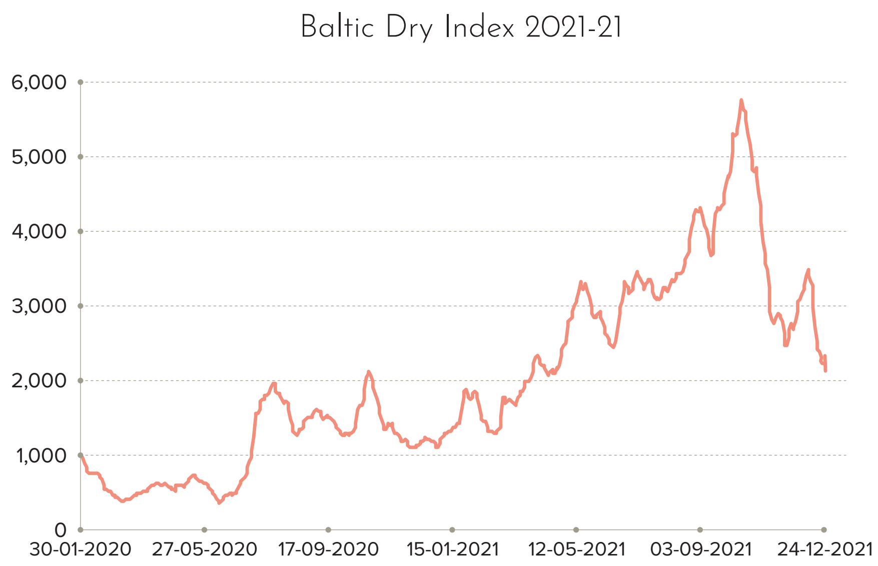
When the economy came back to life, demand for and supply of shipping capacity had decoupled, initially affecting container carriers and the Asian routes but gradually affecting other types of vessels and, as they mopped up surplus demand, other routes. The recovery also ushered in growth in consumption and in the import of goods, tightening the logistics chain even further.

Meanwhile the supply side continued to stutter:

- Anti-COVID measures caused congestion in ports and stowage, a situation exacerbated by the temporary closure of Chinese ports.
- Operating restrictions meant that significant numbers of containers ships faced unloading delays, in turn prompting fresh gridlock and delays in the ports.
- Uncertainty pushed back fleet renewal decisions. And as the stock of vessels aged, maintenance expenses went up.
- Environmental legislation is also exerting pressure on vessel supply (the Ocean Shipping Reform Act in the US and new international regulations for cutting carbon footprints).

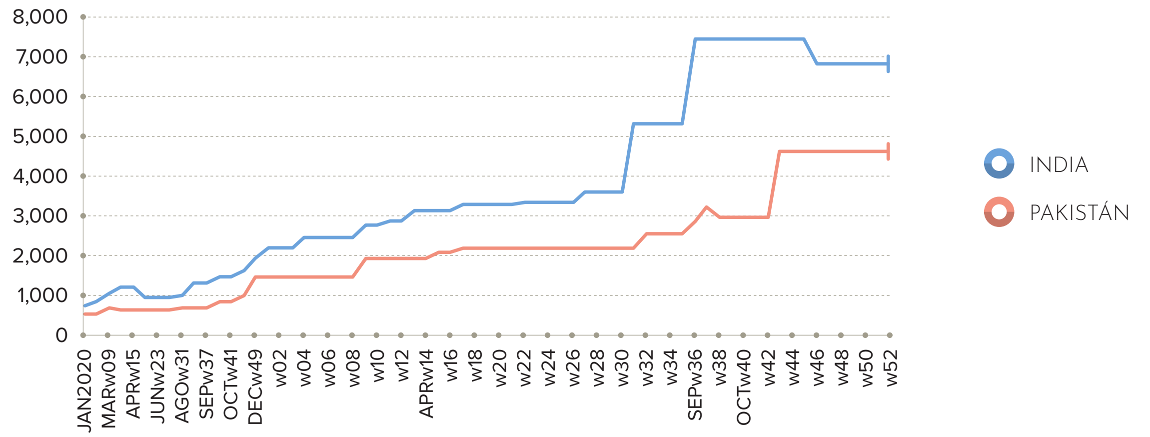
On top of all that: (i) insurance prices rose globally in 2020; (ii) the raw materials used in ship-building went up in price; and (iii) fuel prices increased.

As a result, from the last third of 2020 shipping costs started to surge. The indices tracking contracts for bulk dry goods carriers and freight ships (such as Baltic Dry Index, the Shanghai Containerised Freight Index, the World Container Index and the Harper Petersen Index) indicate that the prices of those contracts have surged by between 500% and 700% since the first quarter of 2020, with an enormous impact on the landed prices of commodities such as rice in routes originating in Asia with destination to Europe or North America.



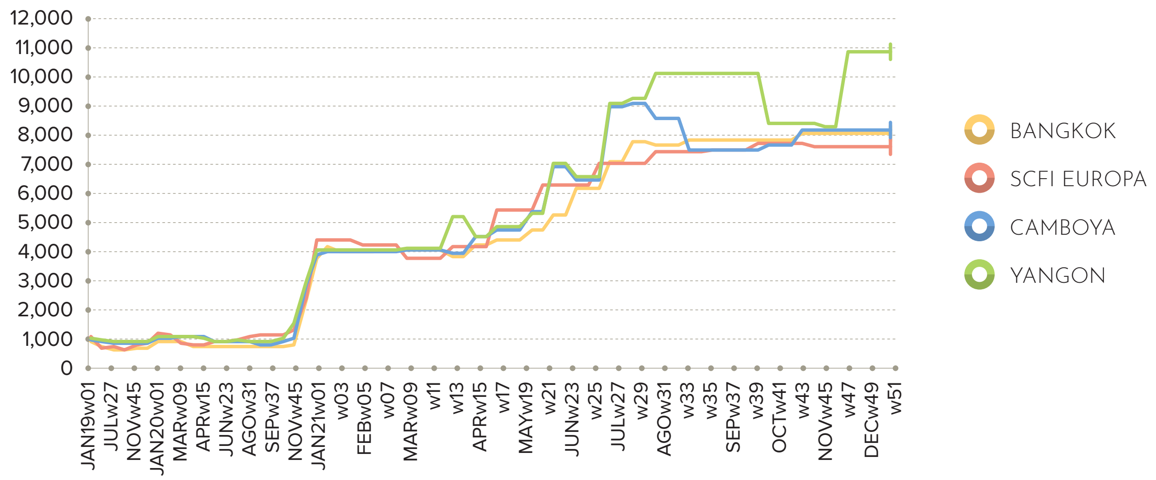
In the case of the container carriers typically used to transport this type of merchandise, on top of the huge increase in prices, a new risk emerged: that of contract breaches as carriers looked to more lucrative contracts for the shipping of other products or to different destinations, making regular container carriage non-viable in many cases.

Cost of a container to Amsterdam in US$



Fuente: The Ebro Foods Group

Cost of a container to Amsterdam in US$



Fuente: The Ebro Foods Group

To safeguard its supply chain and reduce costs, the Group rolled out alternative logistics solutions. Specifically, it chartered full dry bulk carriers and filled them with mixed loads for a number of European destinations. The shipping of higher raw material volumes increases the risk of inventory impairment and product losses in transit, in addition to increasing logistics and storage costs by adding complexity to the supply chain. To mitigate those risks, the Group intensified the supervision and management of the logistics chain implied by chartering full tankers and further stepped up at-source testing.

By the end of the year, it looked as if the market would little by little find a new equilibrium and that prices would start to normalise but recent events in Ukraine have once again clouded the outlook for the short term.

COVID-19

As mentioned in the section addressing the economic environment, the global economy has been profoundly affected by the COVID-19 pandemic. Most developed economies approved extraordinary urgent measures to combat the economic and social effects of COVID-19 which little by little have been scaled back.

Although it is probable that the pandemic will continue to affect the economy in the short term, the expectation is that its influence on the recovery will diminish thanks to (i) a very advanced vaccination effort (especially in the developed economies and, little by little, in other countries thanks to vaccine donation schemes and falling vaccine costs due to the emergence of new options); (ii) the gradual lifting of mobility restrictions; and (iii) economic stimulus measures.

At the start of the second half of 2021, it looked as if things were truly returning to normal when a new 'wave' of transmission fuelled by new variants of the virus once again stymied the recovery process. Nevertheless, full normalisation is anticipated over the course of 2022.

The Group is taking the steps required to tackle the situation and minimize its impact. It believes that the situation is circumstantial. So far there have been no material adverse effects on the Group's financial situation, performance or cash flows although there have been collateral effects related with the pandemic such as the ramifications on shipping costs.

GROUP EARNINGS PERFORMANCE

The Group's key financial indicators are presented below:

PROFIT AND LOSS

	2019	2020	*2020/2019*	2021	*2021/2020*	CAGR 2021-2019
Revenue	2,095,245	2,430,310	*16.0%*	2,427,068	*(0.1%)*	***7.6%***
Advertising	(58,962)	(67,408)	*(14.3%)*	(75,474)	*12.0%*	***13.1%***
As a % of revenue	*(2.8%)*	*(2.8%)*	*(14.3%)*	*(3.1%)*		
EBITDA-A	251,365	305,132	*21.4%*	301,860	*(1.1%)*	***9.6%***
As a % of revenue	*12.0%*	*12.6%*		*12.4%*		
EBIT-A	170,461	211,711	*24.2%*	207,295	*(2.1%)*	***10.3%***
As a % of revenue	*8.1%*	*8.7%*		*8.5%*		
Profit before tax	145,471	159,869	*9.9%*	198,731	*24.3%*	***16.9%***
As a % of revenue	*6.9%*	*6.6%*		*8.2%*		
Income tax	(47,400)	(42,642)	*10.0%*	(53,512)	*25.5%*	***6.3%***
As a % of revenue	*(2.3%)*	*(1.8%)*		*(2.2%)*		
Profit for the year from continuing operations	98,071	117,227	*19.5%*	145,219	*23.9%*	***21.7%***
As a % of revenue	*4.7%*	*4.8%*		*6.0%*		
Profit after tax for from discontinued operations	52,217	89,424	*71.3%*	105,027	*17.4%*	***41.8%***
As a % of revenue	*2.5%*	*3.7%*		*4.3%*		
Profit attributable to equity holders of parent	141,752	192,415	*35.7%*	238,629	*24.0%*	***29.7%***
As a % of revenue	*6.8%*	*7.9%*		*9.8%*		

STATEMENT OF FINANCIAL POSITION

	12-31-19	12-31-20	*2020/2019*	12-31-21	*2021/2020*
Equity	2,262,203	1,927,351	*(14.8%)*	2,101,627	*9.0%*
Net debt	999,849	950,757	*4.9%*	504,723	*46.9%*
Average net debt	871,658	917,574	*(5.3%)*	865,418	*5.7%*
Leverage (3)	38.5%	47.6%		41.2%	
TOTAL ASSETS	**4,381,004**	**4,035,662**	***(7.9%)***	**3,938,622**	***(2.4%)***

	12-31-19	12-31-20	*2020/2019*	12-31-21	*2021/2020*
Average working capital	643,139	642,535	*0.1%*	662,058	*(3.0%)*
Average capital employed	2,080,166	2,183,209	*(5.0%)*	2,060,319	*5.6%*
ROCE-A **(1)**	8.2	9.7		10.1	
Capex **(2)**	148,705	117,602	*(20.9%)*	120,035	*2.1%*
Average headcount	7,522	7,664	*1.9%*	6,440	*(16.0%)*

(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 On average, 15 million euros corresponds to activities that were discontinued

(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

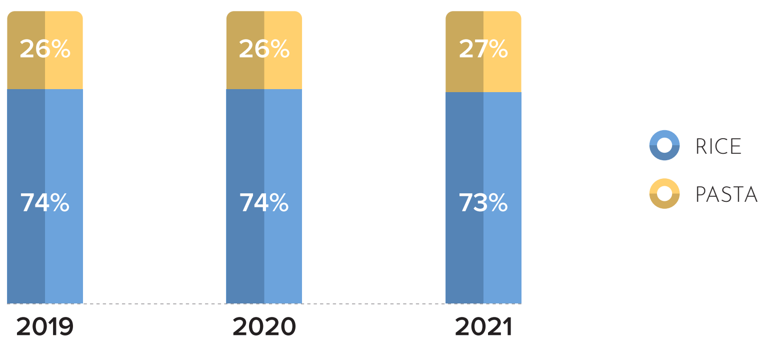
The Group's earnings, specifically those from discontinued activities, reflect the sale of the dry pasta assets in the US, Canada and France, as described in detail in notes 5 and 25 of the accompanying consolidated financial statements.

In keeping with the International Financial Reporting Standards, the results of the dry pasta businesses in North America and France until their sales closed and the net gain recognized on those disposals have been presented within discontinued activities on the consolidated statement of profit or loss for the current and prior reporting periods. The information provided in this management report reflects that circumstance, unless expressly stated otherwise.

Group **revenue** decreased by 0.1% from 2020, implying average annual growth over the last three years of 8%. Sales volumes declined in 2021 and movements in average exchange rates had a negative impact on revenue, offset nearly entirely by: (i) sales of Kohinoor products, a brand acquired in April 2021 (approximately 21 million euros of revenue): (ii) price increases introduced during the second half of the year to offset the increases in raw material, auxiliary material, energy and transport prices; and (iii) an improvement in the product mix as consumption patterns normalised, driving a rebound in the sale of more value-added products (growth in sales of convenience cups of 10%). The drop in volumes is attributable to the normalisation of consumption patterns once the hoarding phenomenon dissipated.

The breakdown of revenue and the year-on-year trend by business line is as follows:

Business segments



Following the Group's exit from the dry pasta businesses in North America and France, the weight of the rice business stands at around 75% of the total (like-for-like figures, i.e., with the North American and French dry pasta businesses classified as discontinued businesses in both reporting periods), with the pasta business registering slight growth in 2021 thanks to the fresh pasta segment. Approximately one-third of revenue was generated in North America.

EBITDA-A decreased by 1.1% in 2021 (however, accumulated annual average growth remains at 9.6%) and the margin declined slightly year-on-year. EBITDA-A, at 301.9 million euros, includes 2 million euros of negative exchange rate effects.

Profitability remained in line with that of 2020, which was extraordinary, and clearly above that of 2019, having surmounted the difficulties posed by the significant inflationary spiral which impacted the cost of energy, transport, raw material (especially durum wheat) and basic auxiliary materials (plastic, paper and pallets).

In order to defend its margins, the Group put a huge effort into the management of its supply chain, modifying transport methods in some instances, looking for alternative sources of supply in order to keep its products competitive, implementing a productivity improvement plan and supporting the leading brands and value-added products (which translated into a substantial increase in the advertising investment once the worst of the pandemic was over).

Profit before tax increased by 24.3% due to the 35 million euros of impairment losses recognized against the goodwill allocated to the fresh pasta business in Canada in 2020 (refer to note 15 of the accompanying consolidated financial statements).

Profit after tax from discontinued operations includes the net profit of the activities classified as discontinued and the gains recognized on the sale of the dry pasta businesses in North America and France and of the Bio business, as explained in the accompanying consolidated financial statements.

ROCE-A (not restated) remained in line with that of prior years.

STATEMENT OF FINANCIAL POSITION, NET DEBT AND CAPITAL EMPLOYED METRICS

The movements in debt and capital employed (for the definitions, refer to the end of the management report) are mainly attributable to:

a. The reduction in capex in recent years. The figures presented include the attributable to the discontinued operations which averaged 15 million euros in each of the last two years.
b. The impact of the trend in the USD-EUR exchange rate on the balances of the subsidiaries denominated in that currency.
c. The significant increase in the working capital requirement in recent years, most notably at the end of 2021.
d. The sale in 2020 and 2021 of the dry pasta businesses in the US and France and the payment of extraordinary dividends (298.5 million euros in 2020 and 87 million euros in 2021).

In order to properly understand the Group's working capital requirement and how it is funded, it is important to analyse 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). Note that neither these APMs nor the ROCE have been corrected retrospectively for the Group's exit from certain business segments.

RICE BUSINESS

PROFIT AND LOSS

(000€)	2019	2020	*2020/2019*	2021	*2021/2020*	CAGR 2021-2019
Revenue	1,592,464	1,846,799	*16.0%*	1,810,570	*(2.0%)*	**6.6%**
Advertising	(33,785)	(37,534)	*(11.1%)*	(39,952)	*6.4%*	**8.7%**
As a % of revenue	*(2.1%)*	*(2.0%)*		*(2.2%)*		
EBITDA-A	195,465	238,123	*21.8%*	231,650	*(2.7%)*	**8.9%**
As a % of revenue	*12.3%*	*12.9%*		*12.8%*		
EBIT-A	146,131	180,719	*23.7%*	173,057	*(4.2%)*	**8.8%**
As a % of revenue	*9.2%*	*9.8%*		*9.6%*		
Capex	75,160	69,345	*(7.7%)*	74,246	*7.1%*	**(0.6%)**

As noted, raw material prices increased, mainly due to the increase in the cost of shipping from Southeast Asia (India, Vietnam, Thailand, Myanmar) from where landed cost prices increased by between six and seven times, giving other source markets stronger bargaining power. Those issues overshadowed a strong global harvest, with the odd exception on account of meteorological phenomena such as Hurricane Nicholas in the southern US and endemic drought in the south of Spain, which has reduced planted acreage in the Guadalquivir basin by 50%.

Prices for the US harvest increased on the back of a smaller sown area in long-grain planting areas and the effects of the terrible drought affecting California, where medium-grain rice predominates.

PRECIOS CAMPAÑA EEUU

$/CWT	21/22 (*)	20/21	19/20	18/19	17/18
Average price	15.7	14.4	13.6	12.6	12.9
Long grain	13.5	12.6	12	10.8	11.5
Medium grain	22.1	20.1	17.8	18.5	16.2

(*) Estimate

Revenue decreased slightly (-2.0%) albeit showing average growth since 2020 (when the Tilda Group was consolidated for the full year for the first time) of 6.6%. The beginning of normalisation in consumption patterns has reorganised the market, with growth in sectors related with the hospitality and food service sectors in tandem with a contraction in traditional retail. The value-added segments registered growth, having been penalised in 2020.

Revenue during the last third of the year was buoyed by the price increases announced to address the inflation situation; those announcements also drove a degree of stock-piling ahead of the increases. The Group initially increased prices selectively in its aromatic variants and others affected in particular by the increase in shipping costs and then, in the last quarter, it announced general price increases as inflation began to spiral.

As noted, the microwaveable rice formats registered renewed growth, having been adversely affected in 2020 by the lockdowns and growth in meals at home. In Spain, for example, sales volumes in this product family increased by 16%, with the Brillante brand sustaining growth of over 20% and the other brands lagging behind at around 8%.

In the US, where this product class had suffered less on account of the average consumer profile, microwaveable rice products defended their share of a contracting market (-7.3% in volumes). To cater to that growth, during the last quarter of 2021, the Group commissioned its new factory in San José de la Rinconada, with capacity to produce up to 100 million microwaveable cups a year once it is at full capacity.

EBITDA-A decreased by 2.7% from 2020, in line with the topline contraction, including negative exchange rate effects of 2.3 million euros. Margins were largely flat year-on-year, as the effect of lower volumes was largely offset by a more profitable sales mix. The Group managed to absorb the growth in costs thanks to a combination of productivity measures, a shift in the product mix and price increases.

It is worth highlighting the positive contribution made by the frozen rice business in the US, which, having reached breakeven volumes, increased its contribution more than tenfold.

The Tilda Group, added to the Group mid- 2019, continues to lead growth in the value-added aromatic rice range despite the fact that basmati rice was one of the variants affected by the most by the increase in shipping costs and the final throes of Brexit.

The business's higher contribution to EBITDA-A was concentrated, in order, in the US, UK, Spain and the rest of the EU, although the weight of developing markets is growing.

Capex remained at high levels, framed by the strategic commitment to higher growth business lines (microwaveable rice in the US and Spain) and productivity gains (packaging, storage and logistics).

PASTA BUSINESS

PROFIT AND LOSS

(000€)	2019	2020	2020/2019	2021	2021/2020	CAGR 2021-2019
Revenue	567,646	666,072	*17.3%*	671,879	*0.9%*	***8.8%***
Advertising	(27,786)	(31,234)	*(12.4%)*	(37,018)	*18.5%*	***15.4%***
As a % of revenue	*(4.9%)*	*(4.7%)*		*(5.5%)*		
EBITDA-A	67,854	81,302	*19.8%*	84,856	*4.4%*	***11.8%***
As a % of revenue	*12.0%*	*12.2%*		*12.6%*		
EBIT-A	37,783	46,803	*23.9%*	50,477	*7.8%*	***15.6%***
As a % of revenue	*6.7%*	*7.0%*		*7.5%*		
Capex	71,772	47,474	*(33.9%)*	45,266	*(4.7%)*	***(20.6%)***

The biggest development this year was the exit from the dry pasta business in North America and France, as described in notes 5 and 25 of the accompanying consolidated financial statements. That decision is aligned with the Group's leadership strategy and decision to concentrate its efforts on products that offer high growth potential such as premium dry pasta and fresh pasta products with leading brands in the respective markets. 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 growth from the summer when the Canadian and US harvests shrank on the back of drought problems, while the European durum wheat harvest was of poorer quality. Canada, the world's largest producer, saw its production fall by 60%, and global output declined by around 10%.

In 2021 **revenue** increased by 0.9%, driven by growth in the fresh pasta business which, like other value-added products, had been penalised by the pandemic (consumers initially sought out staple goods and simplified their supermarket shops).

By market:

a. In France, the fresh pasta market registered growth of 3.4% in volume terms and the Group's brands increased their market share to 47.9% (Nielsen 52-week tracker). The pan-fry gnocchi range, in which the Group commands a clear leadership position, remains one of the fastest-growing segments.

b. Bertagni, after an extraordinary 2020, extended its growth (+7%), posting revenue of 133 million euros, consolidating its product and customer portfolio, which includes the most important retail chains in Europe and North America.

c. In Canada the market registered growth of 6.5% in volume terms and 6.8% in value terms, which, while considerable, is the lowest level in five years, during which time the market really exploded. Olivieri increased its leadership with a market share of over 58% in value terms (Nielsen 52-week tracker) thanks to the successful launch of its pan-fry gnocchi range (volumes have tripled in four years), following in the footsteps of the Group's French subsidiary.

d. Garofalo was affected by the contraction of the dry pasta market once the worst of the pandemic was over. The overall Italian dry pasta market contracted by 7.9%. Nevertheless, Garofalo's performance was excellent: it increased its share (by volume) of the Italian premium pasta segment to 6.1% from 5.9% (Nielsen 52-week tracker). In Spain it is the leading Italian pasta brand and a benchmark in the premium segment.

EBITDA-A decreased by 4.4% due, basically, to a weaker performance at Garofalo, where volumes fell back and margins suffered from the surge in durum wheat prices and the additional cost of shipping raw materials and finished products (Costco USA is one of its main customers).

The profitability of the French fresh pasta business increased by 11%, driven by volume growth despite the above-mentioned issues caused by the higher cost of durum wheat and other auxiliary materials. Roland Monterrat's contribution clearly improved but remained negative.

Bertagni repeated last year's record level of profits, deemed a major success in light of the market circumstances. Its exports were seriously affected by the increase in container shipping costs from the first quarter of the year and the widespread increase in the cost of auxiliary materials from mid-year. It rolled out a project in collaboration with Garofalo for the production of fresh pasta under the Bertagni brand which the Group thinks has tremendous potential.

The contribution of the fresh pasta business in Canada continues its upward ascent, spearheaded by the performance of the pan-fry gnocchi segment, where sales continued to grow and whose contribution outweighs the rest of the product categories.

Capex (not restated; of which an annual average of 15 million euros corresponds to activities discontinued in the last two years) was relatively stable and concentrated on capacity additions at the Garofalo and fresh pasta factories.

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 crystallised 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 accompanying consolidated financial statements.

INVESTMENTS / DISPOSALS

Acquisition-led growth (asset and business acquisitions)

The Group has not closed any significant acquisitions since it purchased the worldwide Tilda business for 292 million euros in 2019.

The most significant disposals concluded in 2021 were the sales of the dry pasta businesses in North America and France. The US assets were sold for 337.5 million US dollars, the Canadian assets for 165 million Canadian dollars and the French dry pasta business for 550 million euros, the latter subject to debt and working capital adjustments.

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€)
2019	148,705
2020	117,600
2021	120,035

Of that amount, an annual average of 15 million euros corresponds to the businesses discontinued in recent years.

FINANCIAL POSITION

Borrowings have come down sharply thanks to the disposals concluded in the last two years, despite the payment of extraordinary dividends in the amounts of 298.5 and 87.7 million euros in 2020 and 2021, respectively.

NET DEBT

(000€)	2019	2020	*2020/2019*	2021	*2021/2020*
Equity	2,262,203	1,927,351	*(14.8%)*	2,101,627	***9.0%***
Net debt	999,849	950,757	*(4.9%)*	504,723	***(46.9%)***
Average net debt	871,658	917,574	*5.3%*	865,418	***(5.7%)***
Leverage	44.2%	49.3%	*11.6%*	24.0%	***(51.3%)***
Leverage (average net debt) **(1)**	38.5%	47.6%	*23.6%*	41.2%	***(13.5%)***
EBITDA-A	251,365	305,132	*21.4%*	301,860	***(1.1%)***
Coverage	3.98		*3.12*		***1.67***

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

Note that 197 million euros of borrowings at December 31, 2021 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€)	2019	2020	*2020/2019*	2021	*2021/2020*
Cash from operating activities	250,458	369,863	*47.7%*	17,483	*(95.3%)*
Cash from/(used in) investing activities	(356,692)	104,998	*(129.4)%*	609,712	*480.7%*
Cash used in share-based transactions	(99,187)	(398,019)	*301.3%*	(186,337)	*(53.2%)*
FREE CASH FLOW	**(205,421)**	**76,842**		**440,858**	

Cash from operating activities declined in 2021 as a result of: (i) an increased working capital requirement on the back of the sharp increase in raw material prices; (ii) the increasing in shipping costs; and (iii) the payment of taxes in connection with the discontinued businesses sold.

The other major movements correspond to:

- Investing activities. The movement in capex (as already outlined above). In 2019, those outflows included payment for the acquisition of Tilda. Proceeds from investing activities in 2020 and 2021 included the collection of the proceeds from the sales of the North American and French dry pasta businesses.
- Share-based transactions. Distribution of dividends, including that paid to minority shareholders. In 2020 and 2021, dividend payments included the extraordinary dividends outlined above.

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 materialises in a standardised 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 Organisations 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, prioritising 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 materialised during the reporting period can be found in the Annual Corporate Governance Report which is an integral part of this management report.

In 2021, the Group continued to pay particular attention to the risks related with the pandemic induced by COVID-19 as well as all aspects related with the supply chain, particularly shipping and the preservation of food safety.

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 programmes 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: (i) reaching agreements from season to season with some of the leading raw material suppliers (of rice and wheat durum); and (ii) opening 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, transport and energy.

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. Supply chain management from purchase to receipt of the merchandise. Enabling the changes needed in market sources and means of transport to ensure quality and on-time deliveries.

d. The Group also attempts to reduce the number of intermediaries in the markets for local or exotic varieties, compressing the value chain.

e. 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 favourable 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.** The exponential growth in internet access exposes enterprises and users to attacks of different kinds: identify theft, malware, website attacks, zero-day attacks etc. The Group has 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 programmes (back-ups, use of the cloud, shared information, etc.).

The Ebro Group's cybersecurity policy is based on several pillars that are fundamental to ensuring system security: (i) end device security (user devices and servers); (ii) identity security; (iii) network access perimeter security; and (iv) data security. For each pillar the Ebro Group has market-leading tools and procedures underpinned by best risk minimisation practices.

In September 2021, the Group suffered a ransomware attack at one of its subsidiaries which triggered the rollout of a package of extraordinary measures designed to ring-fence the attack, limit the possible damage, investigate the scope of the attack and repair potential damage to servers and other user hardware. The Group believes that the damage has been limited and its in-house experts and the outside specialists hired to assist it believe that the ransomware incident will not have consequences for its operations or reputation.

In the wake of that attack, the Group has reinforced its perimeter security measures, especially at the most significant facilities, and defined and implemented advanced security systems.

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, minimising 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). Its potential strategic impacts include: (i) potential changes in consumer habits; and (ii) the need to make specific investments to mitigate the impact of climate change.

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.

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 rationalise 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.

Management of this risk factor takes the form of measures designed to lead the various product categories or market segments:

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 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 crystallising in a negative perception of the Group, its brands or its products by customers, shareholders, suppliers, market analysts, the social media or other stakeholders with a potential adverse effect on the Group's ability to maintain its customary relations (commercial, financial, labour, 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 organisation 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.

- **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), as do risks from potential geopolitical crises such as that currently playing out in Ukraine and the international response thereto.

- **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 transactions above certain thresholds to 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 by: (i) working on selecting trustworthy suppliers that will be asked to embrace sustainability criteria; (ii) championing educational drives to encourage farmers to search for natural alternatives to these chemical products; and (iii) reinforcing at-source product controls.

- **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 monetise 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 accompanying consolidated financial statements.

5. Events after the reporting period

The recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, are causing significant global uncertainty.

The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The recent onset of the conflict and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it may have on the businesses of the Group.

The situation is already affecting the availability and prices of certain commodities (those in which Russia is a leading global producer and exporter, such as wheat and sunflower oil), energy prices and exchange rates. However, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Parent's directors believe that the current situation and its consequences are not and should not have a material impact on the Group, underpinned primarily by the following considerations:

- The Group has no subsidiaries, branches or operations in the region affected by the armed conflict. The Group does not have (and has not had in the recent past) factories, customers or suppliers in Ukraine or Russia.
- Neither Russia nor Ukraine are or have been sources of wheat supply for the Group which, moreover, has downsized its dry pasta business significantly in 2021 and 2020 (note 5 of the accompanying consolidated financial statements).

  As a result, its exposure to the potential impact of inflation in that commodity and its different variants is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia could have on the prices of wheat sourced from other markets).
- With respect to the global economic impact, the types of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other adverse effects on its supply and distribution channels.
- As for energy costs, the measures announced by the European Union and other countries with the aim of (i) reducing dependence on oil and gas sourced from Russia; and (ii) mitigating the effect of the conflict on energy costs, should mean that those potential increases will not have a significant impact on the Group's businesses.

In light of the foregoing, the Parent's directors believe that these events do not imply the need to make any adjustments whatsoever to the accompanying consolidated financial statements for the year ended December 31, 2021.

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

6. Group outlook

Last year this section started out with the words, "recovery" and "uncertainty". One year later the narrative hasn't changed. Just as the crisis induced by the pandemic looked to be finally passing, leaving behind an inflationary trail that was undermining the recovery, a new crisis erupted onto the scene on February 24, 2022, when the Russian Federation invaded Ukraine.

As outlined in the section on Events after the reporting period above, the Group believes that although the impact of the crisis on its business should be limited it does generate uncertainty.

Rice prices are holding relatively stable, with the FAO price index ticking up 1% in February 2022 but still clearly lower year-on-year. On the downside it is worth underscoring: (i) the threat of dollar appreciation (the currency in which international contracts are closed); (ii) the persistence of shipping prices at record levels (showing no signs of a correction in the near future); and (iii) the problems derived from the droughts being sustained in the south of Spain and California, which are beginning to look structural.

As for durum wheat, the prospect of a stronger harvest in Canada should alleviate prices from the summer. Moreover, contagion from the situation in Ukraine and Russia (two major exporters of common wheat) is limited by the fact that the two crops are only substitutes to a degree.

On the sales side of the business, the key issue is the extent to which the prevailing uncertainty and widespread inflation will weigh on consumption. If the cycle changes, the number of meals eaten out and product mix could suffer.

The Group makes and sells products that cover basic needs so that, even if the economy were to suffer a downturn, the impact on the Group's business would likely be limited. Nevertheless, the Group will monitor developments closely to assess whether it is necessary to fine-tune its promotional activities or investments.

Profitability could be influenced by swings in the dollar exchange rate, a currency that acts as a safe haven in times of uncertainty. The Group has continued to arrange hedges to cover its currency needs in the coming months to mitigate that situation. Elsewhere, around 35% of the Group's inflows of cash are generated in dollars such that dollar appreciation increases the value of that business.

RICE BUSINESS

The goal is to expand in the growth categories: aromatic rice, ingredients and ready-to-eat products. In Europe, we expect to finish work on the new microwaveable rice factory in San José de la Rinconada which is already in the testing phase. At full throttle, capacity will increase to 100 million cups a year.

The Group plans to lead the categories that are growing while maintaining: (i) its position in the core business; (ii) service quality; (iii) the customer experience; and (iv) supply chain continuity in times of high uncertainty and volatility.

Lastly, given the widespread increase in costs, the Group has increased prices in most SKUs, a move which, together with other productivity measures, should help buffer the impact of inflation on margins.

PASTA BUSINESS

The main objectives in this business are:

→ Concentrating growth on the fresh product and premium dry pasta segments. We need to focus on our business.

→ Defending our products' profitability. As in the rice segment, we have implemented widespread price increases. We will pay close attention to trends in value-added products to watch for potential changes in consumption patterns.

→ Stepping up investment in this category in the near future, an effort that will unlock growth via new volumes and innovation.

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 accompanying 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 2021.

In total, R&D expenditure in continuing operations totaled 3.1 million euros in 2021 (1.8 million euros of which funded internally and 1.3 million euros, externally).

Investment in R&D totaled 24.3 million in 2021 and mostly corresponded to payments made during the year to improve processes at the instant rice factory in the US, to finish the new microwaveable cup factory in San José de Rinconada and to develop new filled fresh pasta and gnocchi processes in France and Italy.

The Group has articulated its R&D engine around research centres located in France, the US, the Netherlands, Italy and Spain. These centres and their main projects in 2021 were:

1. The R&D centre located in Lyon. Research focused on the development of fresh pasta, gnocchi, rice, pulse and other grain categories. In 2021 it worked on (i) new production processes and product quality improvements; (ii) productivity gains; and (iii) range extensions.
2. Bertagni R&D Centre in Arcugnano. Work continued in 2021 on the development of the double-filling technology patented by Bertagni; expansion of the ravioli range and formats; and the development of new technology designed to further reduce food safety risks during production.
3. United States. The US Research Department focuses on developing new (and adapting existing) products, processes and technologies in the US. In 2021 its work focused on (i) developing a broad range of microwavable cup products adapted for US uses and customs; (ii) developing a new range of instant rice mixes with vegetables; (iii) developing and adapting heating processes; and (iv) testing products and assessing raw materials.
4. Centres 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 (i) the development of new and/or improved product and technologies; (ii) the provision of technical assistance with rice and derivative product technology; and (iii) the development of ingredients with cereal or pulse bases. The most important projects under development include: (i) the development of value added protein substitutes for meat; (ii) the development of transformed rice flours and starches that permit alternative treatments and uses; (iii) research into new uses for grains and cereals; and (iv) process optimisation and productivity gains.

9. Own share transactions

In 2021, 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 July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2021, under the scope of the employee share plan, it bought back 37,000 shares, sold 828 and delivered 36,172 own shares to employees. The Company did not hold any own shares at December 31, 2021.

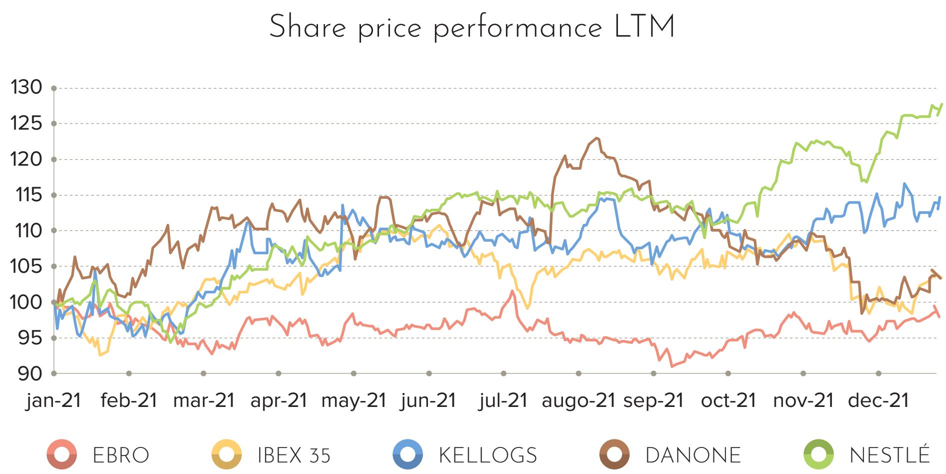
10. Other relevant disclosures

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 27.3 days in 2021 and 23 in 2020. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

	2021	2020
Days		
Average supplier payment term	27.3	23.0
Paid transactions ratio	29.0	22.5
Outstanding transactions ratio	13.8	35.5
Amount (000€)		
Total payments made	400,673	369,824
Total payments outstanding	55,093	15,090

SHARE PRICE PERFORMANCE



The share price ended the year flat, underperforming the market and its sector peers that had been hit hard by the crisis and whose share prices rebounded sharply after the economy reopened and began to recover.

DIVIDEND DISTRIBUTIONS

The Parent's shareholders ratified the motion to pay an ordinary cash dividend with a charge against 2020 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2021 for a total outlay of 87,703 thousand euros, at the Annual General Meeting held on 20 June 2021. The dividend was paid out in three equal instalments of 0.19 euros per share on April 6, June 30, and October 1, 2021.

At an Extraordinary General Meeting held on December 15, 2021, the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 0.57 euros per share (before withholdings), for a total outlay of 87,703 thousand euros. That dividend was paid out in one go on December 22, 2021.

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 management 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:

	2019	2020	*2020/2019*	2021	*2021/2020*
EBITDA-A	**251,365**	**305,132**	**53,767**	**301,860**	**(3,272)**
Depreciation and amortization	(100,025)	(93,421)	6,604	(94,565)	(1,144)
EBIT-A	**151,340**	**211,711**	**60,371**	**207,295**	**(4,416)**
Non-recurring income	9,077	4,746	(4,331)	9,454	4,708
Non-recurring expenses	(24,527)	(10,924)	13,603	(13,691)	(2,767)
OPERATING PROFIT	**135,890**	**205,533**	**69,643**	**203,058**	**(2,475)**

EBIT-A. Adjusted EBIT, calculated by subtracting depreciation and amortization from EBITDA-A.

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.

	12-31-19	12-31-20	12-31-21
(+) Non-current financial liabilities	826,725	570,267	598,509
(+) Other current financial liabilities	424,967	591,759	445,916
(+) Available-for-sale financial liabilities	0	113	0
(+) Loans to associates	0	(1,122)	(1,122)
(-) Deposits payable	(97)	(782)	(84)
(-) Cash and cash equivalents	(252,072)	(210,486)	(539,239)
(-) Derivatives – assets	(714)	(1,611)	(527)
(+) Derivatives – liabilities	1,040	2,732	1,270
TOTAL NET DEBT	**999,849**	**950,870**	**504,723**

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 consolidated statement of cash flows

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-A.

NON-FINANCIAL STATEMENT

Contents

Annexes

EBRO FOODS, S.A.
About this report

This report (the "**Report**") contains the Non-Financial Statement 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
2021

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 (see Annex 1), except the company Indo European Foods Limited, a rice business specialising in basmati rice, which was purchased in April 2021 and will be included in the Consolidated Group's Non-Financial Statement as from 2022.

The energy consumption of five of the eleven offices leased by the Ebro Group are also excluded, as we do not have consistent quantitative data. The tenants of those offices are: Ebro Foods (Granada), Herba Ricemills Romania (Bucharest), Riceland (Hungary), La Loma Alimentos (Buenos Aires, Argentina) and two of Tilda (India and Dubai). The global consumption by all eleven offices represents less than 1% of the group's total energy consumption.

CHANGES IN THE REPORTING PERIMETER
During 2020 and 2021, the Group pulled out of the dry pasta businesses in the United States, Canada and France, through the following divestments:

1. On 28/10/2020, the company reported the agreement reached with the Barilla Group to sell its "Catelli" dry pasta business in Canada, with the brands Catelli®, Lancia® and Splendor® and the Montreal plant (Quebec) for CAD 165 million. This divestment was concluded on 29/01/2021.
2. On 5/11/2020, the 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®, Creamette®, Prince®, Light'n Fluffy®, Mrs Weiss®, New Mill®, P&R®, American Beauty®, San Giorgio®, No Yolks® and Wacky Mac® and the St. Louis plant. The transaction was concluded on 11/12/2020 for USD 242.5 million.

3. On 26/03/2021, Ebro announced an agreement reached with 8th Avenue Foods & Provisions Inc for the sale of the dry pasta brand Ronzoni® and the Winchester plant (Virginia). The transaction was valued at USD 95 million and was concluded on 1/06/2021.
4. On 26/07/2021, the Group informed of the agreement reached with CVC Capital Partners (www.cvc.com) for exclusive negotiation of the sale of Panzani®, the brand for dry pasta, couscous, sauces and semolina. The transaction encompassed: 1) the brands Panzani®, Ferrero®, Regia®, Zakia® and Le Renard®, and 2) all the operating assets (including plants and mills) related with those brands. The transaction was valued at EUR 550 million and concluded on 31/12/2021.

The conclusion of these transactions closes a cycle and marks a new era in the consolidation of the Group. Consequently, with a view to facilitating comparison of the information in the Non-Financial Statement between this year and subsequent years, all the non-financial indicators referring to the businesses in which we divested in 2020 and 2021 have been excluded. Accordingly, all the indicators presented in the Non-Financial Statement 2020 have been recalculated herein.

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

The Ebro Foods Group is the leading food group in Spain, global leader in the rice sector and has a prominent global position in the categories of premium and fresh pasta, leader in the countries in which it operates. Through a network of 34 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 an adequate business for each country, taking account of its specific idiosyncrasies, culture, laws, etc. 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:

a. 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, Southern Cone and South-East Asia through companies in the Herba Group, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.

b. Pasta: This includes the production and marketing of premium dry pasta and fresh pasta. The fresh pasta business is conducted through the Ebro Premium Food Group in France and Benelux, the Bertagni Group in a large number of countries and the Riviana Group with the Olivieri brand in North America. The business in the premium dry pasta segment is conducted through Garofalo (Italy and rest of world).

In both businesses, in keeping with the Group's undertaking to promote healthy eating, practically all our brands include a range of products in the health, bio and organic categories.

Global Presence

The Ebro Group operates through a portfolio of 84 brands in 71 countries, with industrial and commercial facilities in 16 of them. In the remaining 55 countries, we only engage in commercial activity. Our industrial park comprises some 75 sites, including production plants, offices and warehouses.

LIST OF COUNTRIES WITH COMMERCIAL AND INDUSTRIAL PRESENCE			
Germany	Canada	France	Morocco
Argentina	Denmark	Netherlands	Portugal
Belgium	Spain	India	UK
Cambodia	USA	Italy	Thailand

LIST OF COUNTRIES WITH ONLY COMMERCIAL PRESENCE				
Angola	Colombia	Haiti	Libya	Saint Martin
Saudi Arabia	Costa Rica	Hungary	Lithuania	Saint Lucia
Algeria	Curaçao	Ireland	Mexico	Singapore
Aruba	Egypt	Iceland	Mozambique	South Africa
Austria	United Arab Emirates	US Virgin Islands	Oman	Sweden
Bahamas	Estonia	Israel	Panama	Switzerland
Bahrein	Finland	Jamaica	Peru	Tortola
Barbados	Gabon	Japan	Puerto Rico	Trinidad & Tobago
Bermuda	Ghana	Jordan	Qatar	Tunisia
Brazil	Greece	Kuwait	Czech Republic	Venezuela
Chile	Guinea	Lebanon	Romania	Yemen

Financial metrics

In 2021, the Group's net turnover was more or less on a par with the previous year, at EUR 2,427.1 million. Our Adjusted EBITDA was EUR 301.8 million, 1.07% less than in 2020. Net profit grew 24% year on year to EUR 238.6 million, while net debt was reduced by EUR 446 million to EUR 504.7 million.

The company had a market capitalisation at 31 December 2021 of EUR 2,597.2 million.

Environment and trends

2021 was to have been the year of economic recovery. We were expected to pull rapidly out of the crisis caused by the pandemic thanks to the vaccinations, but in the end that swift recovery has only been partial, as the new strains of the disease brought further partial restrictions throughout the year.

At the same time, new threats appeared during 2021 in the form of strong inflationary pressure, especially in commodities, energy and transport. In the food sector prices reached record levels. A priori this pressure was expected to be temporary, but the recent events in Ukraine following the military invasion by the Russian Federation on 24 February 2022 are creating global uncertainty. The international community reacted immediately and many countries (including the European Union and the United States) have decided to impose sanctions on Russia. Since this conflict is still very recent and has clear geopolitical implications, it is not yet possible to make reliable estimates of the potential impact that the conflict itself and the international response to it might have on economic growth.

On the whole, the consumer trends observed in 2020 continued throughout 2021: significant oscillations in consumption in correlation with the different waves of the virus; a progressive recovery of the HORECA channel as meals at home were slowly reduced; upswing in the consumption of value added products. Consumption gradually returned more towards normal over the year.

The changes in certain consumption patterns that were accelerated by the pandemic have continued, with an extraordinary growth in online shopping, generating new consumer experiences at home and outside, with food delivery service opportunities for the best known catering brands and consolidation of the consumer preference for local supermarkets for their in-person shopping.

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. An ethical base is created in respect of what is consumed.
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, and appearance of other new players in the distribution market along with the new consumer trends and the use of technology.
d. New ways of cooking or consuming food (by order, through vending machines, snacks as meal substitutes, etc.).

The return to a certain degree of normality has led to a resurgence in eating out, as channels such as Food Service have started to grow again after struggling with difficulties during the pandemic and lockdowns. This return to hospitality venues goes hand-in-hand with a reduction of the traditional retail channel, but at the same time a return to value added solutions. As people return to work outside the home, the number of meals at home is falling and convenience food has picked up. The well-known brands are leading this trend.

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 variety 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: Convenience + Health + Sustainability are the drivers of innovation.

Strategy and value creation

The Group's strategy focuses on becoming a major player in the rice, fresh pasta, premium dry pasta and healthy grains markets, and in other cross categories within the 'convenience' segment. Within that strategy, the Group has the following goals:

- Reach a global position in our relevant markets, open to the incorporation of related products.
- Consolidate our status as a benchmark business group in our different business areas, leading in markets where the Group finds potential.
- 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, minimising and mitigating not only economic risks, including tax risks, but also 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 company and the large groups of agents directly and indirectly related with it.
- 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 the processes, activities and decisions of our company 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.

TO ACHIEVE THE STRATEGIC GOALS SET FOR GROWTH AND SUSTAINABLE LEADERSHIP AND ENSURE THAT WE COMPLY WITH OUR PRINCIPLES OF CONDUCT, THE GROUP APPLIES THE FOLLOWING GUIDELINES:

- → Search for organic and inorganic growth in countries with high levels of consumption and/or high growth potential.
  - Move into new territories or categories, paying special attention to new fresh products and new ranges of ingredients with greater value added.
  - Develop products that offer a complete culinary experience, extending our catalogue with new formats, flavours and ready-to-serve meals.
  - Achieve leadership in mature markets, opting for differentiation based on product quality. Expand and lead the premium category by developing the enormous potential of our flagship brands.
  - 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 or markets with considerable potential for growth.
- → Differentiation and innovation, investing in two aspects to enhance our product range:
  - Research, development (R&D) and innovation through our own 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 the Sustainability Plan 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. The driving of initiatives that foster social and economic progress and help to reduce inequality in the communities in which we operate.
- **Health and well-being.** The promotion of health through food, offering natural, healthy, differentiated food products that help consumers maintain a healthy diet and lifestyle and provide pleasure. The R&D and innovation department works with these premises and the different communication channels of our brands focus their message on encouraging healthy eating habits and creative ways of eating through recipes, blogs and advertising campaigns.
- **Our planet.** The preservation and minimising of our environmental impact throughout the entire value chain, paying special attention to mitigating and adapting to the effects of climate change. With this in mind, either individually or jointly with other stakeholders, the Group promotes sustainable agriculture programmes in our main sourcing areas and develops different initiatives aimed at securing the Group's transition towards a circular economy, such as recycling packaging materials, replacing plastics and reusing and recycling waste.

Definition of the 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.

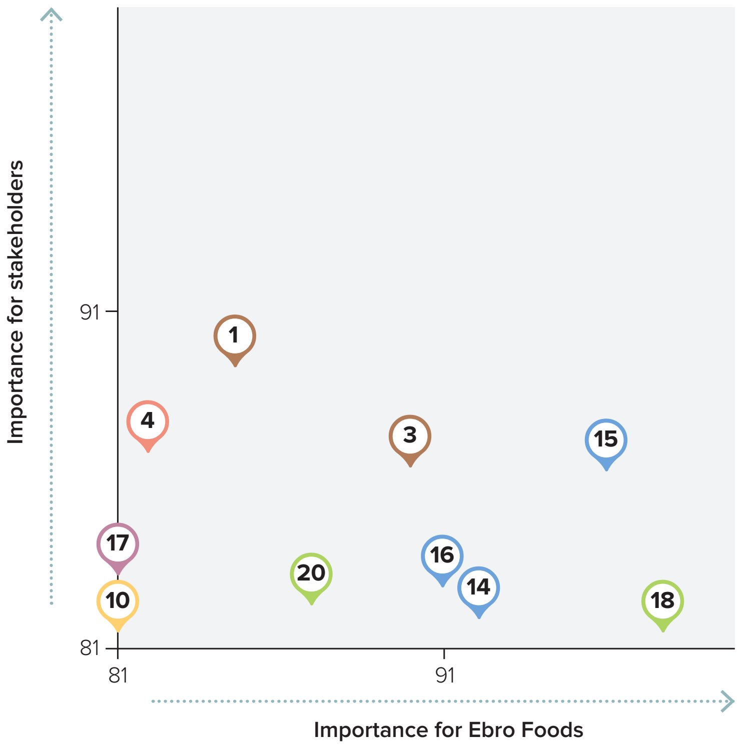
In this context, the Ebro Group views Corporate Social Responsibility (CSR) as the creation of a sustainable business model, which, as well as contributing value, profitability and competitiveness, contributes towards the progress of society, generates trust among our stakeholders and leads to the creation 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 damageby 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

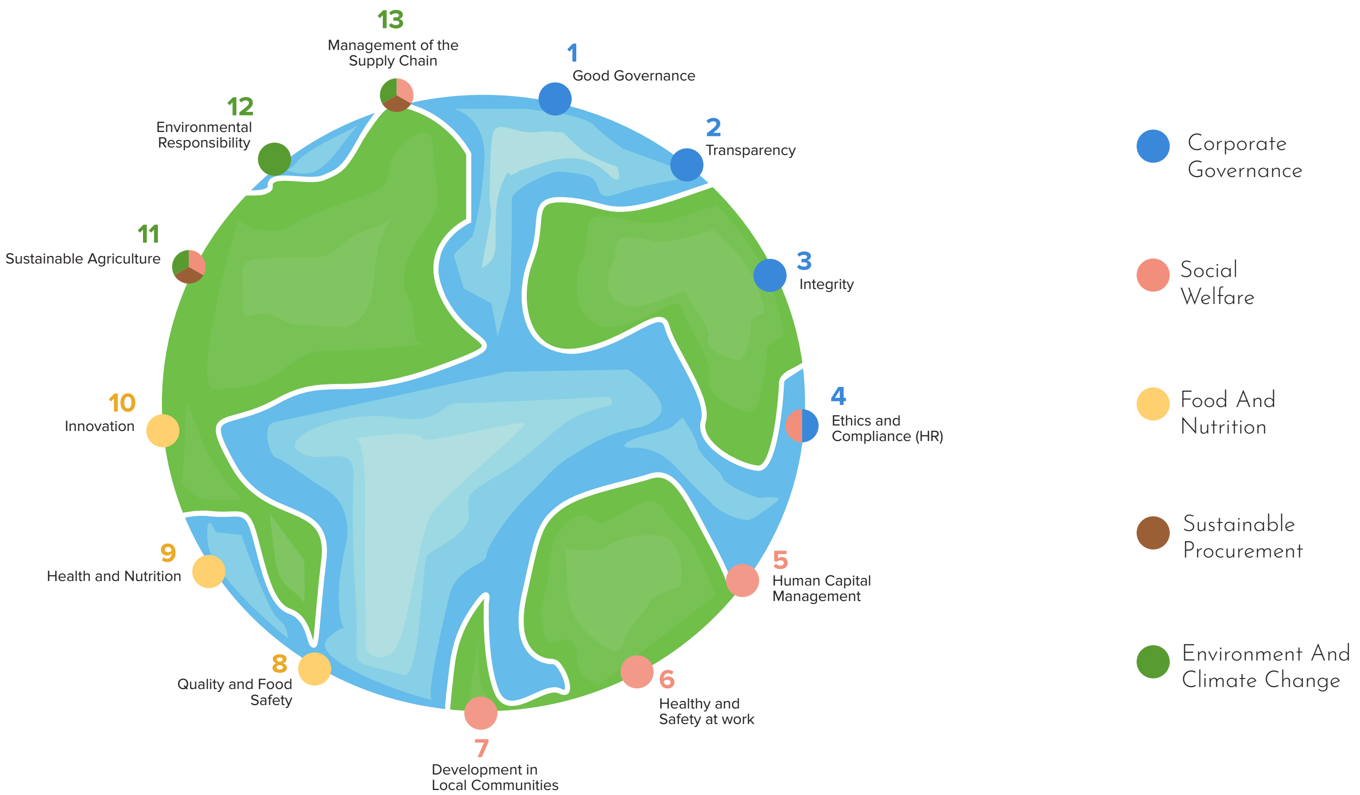
Since the end of 2021 we have been updating our materiality to the new proposed standard GRI101. We aim not only to measure the expectations of Ebro Foods' priority stakeholders, but also to find out what matters are currently having a greater impact on the Group. Based on the results obtained, we will study the social and economic impact of the Ebro Group, which will enable us to quantify the principal externalities of the Group's corporate activity. We expect to complete this project within the first half of 2022.

Working areas in CSR and Sustainability

The Group has identified five strategic focal points: **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.

CSR Model



To make these 13 priorities effective, our Global Sustainability Plan (GSP) HEADING FOR 2030 ["HEADING FOR 2030"] lays down the guidelines and action plans that the Ebro Group will implement up to 2030 to grow sustainably, complying with the stipulations established in the regulatory framework of the EU and the different countries in which we operate, meeting the demands and expectations of our stakeholders, contributing towards achievement of the 2030 Agenda and minimising 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 guarantee 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 and the society at large, the Plan focuses on supplying a broad array of safe, healthy products, overseeing the quality and food safety of those products and actively promoting healthy eating habits and lifestyles.

A specific microsite has been set up as an information and monitoring tool for the Plan, on the domain caringforyouandtheplanet.com, the Group's motto in CSR and Sustainability.

Taxonomy of the European Union

With a view to reorienting capital flows towards more sustainable activities, meeting the EU 2030 framework for climate and energy and achieving the goals of the European Green Deal, on 22 June 2020 the EU published Regulation (EU) 2020/852, known as the Taxonomy Regulation.

The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

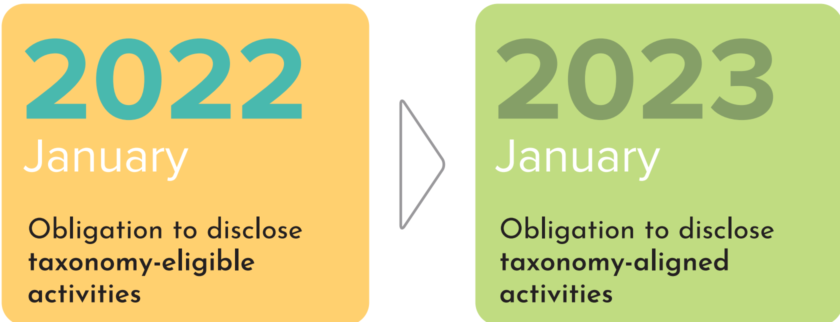
The Regulation also establishes the four conditions that must be met by an economic activity to qualify as environmentally sustainable:

1. It must contribute substantially to one or more of the six environmental objectives.
2. It must not significantly harm any of the other environmental objectives.
3. It must be carried out in compliance with the minimum (social) safeguards laid down in Article 18 of the Taxonomy Regulation.
4. It must comply with technical screening criteria that have been established by the Commission through specific delegated acts.

Accordingly, a first delegated act was passed on 21 April 2021 on sustainable activities for climate change adaptation and climate change mitigation. The delegated regulation was formally adopted on 4 June 2021 (Commission Delegated Regulation (EU) 2021/2139). A second delegated act will be published in 2022 for the remaining objectives.

On 6 July 2021, the European Commission adopted the delegated act (2021/2178) specifying the contents, methodology and presentation of the information to be disclosed by financial and non-financial undertakings.

APPLICATION OF THE TAXONOMY IN EBRO FOODS
The Taxonomy Regulation stipulates that undertakings subject to the Non-Financial Reporting Directive (NFRD) are obliged to disclose how their business activities align with the Taxonomy according to the following calendar:



In line with this directive, during 2021 the Social Responsibility, Sustainability and Finance departments of Ebro Foods, as parent of the Group, analysed the current alignment between the environmental actions promoted by the companies in the Ebro Group and the taxonomy-eligible activities contemplated in the current Taxonomy framework, and the financial details associated with those environmental actions.

The outcome of that analysis is set out below:

1. For the time being, the EU Taxonomy has only developed the economic activities corresponding to two environmental objectives: i) climate change mitigation and ii) climate change adaptation, which do not so far cover the entire range of activities undertaken by the companies. In this regard, the economic activities performed by the companies of the Ebro Group, classified within the EU Statistical Classification of Economic Activities (NACE) C1061 (manufacture of grain mill products), C1073 (manufacture of pastas) and C1085 (manufacture of prepared meals and dishes), are not included within the framework of taxonomy-eligible activities.

2. The environmental actions taken by the Ebro Group in the area of climate change mitigation and adaptation: (i) are included among the environmental sustainability objectives of the company, and (ii) are not environmentally sustainable economic activities as they do not have associated revenue, they have negligible OpEx and CapEx, close to zero, and they do not substantially contribute towards the two environmental objectives of the Taxonomy defined so far.
3. Although they do not meet the conditions for qualifying as taxonomy-eligible activities, some of the Group companies launched autonomous energy consumption actions during 2021 that could be classified within group *"4.2.4 production of heat/cold from bioenergy"*. The consumption of biomass as a renewable energy source represents 1.94% of the Group's Scope 1 energy consumption and 1.51% of its total energy consumption.

The EU is expected to publish the delegated acts corresponding to the other four environmental objectives of the Taxonomy during 2022. The Group will then study whether they contemplate any eligible activities associated with its business activities and, if so, it will put in place the necessary reporting procedures.

Alignment of the model with the Sustainable Development Goals (SDGs)

All the actions taken by the Ebro Group within its Social Responsibility and Sustainability framework are related directly or indirectly with the 17 SDGs, but we have identified the ones to which we make the greatest contribution according to our business activities.

So based on our Sustainability Plan HEADING FOR 2030, we have defined the following priority SDGs: 1 (No poverty), 2 (Zero hunger), 8 (Decent work and economic growth), 10 (Reduced inequalities), 12 (Responsible consumption and production), 13 (Climate action) and 17 (Partnerships for the goals).

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/**
MARCAS WASTE WARRIOR	Waste Warrior Brands **https://toogoodtogo.es/es**

Regulatory framework

In order to define the general guidelines of the Group and its associates, the Group is governed by the following policies and principles of conduct approved by its Board of Directors:

1. Code of Conduct of the Ebro Group
2. Supplier Code of Conduct
3. Sustainability, Environment and Corporate Social Responsibility Policy
4. Social Policy
5. Risk Control and Management Policy
6. Corporate Governance Policy
7. Corruption and Bribery Policy
8. Internal Code of Market Conduct
9. Policy for the Selection and Diversity of Directors
10. Senior Executive Remuneration Policy
11. Dividend Policy
12. Investment and Financing Policy
13. Treasury Stock Policy
14. Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors
15. Policy on Communication of Financial, Non-Financial and Corporate Information

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.

During 2021, we have obtained the following external accolades:

1. Inclusion in the *Standard Ethics Spanix Index*
2. Inclusion in the *IBEX Gender Equality Index for promotion* of gender equality
3. Inclusion in the *Refinitiv Diversity and Inclusion Index 2021* as one of the 100 most diverse and inclusive companies in the world.

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. 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 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 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.

   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, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), 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.

3. **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 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/).

Due Diligence

With the aim of underpinning our commitment to human rights, in 2020 the Ebro Foods Group began 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.

A draft Due Diligence Questionnaire was prepared, which would 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 aim was to debate the contents of the questionnaire within the Group Global Sustainability Working Party with a view to having a final document to be implemented in the second quarter of 2021. This process has finally been delayed, pending publication of the Proposal for a *Corporate Sustainability Due Diligence Directive* of the European Union, scheduled for 2021 but finally published on 23 February 2022. We will, therefore, readdress the process this year, in the light of the contents of that Proposal and the future *Environmental and Human Rights Due Diligence Act* in Spain, with the maximum guarantees of compliance.

In this context, regardless of the specific human rights training provided in some of our subsidiaries, the parent company has scheduled an ad hoc training plan for the different subsidiaries, due to commence in 2022 and end in 2024.

TRAINING ON HUMAN RIGHTS POLICIES AND PROCEDURES GIVEN DURING THE YEAR

Specific human rights training was given during the year in the following companies:

	2021				2020			
COMPANY	NO. EMPLOYEES WHO RECEIVED TRAINING	NO. HOURS	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES	NO. EMPLOYEES WHO RECEIVED TRAINING	NO. HOURS	TOTAL EMPLOYEES	% OF TOTAL EMPLOYEES
Ebro India	85	170	175	48.57%	21	84	162	12.96%
Herba Bangkok	198	594	198	100.00%	75	3	220	34.09%
Herba Cambodia	10	30	12	83.33%	1	3	6	16.67%
La Loma Alimentos	8	8	145	5.52%	---	---	---	---
Transimpex	75	150	75	100.00%	66	1	69	95.65%

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.

In this context, no human rights grievances were reported in any of the Group companies in 2021.

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

16 audits were made at Group workplaces during 2021.

COMPANY	COUNTRY	WORKPLACE	DATE	TYPE OF AUDIT	AUDITORS
Bertagni 1882	Italy	Arcugnano	10-01-2021	SMETA	Intertek Italy
			02-05-2021	ERSA	
		Avio	10-01-2021	SMETA	
			02-11-2021	ERSA	
Ebro India	India	Taraori	03-12-2021	SMETA	SGS ASIA
			09-13-2021		
La Loma Alimentos	Argentina	Los Charrúas	07-29-2021	SMETA	Intertek Argentina Uruguay and Paraguay
		Chajari	07-31-2021		
Neofarms Bio	Argentina	Oficina Concordia	07-30-2021	SMETA	Intertek Argentina Uruguay and Paraguay
Pastificio Lucio Garofalo	Italy	Gragnano	01-13-2021	SA8000	DNV
Riviana Foods USA	USA	Freeport TX	11-16-2021	SMETA	Intertek-United-States
S&B Herba Foods	UK	Fulbourn Mill (Cambridge)	03-11-2021	SMETA	Bureau Veritas Certification
			06-02-2021		
Herba Bangkok	Thailand	Nong Khae	03-15-2021	BSCI	SGS
Roland Monterrat	France	Feillens	10-01-2021	MSC	SGS
			10-01-2021	ASC	

Audits made on suppliers

27 SMETA audits were made on suppliers during 2021.

COUNTRY	DATE OF AUDIT	AUDITORS
Austria	02-10-2021	Bureau Veritas Certification
Brazil	02-24-2021	SGS Brazil
Germany	09-21-2021	Bureau Veritas Certification
Greece	03-03-2021	Intertek Bulgaria
	03-04-2021	
Italy	06-28-2021	Bureau Veritas Certification
	06-08-2021	SGS Italy
	11-26-2021	ABS Quality Evaluations Inc
	05-31-2021	Bureau Veritas / EMEA
Mexico	03-26-2021	Intertek Mexico
Norway	06-20-2021	DNV
Pakistan	10-06-2021	ALGI Pakistan
	09-16-2021	Elevate
	06-11-2021	Bureau Veritas Certification
Peru	09-12-2021	SIPAS CR-PERU
	07-13-2021	Intertek Peru
Spain	09-29-2021	SGS Spain
	02-25-2021	
	01-19-2021	Intertek Spain
	01-11-2021	
	05-20-2021	
	05-20-2021	
Switzerland	08-12-2021	Bureau Veritas Certification
Thailand	09-24-2021	SGS Thailand
UK	09-01-2021	SGS_UK
	11-01-2021	
USA	03-01-2021	Intertek Peru

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. Along with the revision and updating and with counselling from the same external specialists, the Group has started to design an employee training plan in this area.
- 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. All the employees of Riviana Foods Inc. and Riviana Foods Canada Corporation (jointly "Riviana") receive and are obliged to sign a copy of the Ebro Foods Group Code of Conduct as confirmation of having been informed of the requirements established in that Code and their strict adherence to the principles of the Code that are applicable to the company and its employees under North American laws and regulations. In particular, and in pursuance of the special requirements under local laws, the North American companies have 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. In addition, 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 group of companies formerly headed by Panzani implemented a Code of Conduct throughout 2021 to combat and prevent corruption. 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 in 2020 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 could confidentially report any indication of infringement of the Code of Conduct, with guaranteed protection from reprisals.

  Since the sale on 31 December 2021 of the parent of the French group (Panzani SAS), the new parent of the business in France (Ebro Premium Food SAS) has been implementing its own "Ethical Alert device" and defining its own Code of Conduct, which will be applicable within Ebro Premium Food and its subsidiaries. This work, together with the drawing-up of a corruption risk map for the new French group, will be done this year, in 2022.

In the same context, just as in preceding years, the companies Riviana Foods (USA), Riviana Foods Canada Corporation, Ebro India, Lassie (Netherlands) and Herba Bangkok (Thailand) provided anti-corruption training for their employees in 2021. 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 Geovita and Santa Rita Harinas.

COMPANY	2021 NO. EMPLOYEES	2021 NO. EMPLOYEES RECEIVING TRAINING	2021 % EMPLOYEES RECEIVING TRAINING	2020 NO. EMPLOYEES	2020 NO. EMPLOYEES RECEIVING TRAINING	2020 % EMPLOYEES RECEIVING TRAINING
Ebro India	175	25	14.29%	162	20	12.35%
Ebro Foods Netherland BV (Lassie)	80	27	33.75%	82	14	17.07%
Geovita	101	11	10.89%	---	---	---
Santa Rita Harinas	18	18	100.00%	---	---	---
Herba Bangkok	198	198	100.00%	220	217	98.64%
La Loma Alimentos	116	4	3.45%			
Riviana Foods Canadá	223	223	100.00%	206	206	100.00%
Riviana Foods USA	919	919	100.00%	931	931	100.00%

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.

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€)	2021	2020
Economic value generated		
Net proceeds from operations	536,391	980,256
Sale of assets and businesses	753,926	231,872
Dividends received from third parties	4,350	3,634
	1,294,667	**1,215,762**
Economic value distributed		
Payments to or on behalf of employees	(375,518)	(525,308)
Corporate income tax	(136,510)	(71,463)
Contribution to not-for-profit entities	(2,846)	(5,746)
Interest income/expense	(8,384)	(11,510)
Business acquisitions	(24,063)	(10,106)
CAPEX	(120,035)	(117,600)
Dividends paid (*)	(185,719)	(397,375)
	(853,075)	**(1,139,108)**
Economic value retained	**441,592**	**76,654**

(*) 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 2021, the Ebro Group directly paid EUR 131.2 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 as a result of the sale of the dry pasta assets.

BREAKDOWN OF TAX PAYMENTS (000€)

	2021	2020
Income tax paid	126,164*	47,774

TAXES PAID BY COUNTRY	2021		2020	
	NET IT	OTHER TAXES	NET IT	OTHER TAXES
Spain	(1,801)	408	2,716	438
Rest Europe	44,401	1,731	18,134	4,035
America	82,536	2,977	25,866	1,836
Asia	70	0	419	0
Africa	958	0	639	0
TOTAL	**126,164***	**5,117**	**47,774**	**6,310**

MOST SIGNIFICANT COUNTRIES	NET IT	OTHER TAXES	NET IT	OTHER TAXES
Spain	(1,801)	408	2,716	438
France	17,792	1,582	2,658	3,885
Italy	15,085	149	6,172	150
USA	72,422	2,892	22,506	1,354
UK	7,114	0	5,650	0

* This does not include tax payments corresponding to discontinued operations

PRE-TAX PROFIT, BY COUNTRIES (000€)

	2021	2020
	PRE-TAX PROFIT **	PRE-TAX PROFIT **
Spain	29,888	13,221
Rest Europe	88,115	109,878
America	71,204	29,245
Asia	7,278	6,281
Africa	2,246	1,244
TOTAL	**198,731**	**159,869**

MOST SIGNIFICANT COUNTRIES	2021	2020
	PRE-TAX PROFIT **	PRE-TAX PROFIT **
Spain	29,888	13,221
France	16,215	15,245
Italy	33,120	43,826
USA	72,318	64,989
UK	20,974	24,594

** Pre-tax profit in continuing operations

PUBLIC GRANTS RECEIVED (000€)

	2021	2020
Capital grants received	1,591	5,059
Operating grants received	490	420

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.

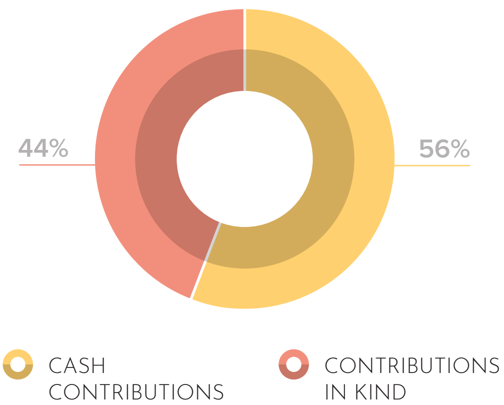
During 2022, the Group has continued making an extra effort to promote different initiatives to help combat the effects of COVID-19. In this context, the company provided further extraordinary funding in a sum of one million euros for the development of programmes in the health, education, employment and mental health areas, and food donations to welfare organisations, resident associations, etc.

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 2.8 million.

SOCIAL ACTION	AMOUNT (EUR)
Food donations subsidiaries	1,246,821
Foundation activities	599,960
COVID-related activities	998,988
TOTAL	**2,845,769**

Types of contributions

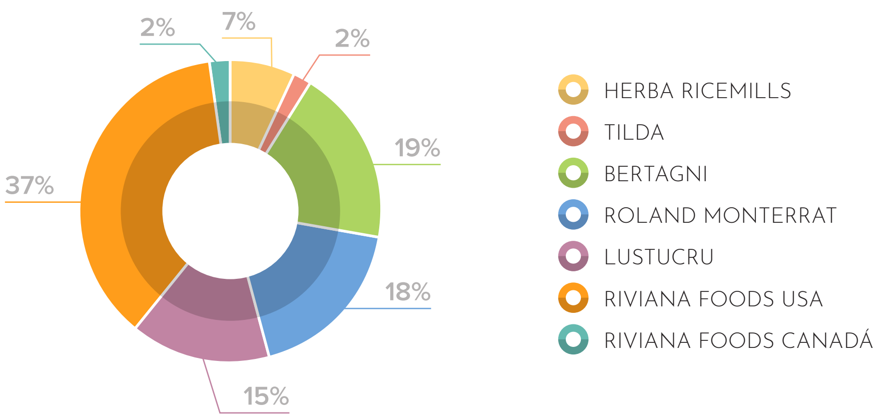


FOOD DONATIONS

During 2021, Group companies in Spain, UK, Italy, France, USA and Canada made food donations for an aggregate value of EUR 1.2 million.

COMPANIES	AMOUNT (EUR)
Bertagni	234,037
Herba Ricemills	87,287
Lustucru	189,043
Monterrat	224,748
Riviana Foods Canadá	28,279
Riviana Foods USA	461,870
Tilda	21,556
TOTAL	**1,246,821**

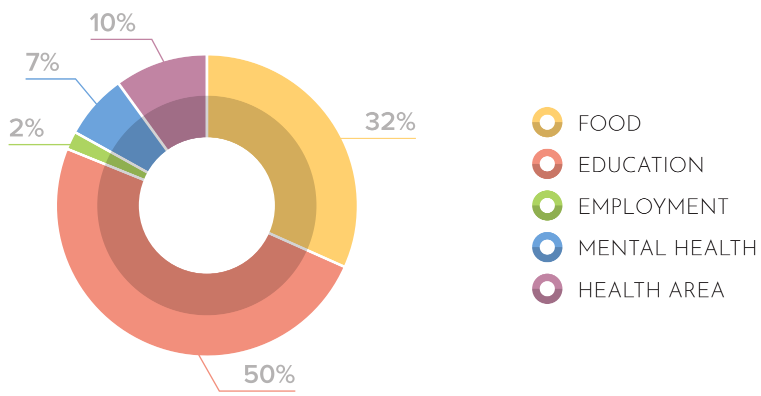
Food donations by geographical areas



DETAILS OF COVID-RELATED ACTIONS

The total amount spent on developing actions to combat the effects of the coronavirus in Spain was EUR 998,988.16, distributed as follows:

Breakdown of actions

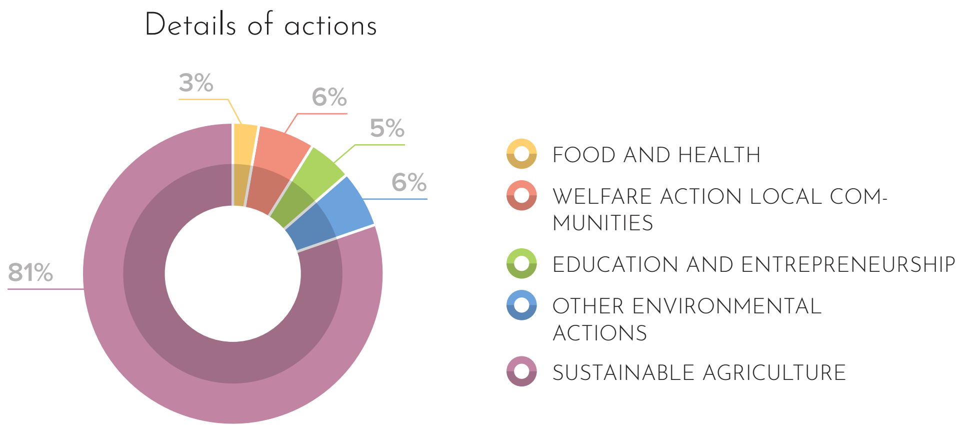


OTHER WELFARE PROGRAMMES

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.



1. Welfare programmes in food 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 2021 was EUR 99,241.29.

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 were developed during 2020 and 2021 in Madrid and Andalucía consisting of the donation of 1,000 laptops to public education centres in each of these regions.

The total investment in this area of action in 2021 was EUR 140,998.52.

3. Environmental sustainability

Environmental conservation is another essential aspect within the work of the Ebro Foundation. The Foundation supports the sustainable agriculture strategy put into practice by the Ebro Group and works on developing and publicising environmental sustainability.

Accordingly, in 2021 it continued promoting EKTA, a programme developed with a view to implementing crop standards that are sustainable from a social and environmental standpoint in India and **set up the FUNDACION EBRO SUSTAINABILITY & ENVIRONMENTAL AWARDS with the aim of bringing out the talent of the Group's professionals in the search for innovative solutions for minimising our environmental impact.**

The investment by the Foundation in this area during 2021 was EUR 173,028.77.

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 local communities

Contributing towards the socio-economic development of the communities in which the Group operates is another important goal within the Ebro Group's commitment to society. Accordingly, through the Foundation it 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 2021, the Foundation allocated EUR 186,691.72 to supporting different entities in Seville, Madrid, Valencia, Argentina, 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.

Scope of the report

Following the divestments in the dry pasta businesses in France and North America during 2020 and 2021, we have recalculated all the 2020 indicators according to the new Group reporting perimeter, in order to enable a correct comparison of these two years.

Management focus

The most valuable asset of the Ebro Group is its **6,374 professionals, of whom 5,306 are employed directly by the company and 1,068 are 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 also include general guidelines regulating company/employee relationships, 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.

During 2021 we continued to focus on protecting our employees' health from the successive waves of COVID, reinforcing all our health and safety protocols, installing protective elements in our workplaces, reorganising shifts in factories to respect the social distancing measures, carrying out virus detection testing and health monitoring, and prioritising home working during the worst phases of the pandemic. Our employees are gradually returning to the office, with all the necessary safety guarantees and different measures to help them balance their work and home life, such as flexible or shorter working hours.

A. Employment

TOTAL NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER

	2021		2020	
	NO. EMPLOYEES	% TOTAL EMPLOYEES	NO. EMPLOYEES	% TOTAL EMPLOYEES
Men	3,695	69.64%	3,624	69.55%
Women	1,611	30.36%	1,587	30.45%
TOTAL EMPLOYEES	**5,306**		**5,211**	

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, 76% of whom are factory employees.*

BREAKDOWN OF EMPLOYEES BY AGE GROUP

AGE GROUP	2021		2020	
	NO. EMPLOYEES	% TOTAL EMPLOYEES	NO. EMPLOYEES	% TOTAL EMPLOYEES
<=30	788	14.85%	830	15.93%
30 - 50	2,781	52.41%	2,694	51.70%
>= 50	1,737	32.74%	1,687	32.37%
TOTAL EMPLOYEES	**5,306**		**5,211**	

BREAKDOWN OF EMPLOYEES BY COUNTRY

COUNTRY	2021		2020	
	NO. EMPLOYEES	% TOTAL EMPLOYEES	NO. EMPLEADOS	% TOTAL EMPLOYEES
Argentina	157	2.96%	125	2.40%
Belgium	217	4.09%	103	1.98%
Cambodia	12	0.23%	6	0.12%
Canada	223	4.20%	206	3.95%
Denmark	53	1.00%	48	0.92%
France	829	15.62%	813	15.60%
Germany	161	3.03%	159	3.05%
Hungary	4	0.08%	5	0.10%
India	175	3.30%	162	3.11%
Italy	744	14.02%	676	12.97%
Morocco	209	3.94%	219	4.20%
Netherlands	81	1.53%	178	3.42%
Portugal	69	1.30%	70	1.34%
Spain	864	16.28%	898	17.23%
Thailand	198	3.73%	220	4.22%
UK	391	7.37%	392	7.52%
USA	919	17.32%	931	17.87%
TOTAL EMPLOYEES	**5,306**		**5,211**	

BREAKDOWN OF EMPLOYEES BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2021		2020	
	NO. EMPLOYEES	% TOTAL EMPLOYEES	NO. EMPLOYEES	% TOTAL EMPLOYEES
Executives	268	5.05%	292	5.60%
Technical staff & middle management	910	17.15%	852	16.35%
Administrative & auxiliary staff	813	15.32%	793	15.22%
Factory employees	3,248	61.21%	3,091	59.32%
Others	67	1.26%	183	3.51%
TOTAL EMPLOYEES	**5,306**		**5,211**	

TOTAL NUMBER OF EMPLOYMENT CONTRACTS AND BREAKDOWN BY TYPE

This table shows the total number of contracts at 31 December 2021:

TYPE OF CONTRACT	2021	2020
Permanent	3,801	3,706
Temporary	376	428
At Will	1,157	1,159
TOTAL NUMBER OF CONTRACTS	**5,334**	**5,293**

ANNUAL AVERAGE CONTRACTS BY GENDER

	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Average permanent contracts	3,463	1,494	4,956	3,335	1,434	4,769
Average temporary contracts	281	127	408	310	147	457
Average part-time contracts	92	107	199	91	119	210

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

	2021			2020		
	<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
Average permanent contracts	693	2,615	1,648	682	2,477	1,609
Average temporary contracts	128	193	87	147	235	76
Average part-time contracts	38	51	110	27	64	118

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 PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2021	2020
Executives	266	296
Technical staff & middle management	900	831
Administrative & auxiliary staff	774	741
Factory employees	2,956	2,808
Others	61	94
AVERAGE PERMANENT CONTRACTS	**4,956**	**4,769**

NB:

(i) *The permanent contracts include the At Will contracts.*

(ii) *This average includes both full-time and part-time permanent contracts.*

PROFESSIONAL CATEGORY	2021	2020
Executives	2	1
Technical staff & middle management	23	23
Administrative & auxiliary staff	63	66
Factory employees	313	264
Others	8	103
AVERAGE TEMPORARY CONTRACTS	**408**	**457**

NB: *This average includes both full-time and part-time temporary contracts.*

PROFESSIONAL CATEGORY	2021	2020
Executives	6	9
Technical staff & middle management	19	28
Administrative & auxiliary staff	61	62
Factory employees	91	92
Others	22	19
AVERAGE PART-TIME CONTRACTS	**199**	**210**

NB: *his average includes both permanent and temporary part-time contracts.*

NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2021							2020						
	MEN			WOMEN			TOTAL	MEN			WOMEN			TOTAL
	<=30	30 - 50	>=50	<=30	30 - 50	>=50		<=30	30 - 50	>=50	<=30	30 - 50	>=50	
Executives	0	2	4	0	0	0	**6**	0	2	1	1	1	3	**8**
Technical staff & middle management	4	5	8	2	3	2	**24**	2	4	7	1	5	2	**21**
Administrative & auxiliary staff	4	3	2	1	4	2	**16**	1	6	2	6	3	0	**18**
Factory employees	43	67	33	20	35	10	**208**	39	49	20	15	17	3	**143**
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EMPLOYEES DISMISSED	**51**	**77**	**47**	**23**	**42**	**14**	**254**	**42**	**61**	**30**	**23**	**26**	**8**	**190**

B. Organisation of work

ORGANISATION OF WORKING TIME

The organisation of working time varies in the different countries in which the Group companies 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 44 and 52, depending on the production facilities.

ABSENTEEISM

The employees of Group companies were absent for a total 419,683 hours in 2021, 4.34% less than in the previous year, when absenteeism totalled 438,729 hours.

These hours of absenteeism 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	
	Medical insurance	Full-time employees
Arrozeiras Mundiarroz	Parental leave	All employees
	Disability/invalidity cover	
	Medical insurance	Full-time employees
Bertagni	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	
	Payment in kind	
	Life insurance	
	Medical insurance	
Boost Nutrition	Parental leave	All employees
	Disability/invalidity cover	
	Life insurance	
	Medical insurance	
Ebro Foods	Parental leave	All employees
	Disability/invalidity cover	
	Reimbursement children's education expenses	
	Reimbursement medical expenses	
Ebro India	Parental leave	All employees
	Pension fund	
	Life insurance	
	Medical insurance	
Garofalo	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Geovita	Food Healthcare Fund	All employees

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Herba Bangkok	Parental leave	All employees
	Pension fund	
	Disability/invalidity cover	Full-time employees
	Life insurance	
	Medical insurance	
	Social welfare	
Herba Ingredients	Parental leave	All employees
	Pension fund	
	Life insurance	
	Medical insurance	
Herba Ricemills	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Life insurance	
	Medical insurance	
La Loma Alimentos	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Ebro Foods Netherland BV (Lassie)	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
Lustucru	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Mundi Riso	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
	Welfare Bit	
Mundi Riz	Parental leave	All employees
	Disability/invalidity cover	
	Medical insurance	Full-time employees
Riviana Foods Canadá	Parental leave	Full-time employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	

COMPANY	WELFARE BENEFITS	TYPE OF EMPLOYEE
Riviana Foods USA	Parental leave	Full-time employees
	Disability/invalidity cover	
	Life insurance	
	Medical insurance	
	Pension fund	All employees
Roland Monterrat	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
S&B Herba Foods	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Tilda	Parental leave	All employees
	Meal vouchers	
	Medical grants	
	Life insurance	
	Medical insurance	Full-time employees
Transimpex	Parental leave	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 flexibility is already available for specific days in practically all our companies to enable employees to cope with certain needs, the Group aims to progressively implement homeworking as a regulated procedure.

Owing to the extraordinary circumstances deriving from the pandemic, homeworking has been the norm during the year to guarantee the safety of our office staff and their families.

Regardless of the exceptional nature of this year, some of the Group companies have continued advancing in the implementation of a regulated homeworking procedure.

EMPLOYEES HOMEWORKING WITH A REGULATED PROCEDURE

PROFESSIONAL CATEGORY	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Executives	51	28	79	29	29	58
Technical staff & middle management	107	86	193	43	59	102
Administrative & auxiliary staff	88	113	201	24	57	81
Factory employees	2	1	3	1	0	1
Others	0	0	0	0	0	0
TOTAL EMPLOYEES HOMEWORKING	**248**	**228**	**476**	**97**	**145**	**242**

PARENTAL LEAVE

	2021			2020		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees who took leave / employees entitled to leave (%)	98.70%	100.00%	99.35%	97.44%	100.00%	98.69%

During 2021, Ebro Foods published a digital disconnection protocol for its employees. Similarly, the French companies in the Group have implemented work disconnection policies for all their employees.

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, 88.2% of the workforce is represented on the Health and Safety Committees in the different companies (previous year 87.5%).

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 this year 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:

	2021		2020	
	MEN	WOMEN	MEN	WOMEN
No. lost-day injuries	107	35	128	31
Frequency rate	17.76	16.01	21.38	12.52
Severity rate	0.67	0.85	0.63	0.49
Nº. employees with occupational disease	2	3	4	11

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 2021.

D. Labour relations

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

64.3% 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, compared with 66% in the previous year.

The remainder are top executives of the Ebro Group, the professionals of the North American and Anglo Saxon 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 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	64.33%
Belgium	52.07%
Cambodia	0%
Canada	65.92%
Denmark	100.00%
France	100.00%
Germany	0.00%
Hungary	0.00%
India	0.00%
Italy	100.00%
Morocco	0.00%
Netherlands	100.00%
Portugal	100.00%
Spain	100.00%
Thailand	0%
UK	9.97%
USA	40.48%

E. Training

One of the main goals of the Ebro Group in respect of human resources is to encourage 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 Group's Code of Conduct.

During 2021, 120,322 hours of training were given, 8% hours of training were given, with the participation of 69% of our employees.

TOTAL HOURS TRAINING OF OUR EMPLOYEES BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2021		2020	
	MEN	WOMEN	MEN	WOMEN
Executives	1,716	1,030	1,428	790
Technical staff & middle management	11,476	4,490	7,510	3,547
Administrative & auxiliary staff	3,189	3,152	3,058	2,919
Factory employees	71,069	23,837	70,234	21,566
Others	214	150	104	211
TOTAL HOURS TRAINING	**87,664**	**32,658**	**82,335**	**29,033**

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, gender, 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 2021 on drafting the Equality Plan of the parent company, Ebro Foods, S.A.

DIVERSITY IN GOVERNING BODIES AND WORKFORCE

DIVERSITYBOARD OF DIRECTORS	2021		2020	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL
Men	8	57.14%	9	64.29%
Women	6	42.86%	5	35.71%

DIVERSITY EMPLOYEES	2021		2020	
	NO. EMPLOYEES	% TOTAL EMPLOYEES	NO. EMPLOYEES	% TOTAL EMPLOYEES
Men	3,695	69.64%	3,624	69.55%
Women	1,611	30.36%	1,587	30.45%
TOTAL EMPLOYEES	**5,306**		**5,211**	

EMPLOYEES WITH DIFFERENT ABILITIES

2021		2020	
MEN	WOMEN	MEN	WOMEN
69	33	68	36

During 2021, several actions were taken in Spain to promote 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	2,110 €
C,E,E, INSERCIÓN PERSONAL DISCAPACITADOS “ IPD”	Cleaning head office in Madrid	99,260 €
TOTAL		**101,371 €**

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

	2021		2020	
PROFESSIONAL CATEGORY	MEN	WOMEN	MEN	WOMEN
Executives	106,009	80,985	100,406	83,098
Technical staff & middle management	49,628	50,320	52,128	47,061
Administrative & auxiliary staff	43,933	37,501	40,178	37,024
Factory employees	28,086	25,003	29,033	26,612
Others	22,828	22,631	21,972	16,008

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

2021			2020		
<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
30,196	50,014	59,868	29,916	48,456	57,685

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

2021			2020		
MEN	WOMEN	PAY GAP	MEN	WOMEN	PAY GAP
50,097	43,288	0.14	48,743	41,961	0.14

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

(EUR THOUSAND)	2021		2020	
	MEN	WOMEN	MEN	WOMEN
Average remuneration directors	267	172	251	183

* **NB:** *The 2021 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 2021, 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 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.

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 173 certifications between them (Annex 2).

During 2021, Arrozeiras Mundiarroz (Portugal), Boost Nutrition (Belgium), Ebro Frost UK, Harinas Santa Rita (Spain), Herba Bangkok (Thailand), Herba Cambodia (Cambodia), Lassie (Netherlands), Lustucru Frais (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	E-mail, post, website and social media
Bertagni 1882	Italy	E-mail, website and social media
Boost Nutrition	Belgium	E-mail, website and social media
Ebro Foods Netherland BV (Lassie)	Netherlands	Telephone, e-mail, website and social media
Euryza	Germany	Telephone, e-mail, website and social media
Herba Ricemills	Spain	Telephone and e-mail
Lustucru Frais	France	Telephone and post
Lustucru Riz	France	Telephone, post, e-mail 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 Canadá	Canada	Telephone, e-mail, website and social media
Riviana Foods USA	USA	Telephone, e-mail, Website and social media

Incidents during the year

INCIDENTS REGISTERED WITH LARGE CUSTOMERS

Overall, 7 incidents were registered in 2021, 1 of which corresponded to Arrozeiras Mundiarroz (Portugal), 1 to Bertagni (Italy), 2 to Garofalo (Italy) and 3 to Herba Ingredients (Netherlands). Of those, 4 were related with product health and safety, 2 to information and labelling and 1 to marketing communications, advertising and promotion.

CLAIMS FROM END CONSUMERS

The following table shows the number of claims (packaging defects, requests for information, sensory properties, etc.) handled during 2021, by company.

COMPANY	NO. INCIDENTS 2021	NO. INCIDENTS 2020
Arrozeiras Mundiarroz	149	268
Bertagni 1882	318	322
Boost Nutrition	228	178
Ebro India	78	70
Euryza	930	628
Herba Ricemills	340	388
Ebro Foods Netherland BV (Lassie)	241	266
Lustucru Frais	1,413	2,074
Lustucru Riz	1,151	---
Pastificio Lucio Garofalo	677	916
Riceland Magyarorszag	45	33
Risella	187	472
Riviana Foods Canadá	1,663	2,422
Riviana Foods USA	7,903 (rice)	14,034 (rice) 18,617 (pasta)
Roland Monterrat	503	
Tilda	1,144	1,602

No claims were received in 2021 in any Group company related with privacy and customers' personal data leaks.

PROMOTION OF HEALTHY FOOD AND HEALTHY LIFESTYLES

Within our undertaking to encourage and promote healthy eating, all the brands of the Ebro Group include product categories targeting health, such as ancient grains, gluten free, quinoa, whole grain, etc., focusing increasingly on everything to do with healthy, 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.

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

Supplier management model

As 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 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) or incorporated ESG criteria in their policies.

In this context, at 31 December 2021, 10.4% of our suppliers and service providers have 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, with which all the Group companies are now registered and their respective suppliers are signing up, in turn being audited by an independent external firm.

In this area, we made 27 SMETA audits in 2021, 1 of them a follow-up audit, on suppliers in the following countries:

COUNTRY	DATE OF AUDIT	AUDITORS
Austria	10-02-2021	Bureau Veritas Certification
Brazil	24-02-2021	SGS Brazil
Germany	21-09-2021	Bureau Veritas Certification
Greece	03-03-2021	Intertek Bulgaria
		Intertek Bulgaria
Italy	28-06-2021	Bureau Veritas Certification
		SGS Italy
		ABS Quality Evaluations Inc
		Bureau Veritas - EMEA
Mexico	26-03-2021	Intertek México
Norway	20-06-2021	DNV
Pakistan	06-10-2021	ALGI Pakistán
		ELEVATE
		Bureau Veritas Certificación
Peru	12-09-2021	SIPAS CR-PERU
		Intertek Perú
Spain	29-09-2021	SGS Spain
		SGS Spain
		Intertek Spain
		Intertek Spain
		Intertek Spain
		Intertek Spain
Switzerland	12-08-2021	Bureau Veritas Certification
Thailand	24-09-2021	SGS Thailand
UK	01-09-2021	SGS_UK
		SGS_UK
USA	01-03-2021	Intertek Perú

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. Around 10% of the growers who supply the Ebro Group participate in these programmes.

At this point, we highlight the sustainable agriculture projects we are developing in some of our principal sourcing areas. These projects aim primarily at improving growers' revenues, optimising their agricultural returns and mitigating climate change by reducing the use of water, cutting emissions and encouraging the use of biological means to combat plagues. In this regard, we should point out that we have not identified any adverse environmental or social impacts in our supply chain.

Scope of Reporting

The information set out below corresponds to 69 of the 74 production plants and offices that the Ebro Group has through its different companies.

Following the divestments in the dry pasta businesses in France and North America during 2020 and 2021, we have recalculated all the 2020 indicators according to the new Group reporting perimeter, in order to enable a correct comparison of these two years.

All the emission factors, low calorific values (LCV) and global warming effect used are set out in Annex 3.

Management focus

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."

According to this declaration, the Group's actions are based on the following:

1. 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.
2. Minimise the environmental impact of our activity by seeking eco-friendly solutions and embarking on initiatives to reduce our emissions, optimising our consumption of water, energy and packaging material.
3. Transition towards a circular economy, recovering waste and favouring its recycling and reuse, using recycled raw materials and/or those respectful of the environment, whenever possible.
4. Organise environmental awareness and training programmes for Group employees.
5. 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:

1. Air emissions: Mainly emissions of particles during the handling of cereals and greenhouse gas (GHG) emissions related to the consumption of fossil fuels and electricity. The most widely used fuel is natural gas.
2. Noise emissions: These 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 mitigation measures wherever necessary.
3. 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.
4. 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.
5. Waste generation and management: The company generates minimal amounts of waste, both non-hazardous (mainly packaging of ingredients and ancillary materials) and hazardous (maintenance operations) 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

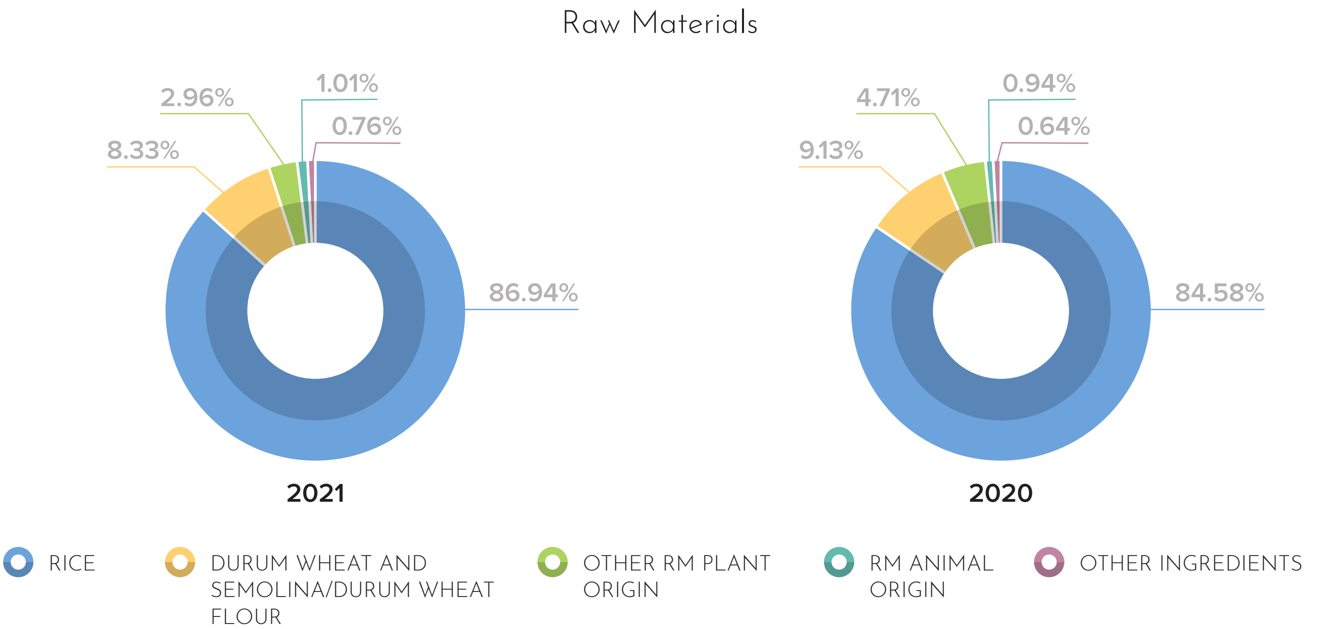
The raw materials used are divided into two major categories, those used in the preparation of finished goods and the packaging materials.

The raw materials used in finished goods are divided into five categories:

1. Rice
2. Durum wheat and semolina/durum wheat flour

3. Other raw materials of plant origin: quinoa, pulses, other cereals, other flours/semolinas, fruit and vegetables and soya/soybean oil
4. Raw materials of animal origin: meat, fish and eggs
5. Other ingredients: e.g. spices and flavourings used mainly in precooked food.

RAW MATERIALS (T)	2021		2020	
	T	%	T	%
Rice	2,028,296	86.94%	2,005,107	84.58%
Durum wheat and Semolina/durum wheat flour	194,361	8.33%	216,442	9.13%
Other RM plant origin	69,126	2.96%	111,636	4.71%
RM animal origin	23,548	1.01%	22,303	0.94%
Other ingredients	17,675	0.76%	15,111	0.64%
TOTAL	**2,333,006**		**2,370,599**	



Although the use of raw materials from animal origin barely represents 1% of the total in our products, corresponding to egg, 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 Lustucru Frais in France. In 2021, the use of ingredients from cage-free eggs was already up to 91% in Spain and 25% in France.

PACKAGING MATERIALS

The packaging materials for finished products are mainly paper, cardboard and plastic.

TYPE OF MATERIAL	2021	2020
Plastic	38,994	53,734
Paper	45,847	49,329
Glass	0	52
Metal	6	12
Others	1,600	1,692
TOTAL (T)	**86,447**	**104,819**

RECYCLED INPUT MATERIALS

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.

By law, primary packaging, which is in direct contact with the food, must have a 100% virgin fibre composition.

The different secondary and tertiary packaging formats used by the Group both contain 69% of recycled fibre, on average.

GRI 302: Energy

This indicator is reported under standard GRI 303 (2016).

The energy consumption and inventory of greenhouse gas (GHG) emissions of all the Group companies is calculated under standard ISO 14064-1:2019.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

We separate energy consumption within the organisation into Scope 1 (direct consumption) and Scope 2 (indirect consumption).

The Scope 1 energy consumption is calculated taking into account the following:

1. The consumption of non-renewable fuels in stationary and mobile sources:
2. The 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
3. The self-generated energy in photovoltaic and cogeneration facilities
4. The self-generated energy sold from photovoltaic and cogeneration facilities

Direct consumption - Scope 1 (GJ)

NON-RENEWABLE FUEL CONSUMED	2021		2020	
Natural gas	2,749,039	75.80%	2,915,873	95.15%
Other non-renewables	805,189	22.20%	77,531	2.53%
TOTAL CONSUMPTION NON-RENEWABLES	**3,554,228**	**98.01%**	**2,993,404**	**97.68%**

RENEWABLE FUEL CONSUMED	2021		2020	
Biomass/Charcoal	70,194	1.94%	64,843	2.12%
TOTAL CONSUMPTION RENEWABLES	**70,194**	**1.94%**	**64,843**	**2.12%**

SELF-GENERATED ENERGY	2021		2020	
Photovoltaic panels	2,956	0.08%	6,810	0.22%
Cogeneration	94,458	2.60%	91,271	2.98%
TOTAL SELF-GENERATION	**97,414**	**2.69%**	**98,081**	**3.20%**

SELF-GENERATED ENERGY SOLD	2021		2020	
Photovoltaic panels	13	0.00%	0	0.00%
Stationary combustion/Cogeneration	838	0.02%	637	0.02%
TOTAL SELF-GENERATION SOLD	**851**	**0.02%**	**637**	**0.02%**

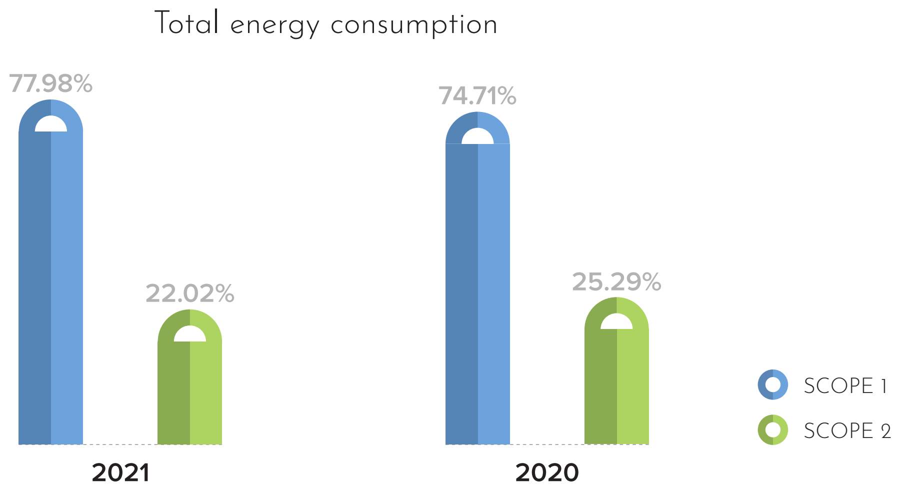
SELF-CONSUMPTION PHOTOVOLTAIC	2021		2020	
Self-consumption PV	2,943	0.08%	6,810	0.22%
TOTAL SCOPE1	**3,626,527**	**100.00%**	**3,064,420**	**100.00%**

2.7% of the Scope 1 energy is self-generated at the photovoltaic facilities of Bertagni, Garofalo, Geovita and Mundiriso and the cogeneration plants of Ebro Frost and Garofalo.

Indirect consumption - Scope 2 (GJ)

CONSUMPTION SCOPE 2	2021		2020	
Electricity without GoO	934,675	91.28%	937,966	90.40%
Electricity with GoO	73,992	7.23%	85,928	8.28%
Steam	14,736	1.44%	13,633	1.31%
Heat	546	0.05%	0	0.00%
Cooling	0	0.00%	0	0.00%
TOTAL (GJ)	**1,023,949**	**100.00%**	**1,037,528**	**100.00%**

TOTAL ENERGY CONSUMPTION	2021		2020	
Scope 1	3,626,527	77.98%	3,064,420	74.71%
Scope 2	1,023,949	22.02%	1,037,528	25.29%
TOTAL SCOPES 1&2 (GJ)	**4,650,476**	**100.00%**	**4,101,947**	**100.00%**



ENERGY CONSUMPTION OUTSIDE OF THE ORGANISATION

We do not have the methodologies or activity data to calculate energy consumption outside of the organisation.

ENERGY INTENSITY [302-3

ENERGY INTENSITY	2021	2020
Total energy consumed (GJ)	4,650,476	4,101,947
Net Sales Ebro (M€)	2,427,1	2,430,3
ENERGY INTENSITY (GJ/M€ NET SALES)	**1,916**	**1,688**

REDUCTION OF ENERGY CONSUMPTION

Eight companies in the Ebro Group have reported different initiatives to reduce their energy consumption, by a total of EUR 298,614.

COMPANY	PLANT	INDICATOR	INITIATIVE	COST
Ebro India	Taraori	Energy & Emissions	Reduction of hours operation by improving process	957 €
S&B	Fullborn	Energy & Emissions	Change from conventional lighting to LED	0 €
Riviana Foods Canadá	Hamilton	Energy & Emissions	Change from conventional lighting to LED	10,258 €
Mundiarroz	Coruche	Energy & Emissions	Change from conventional lighting to LED	2,650 €
Garofalo	Gragnano	Energy & Emissions	Solar thermal system to produce domestic hot water	38,500 €
Lustucru	Communay	Energy & Emissions	More efficient thermal system to produce hot water	62,000 €
Herba Ricemills	San Juan	Energy & Emissions	Modification of steam mill: reduction of direct emissions, improvement of electrical efficiency and lower noise emissions	156,249 €
Mundiriso	Vercelli	Energy	Improvement of heat insulation in packaging area	28,000 €

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

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. The consumption of well water used by Agromeruan in rice growing is also included.

MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS

All effluent is discharged to the sewage networks, except from Ebro India and Ebro Frost, which use well water and return it to the land.

WATER WITHDRAWAL

The surface water withdrawn and used by Agromeruan for its rice crop in Morocco represents 78% of the total consumption by the group. The remaining water withdrawal, which is used in our industrial activity, is from the municipal water supply (third-party water) (82%) and groundwater (18%).

WATER WITHDRAWAL (M^3)	2021	%	2020	%
Third-party water	2,786,513	18%	2,839,731	8%
Groundwater	617,738	4%	642,301	2%
TOTAL INDUSTRIAL PROCESSES	**3,404,251**	**22%**	**3,482,032**	**9%**
Inland surface freshwater	11,880,000	78%	33,840,000	91%
Inland surface salt water	0	0%	0	0%
TOTAL WATER WITHDRAWN	**15,284,251**		**37,322,032**	
Total withdrawal freshwater (SS<1000 mg/l)	15,284,251		37,322,032	
Total withdrawal other water(SS>1000 mg/l)	0		0	

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 (M^3)	2021		2020	
	M^3	%	M^3	%
Low	90,454	1%	58,541	0%
Low-medium	1,554,807	10%	1,572,195	4%
Medium-high	882,633	6%	887,758	2%
High	12,724,396	83%	34,788,273	93%
Extremely high	31,962	0%	15,265	0%
TOTAL WATER WITHDRAWN	**15,284,251**		**37,322,032**	

NB: *93% of the water withdrawn in areas of high water stress corresponds to the agricultural activities of Agromeruan.*

WATER DISCHARGE

DESTINATION OF DISCHARGE (M³)	2021	2020
Third party water (Sewage network, treatment plants)	2,137,154	2,452,992
Inland water	265,802	25,093
Seawater	0	0
TOTAL	**2,402,956**	**2,478,085**

DISCHARGE TREATMENT (M³)	2021	2020
No treatment	1,697,143	1,780,516
Primary/secondary treatment	695,958	692,973
Tertiary treatment	9,854	4,597
TOTAL	**2,402,956**	**2,478,085**

TYPE OF DISCHARGE (M³)	2021	2020
Freshwater (SS<1000 mg/l)	1,760,335	2,478,085
Other water (SS>1000 mg/l)	642,621	0
TOTAL	**2,402,956**	**2,478,085**

DISCHARGE BY AREAS OF WATER STRESS (M³)	2021		2020	
	FRESHWATER DISCHARGED (SS<1000 MG/L)	OTHER WATER DISCHARGED (SS>1000 MG/L)	FRESHWATER DISCHARGED (SS<1000 MG/L)	OTHER WATER DISCHARGED (SS>1000 MG/L)
Low	51,222	0	35,952	0
Low-medium	280,767	642,621	942,380	0
Medium-high	717,083	0	691,574	0
High	701,409	0	803,582	0
Extremely high	9,854	0	4,597	0
TOTAL DISCHARGE	**1,760,335**	**642,621**	**2,478,086**	**0**

No accidental discharge occurred in 2021.

WATER CONSUMPTION

WATER CONSUMPTION (M³)	2021	2020
Water withdrawal	15,284,251	37,322,032
Water discharge	2,402,956	2,478,084
Water sold	0	3,168
TOTAL WATER CONSUMPTION	**12,881,296**	**34,840,780**

NB: *The volume of water used in the rice crop has not been considered discharge*

DISCHARGE BY AREAS OF WATER STRESS (M³)	2021	2020
Low	39,232	22,589
Low-medium	631,418	629,815
Medium-high	165,550	193,015
High	12,022,987	33,984,691
Extremely high	22,108	10,668
TOTAL WATER CONSUMPTION	**12,881,296**	**34,840,778**

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
The Riviana plant in Freeport, Texas (USA) is adjacent to a protected area of wetland, PEM1A, Brazos River.

Tilda has a jetty on the River Thames (UK).

SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY
There have been no impacts in any areas considered of high biodiversity value.

HABITATS PROTECTED OR RESTORED
No restoration measures have been implemented in protected habitats.

Climate Change

Climate change poses a serious threat for the Group's business activities as it directly affects essential aspects such as the production of raw materials, the availability of critical resources (e.g. water), the viability of product transport, logistics and distribution operations and increased energy needs of our production processes, among others.

Accordingly, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), we have identified the potential risks, impacts and opportunities that climate change may have on our organisation, establishing the appropriate mitigation and/or adaptation measures for each one. This will shortly be taken further, with the financial quantification of those risks and impacts.

Some of the mitigation measures are already contemplated in our Sustainability Plan HEADING FOR 2030, 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. The details and monitoring of each of these measures is available on the website caringforyouandtheplanet.com.

In 2020 we developed a Greenhouse Gas Emissions Inventory procedure for all the Group companies under standard ISO 14064-1:2019. Through the reporting under this standard we have been able to calculate the Scope 1 and 2 of the Group's Carbon Footprint. The next stage will be to measure Scope 3, with a view to designing a plan to reduce emissions. We have already started to develop initiatives that contribute towards that goal.

So with regard to Scopes 1 and 2, some of our companies, particularly those in Italy, have started installing photovoltaic (PV) energy generation units at their production plants. Similarly, cogeneration is used as one of their energy sources by the subsidiaries Garofalo and Ebro Frost Germany, and biomass, by Ebro Frost Denmark, Herba Ricemills, Mundiriso and Ebro India.

With regard to Scope 3, through our accession to the Lean & Green Programme for the calculation-reduction-offset of emissions produced in national overland logistics (Spain), we are close to concluding the reduction plan (20% in 5 years) that we will present in the second quarter of 2022.

Also in Scope 3, the Ebro Group takes an active approach to the promotion and investigation of environmentally sustainable growing techniques for application to the rice crop in different production areas, to contribute towards greater preservation of the environment, promote biodiversity and mitigate the effects of climate change. 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 (SRP).

In 2021, the most important examples of this work were:

THAILAND: SUSTAINABLE AROMATIC RICE INITIATIVE OF THAILAND (SARI-T)

This is a programme developed jointly 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 programme 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. The SRP audit is also made of the crop. The project completed its fourth year of rice production in 2021.

SPAIN: ORYZONTE PROGRAMME

This programme has been developed in the Guadalquivir Marshes (Seville) jointly with Mars Food and Danone.

The 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 on a commercial scale. In 2021, we worked with several Irrigation Associations to improve their understanding of the evolution of salinity within the water circuit during the rice campaign and its relationship with the production yield. In addition, in cooperation with the Institute of Sustainable Agriculture of the National Council for Scientific Research (CSIC), Oryzonte has developed a water and salinity model to assess the situation on the entire right-hand side of the rice-growing region of Seville.
- With regard to GHG emissions, the project checked that 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 land on both banks of the River Guadalquivir, without producing an adverse effect on the agricultural yield.
- Biodiversity. The programme has installed vertical structures and nests for bats and birds of prey of special interest, such as the barn owl or the lesser kestrel. Encouraging the presence of these birds of prey and bats is a promising strategy to reduce the use of pesticides and increase the sustainability of the agricultural production systems.

PROGRAMMES DEVELOPED BY EBRO INDIA

Our company Ebro India continues working on different sustainability projects, some of which have been in place for several years, such as EKTA, Control Farming and Organic Farming.

During 2021, it added a new programme to reduce the water consumption and emissions and encourage the use of biological plague control methods.

This new project teaches 50 growers how to use biological plague control methods (spider bundles and pheromone traps). The pheromone traps are a very visual method to see whether or not there is a plague of insects, thereby reducing the indiscriminate use of pesticides. Spider bundles provide a natural habitat for spiders, which are natural predators of insects. By reducing the population of insects, the quantity of pesticides needed is also reduced. Finally, they have been trained to use AWD tubes, with which they can check when it is necessary to irrigate, thereby eliminating any excessive use of water and, therefore, emissions.

EKTA, which has been in progress since 2015, continues to provide support for over 5000 growers. It is a training for growers, instructing them in the best agricultural practices and the optimum use of pesticides and fertilizers, and helping them to increase the yield from their crops and lower costs.

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, Ebro India works 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.

The Organic Farming programme consists of working jointly with around 830 growers for the production of organic basmati and non-basmati rice.

We should also point out that 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.

The Ebro Group'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

The sources of direct (Scope 1) GHG emissions are:

- Emissions of CO_2, CH4 and N_2O from fossil fuel consumption by stationary sources and mobile sources (fleet of vehicles 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 CH4 and N_2O from Biomass (rice husk, wood and charcoal)

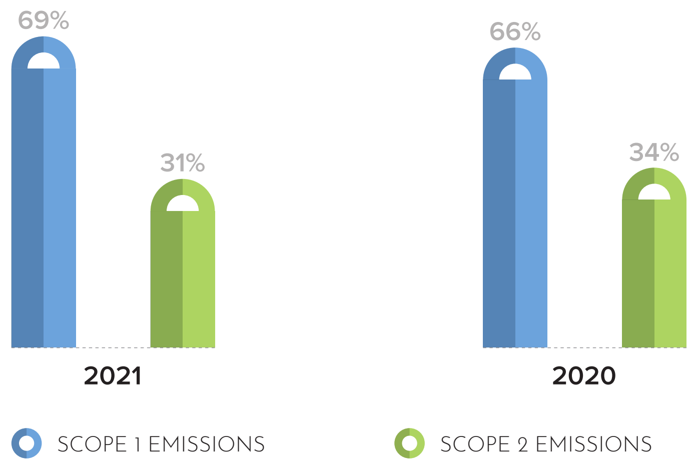
INDIRECT (SCOPE 2) GHG EMISSIONS

The sources of indirect (Scope 2) GHG emissions are:

- Emissions of CO2 from energy consumption (electricity, heat, steam and cold) in installations and processes.

GHG EMISSIONS	2021		2020	
Scope 1 emissions	217,051	69%	190,406	66%
Scope 2 emissions	99,153	31%	99,960	34%
TOTAL EMISSIONS (T CO_2E)	**316,204**		**290,366**	

GHG emissions



We calculate the Scope 2 emissions according to the location, using specific emission factors of each country.

The emissions from the rice crop of Mundi Riz in Morocco represents 1.82% of the Scope 1 emissions and 1.25% of the total emissions of the Group.

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	2021	2020
Biogenic CO_2 (t CO_2e)	7,466	10,051

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS

We do not have the methodologies or activity data to calculate all the indirect GHG emissions produced outside the organisation (Scope 3). We plan to calculate Scope 3 over the course of 2022-2023, and subsequently define specific targets for emissions reduction. For the time being, we have the following partial measurements:

- The emissions associated with the maritime logistics of our raw materials and products of the Group's rice division. This calculation is made using 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 plant.

  In 2021, Eccofreight handled approximately 32% of the shipments of the entire rice division, with 272,153 tonnes shipped and GHG emissions of 87,424 t CO_2e.

  By choosing more efficient routes instead of other alternative routes available with larger carbon footprints, we avoided the emission of 50,705 t CO_2e, which is a 37% reduction of our Scope 3 emissions.
- Emissions associated with national overland logistics (Spain). After joining the Lean & Green programme, we have calculated the carbon footprint of our national logistics and will present our plan for reducing it (by 20% over 5 years) in the second quarter of 2022.

GHG EMISSIONS INTENSITY

EMISSIONS INTENSITY	2021	2020
Total GHG emissions (t CO_2e)	316,204	290,365
Ebro Net Sales (M€)	2,427.1	2,430.3
GHG EMISSIONS INTENSITY (T CO_2E M€ NET SALES)	**130**	**119**

REDUCTION OF GHG EMISSIONS

We are studying the possibility of defining emissions reduction objectives aligned with the recommendations of the scientific community. We plan to calculate our Scope 3 emissions over the course of 2022-2023 and subsequently define specific emission reduction targets.

In addition to the energy reduction initiatives described in section 302 energy, which entail reducing emissions, three companies have implemented initiatives to reduce emissions, for a total value of EUR 1,094,894.

COMPANY	PLANT	INDICATOR	INITIATIVE	COST
Herba Ingredients	Plant B-E	Emissions	New gas burner with low emissions	17,147 €
Boost	Plant A	Emissions	Replacement of coolant R22 (GWP=1810) with R32 with a lower GWP (=675), reducing emissions by 60%	8,433 €
Riviana Foods USA	Freeport	Emissions	Improvements to dust collection system and compressor room	1,069,244 €

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

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. The Ebro Group'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

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)	2021							
	NOx	CO	COV	SOx	PM10	PM2,5	PM	TOTAL
Stationary combustion	218	122	86	3	12	12		453
Mobile combustion	239	1,305	210				0	1,755
TOTAL POLLUTANTS (T)	**457**	**1,427**	**296**	**3**	**12**	**12**	**0**	**2,207**

GRI 306: Waste

This indicator is reported under standard GRI 306 (2020).

WASTE GENERATION

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

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.

During 2021, in line with the changes made in previous years by our dry rice brands La Fallera and La Cigala (Spain) and Risella (Finland), and according to the circular economy targets set for our packaging (100% recyclable by 2030), we continue striving to achieve more recyclable packaging. This is the case of our brand SOS specialties, currently sold in a non-recyclable flexible packaging (polyethylene & polypropylene PE/PP), for which we are studying the possibility of changing to recyclable paper, which would avoid the use of 19,480 tonnes of PE/PP that would end up in a landfill.

We also continue running tests 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.

We also mention the 100% recyclability achieved in one of the formats most sold by the Group: the Brillante rice cups.

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 other 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, the Ebro Foods Group 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.

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 2021, Ebro India, Mundi Riso and Herba Ricemills reported the use of rice husk as a renewable fuel to obtain thermal energy.

WASTE GENERATED

WASTE	2021	2020
Hazardous	118	52
Non-hazardous	37,800	28,182
TOTAL WASTE (T)	**37,918**	**28,234**

WASTE DIVERTED FROM DISPOSAL (RECOVERY)

NON-HAZARDOUS WASTE FOR RECOVERY	2021	2020
Recycled	5,588	3,338
Composted	4,273	2,011
Reused	10,870	1,746
Other recovery operations	2,310	2,757
TOTAL RECOVERY NH WASTE (T)	**23,040**	**9,852**

HAZARDOUS WASTE FOR RECOVERY	2021	2020
Recycled	43	5
Composted	4	1
Reused	0	0
Other recovery operations	15	15
TOTAL RECOVERY H WASTE (T)	**62**	**21**

WASTE DIRECTED TO DISPOSAL

NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL	2021	2020
Landfilling	12,137	13,923
Incineration	873	3,511
Other disposal operations	1,751	897
TOTAL DISPOSAL NH WASTE (T)	**14,760**	**18,330**

NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL	2021	2020
Landfilling	0	11
Incineration	13	4
Other disposal operations	44	16
TOTAL DISPOSAL H WASTE (T)	**57**	**31**

In Spain, the company Herba Ricemills is making a profound change in its waste management. The different waste managers used up to now are being replaced with a new manager that only recovers waste. This change is being implemented gradually in all the company's production plants in Spain and will reduce the volume of waste taken to landfills.

GRI 307 Environmental Compliance

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

In 2021, 4 plants reported minor non-compliance with environmental laws and regulations, leading to small fines.

COMPANY	PLANT	ENVIRONMENTAL NON-COMPLIANCE	FINE (€)	REMEDIAL ACTION
Bertagni	Avio	Delay in the declaration of authorisation of the heating system	7,300	Presentation of the declaration
Garofalo	Gragnano	Accumulation of debris in an undesignated area by a contractor	11,000	Oversight of contractor's work
Lustucru	Lorette	Surpassing the concentration of DCO/DBO5 in effluent	20,000	Measures have been put into place to reduce DCO/DBO and comply with the criteria
Lustucru	St, Genis Laval	Non-compliance with stipulated pH and temperature of effluent	0	Measures have been put into place to lower the pH and temperature and comply with the criteria

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:

- Herba Ricemills (San Juan, Coria, Los Palacios and Isla Mayor plants)
- Garofalo Gragnano

Resources dedicated to environmental risk prevention

Thirteen of the 33 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 Foods USA
- Riviana Foods Canada
- Mundiriso
- Arrozeiras Mundiarroz
- Bertagni
- Boost Nutrition
- Ebro India
- Herba Bangkok
- Herba Cambodia
- Herba Ingredients
- Lassie

ENVIRONMENTAL EXPENSE AND INVESTMENT	2021	2020
Cost of management and control	1,143,950 €	1,152,954 €
Investment to minimise impact	4,747,655 €	3,291,293 €
TOTAL	**5,891,605 €**	**4,444,248 €**

The investments reported here include measures to reduce energy consumption, water consumption and emissions, as well as the cost of waste management, inspection of pressurised equipment, noise 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 SRP assessments in Spain.

The principal investments were made by Riviana Foods USA:

- Changes to the rice cooking system to allow reuse of the water with starch, thus reducing water withdrawal and effluent
- Improvements in the dust collection system and compressor room.

EBRO FOODS, S.A.
Annex 1

LIST OF SUBSIDIARIES OF THE EBRO GROUP

SOCIEDAD	COUNTRY	BUSINESS AREA
Agromeruan, SARL 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
Riviana Foods Canada Corporation	Canada	Fresh pasta
Ebro Foods, S.A.	Spain	Parent (Holding)
Ebro Foods Netherland BV (Lassie)	Netherlands	Rice
Ebrofrost Denmark, A/S	Denmark	Rice and pasta
Ebrofrost Germany, Gmbh	Germany	Rice and pasta
Ebrofrost UK, Ltd	UK	Rice and pasta
Ebrofrost North America	USA	Rice and pasta
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
Indo European Foods Ltd.	UK	Rice
La Loma Alimentos, S.A.	Argentina	Rice
Lustucru Frais, S.A.S.	France	Fresh pasta
Lustucru Riz, S.A.S.	France	Rice
Mundi Riso, S.R.L.	Italy	Rice
Mundi Riz, S.A.	Morocco	Rice
Neofarms Bio, S.A.	Argentina	Rice
Pastificio Lucio Garofalo, Spa	Italy	Pasta
Riceland Magyarorzag, Kft	Hungary	Rice
Riviana Foods, Inc.	USA	Rice
Roland Monterrat, S.A.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

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
Arotz Food	Spain	Navaleno	Industrial
Arrozeiras Mundiarroz	Portugal	Coruche	Industrial
		Lisbon	Office (lease)
Bertagni 1882	Italy	Arcugnano (Vicenza)	Industrial
		Avio	Industrial
		Avio Arcugnano	Warehouse
Boost Nutrition	Belgium	Merksem	Industrial
Ebro Foods Holding	Spain	Madrid	Office (lease)
		Barcelona	
		Granada	
Ebro Foods Netherland BV (Lassie)	Netherlands	Wormer	Industrial
Ebro India	India	Taraori	Industrial
Ebrofrost Denmark	Denmark	Orbaek	Industrial
Ebrofrost Germany	Germany	Offingen	Industrial
Ebro Frost North America	USA	Ebro Frost NA	Industrial
Ebrofrost Uk	UK	Beckley	Industrial
Euryza	Germany	Hamburg	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	Industrial (4 plants)
		Office (lease)	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
		Cotemsa, Raza y Ecorub	Warehouse
Indo European Foods Ltd,	UK	Felixtowe	Industrial
La Loma Alimentos	Argentina	Los Charrúas	Industrial
		Chajarí	Industrial
		Los Conquistadores	Industrial
		Buenos Aires	Office (lease)

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
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 (lease)
Pastificio Lucio Garofalo	Italy	Gragnano	Industrial
Riceland Magyarorzag	Hungary	Budapest	Office (lease)
Riviana Foods Canadá	Canada	Delta	Industrial
		Hamilton	Industrial
Riviana Foods USA	USA	Memphis	Industrial
		Carlisle	Industrial
		Brinkley	Industrial
		Hazen	Industrial
		Clearbrook	Industrial
		Freeport	Industrial
		Alvin	Industrial
Roland Monterrat	France	Feillens	Industrial
S&B Herba Foods	UK	Cambridge	Industrial
		Liverpool	Industrial
		Orpington	Office (lease)
Santa Rita Harinas	Spain	Loranca de Tajuña	Industrial
Tilda	UK	Classic	Industrial
		Jazz	Industrial
	India	India	Office (lease)
	UAE	Dubai	Office (lease)
Transimpex	Germany	Lambsheim	Industrial
			Office (owned)

RELACIÓN DE CERTIFICACIONES EN CALIDAD Y SEGURIDAD ALIMENTARIA DE LAS SOCIEDADES FILIALES DEL GRUPO

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
Arotz Food	Spain	Navaleno	IFS
Arrozeiras Mundiarroz	Portugal	Coruche	ISO 9001
			IFS
Bertagni 1882	Italy	Avio	BRC
			MSC
			ASC
			ORGANIC CERTIFICATION
			IFS
		Argunagno	ORGANIC CERTIFICATION
			BRC
			IFS
Boost Nutrition	Belgium	Merksem	IFS
			KOSHER
			FEED CHAIN ALLIANCE (FCA)
			ORGANIC CERTIFICATION
Ebro Foods Netherland BV (Lassie)	Netherlands	Wormer	ECOLOGICAL CERTIFICATION
			IFS
			GMP +
Ebrofrost Denmark	Denmark	Orbaek	BRC
Ebrofrost Germany	Germany	Offingen	BRC
			HALAL
			KAT
			ORGANIC CERTIFICATION
Ebrofrost UK	UK	Beckley	BRC
Ebrofrost Northamerica	USA	Memphis	SQF
			ORGANIC CERTIFICATION
			HALAL
			KOSHER
Ebro India	India	Taraori	ISO 22000
			ORGANIC CERTIFICATION (organic paddy rice crop)
			ORGANIC CERTIFICATION (organic rice processing)
			BRC
			IPQC
			PPQS USA
			HALAL

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
Geovita Functional Ingredients	Italy	Bruno	BCR
			ORGANIC CERTIFICATION
			KOSHER
			IFS
			HALAL
		Nizza Monferrato	FSSC 22000
			ORGANIC CERTIFICATION
		Villanova Monferrato	BRC
			IFS
			HALAL
			ORGANIC CERTIFICATION
Harinas Santa Rita	Spain	Loranca De Tajuña	IFS
Herba Bangkok	Thailand	Saraburi	ISO 9001
			BRC
			ORGANIC CERTIFICATION
			HALAL
			KOSHER
			GMP & HACCP
			GLUTEN FREE CERTIFICATION
Herba Cambodia	Cambodia	Phnom Phen	ORGANIC CERTIFICATION (EU)
			ORGANIC CERTIFICATION (USA)
			KOSHER
			GMP & HACCP
Herba Ingredients, B.V.	Belgium	Schoten (warehouse)	ORGANIC CERTIFICATION (EU)
		Schoten (plant B)	IFS FOOD
			GMP +
		Schoten (plant C)	IFS FOOD
			GMP +
			ECOLOGICAL CERTIFICATION (EU)
		Schoten (plant F)	IFS FOOD
			GMP +
			ECOLOGICAL CERTIFICATION (CHINA)
	Netherlands	Wormer	IFS BROKER
			IFS FOOD
			GMP +
			KOSHER
			HALAL
			ORGANIC CERTIFICATION (EU)
			ORGANIC CERTIFICATION NATURLAND

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
Herba Ricemills	Spain	Coria del Río	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATE (USA)
			KOSHER
		San Juan de Aznafarache	ISO 9001
			BRC
			IFS
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATE (USA)
			KOSHER
		Jerez de la Frontera	ISO 9001
			IFS
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATE (USA)
			BRC
		Silla	IFS
			KOSHER
			ISO 9001
			BRC
		Algemesí (ready foods plant)	ISO 9001
			IFS
			BRC
		Algemesí (rice plant)	ISO 9001
			KOSHER
		Algemesí (flour mill)	IFS
			ISO 9001
			KOSHER
		Los Palacios	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATION (USA)
			KOSHER
La Loma Alimentos	Argentina	Los Charrúas	HACCP
			GLUTEN FREE CERTIFICATION
			GMP
			KOSHER
		Chajarí	KOSHER
			HACCP
			GMP
			GLUTEN FREE CERTIFICATION
Lustucru Frais	France	Saint Genis Laval	IFS
		Lorette	IFS
		Communay	IFS
			ECOLOGICAL CERTIFICATION

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
Mundi Riso	Italy	Vercelli	IFS
			BRC
			ECOLOGICAL CERTIFICATION (EU)
			KOSHER
Mundi Riz	Morocco	Larache	ISO 22000
Neofarms Bio	Argentina	Entre Ríos	ECOLOGICAL CERTIFICATION (CHINA)
			KOSHER
			ECOLOGICAL CERTIFICATION (UE)
			ECOLOGICAL CERTIFICATION (USA)
			GLUTEN FREE CERTIFICATION
Pastificio Lucio Garofalo	Italy	Gragnano	BRC
			IFS
			VQIP
			GLUTEN FREE CERTIFICATION
			VEGAN
			KOSHER
			HALAL
			ECOLOGICAL CERTIFICATION
			NO-GMO
Riviana Foods Canada	Canada	Delta	BRC
		Hamilton	BRC
Riviana Foods USA	USA	Memphis	KOSHER
			SQF
			HALAL
			ECOLOGICAL CERTIFICATION
			GLUTEN FREE CERTIFICATION
		Brinkley	SQF
			KOSHER
			ECOLOGICAL CERTIFICATION
		Clearbrook	KOSHER
			ECOLOGICAL CERTIFICATION
			SQF
		Alvin	KOSHER
			SQF
			ECOLOGICAL CERTIFICATION
		Carlisle	KOSHER
			ECOLOGICAL CERTIFICATION
			HALAL
			SQF
		Freeport	KOSHER
			SQF
Roland Monterrat	France	Feillens	IFS

COMPANY	COUNTRY	WORKPLACE	CERTIFICATION
S&B Herba Foods	UK	Cambridge	BRC
			FEMAS
			KOSHER
		Liverpool	BRC
			KOSHER
Tilda	UK	Rainham (classic site)	BRC
			FEMAS
		Rainham (Jazz site)	KOSHER
			BRC
Transimpex	Germany	Lambsheim	IFS
			ECOLOGICAL CERTIFICATION
			ORGANIC CERTIFICATION NATURLAND

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	0.03789	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 ($KGCO_2/GJ_{NCV}$)	EF CH_4 ($KGCH_4/GJ_{NCV}$)	EF N_2O ($KGN2O/GJ_{NCV}$)	UNIT EF	SOURCE NCV
Natural Gas	56.1	0.001	0.0001	kg CO_2/GJ_{NCV}	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/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Propane	63.6	0	0	kg CO_2/GJ_{NCV}	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/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Butane	66.2	0	0	kg CO_2/GJ_{NCV}	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/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Diesel	74.1	0.003	0.0006	kg CO_2/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Charcoal	0	0.2	0.004	kg CO_2/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)
Biomass (wood chips)	0	0.03	0.004	kg CO_2/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)
Biomass (rice husk)	0	0.03	0.004	kg CO_2/GJ_{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1 & 2)

FUEL IN MOBILE SOURCES	EF CO_2 ($KGCO_2/GJ_{NCV}$)	EF CH_4 ($KGCH_4/GJ_{NCV}$)	EF N_2O (KGN_2O/GJ_{NCV})	UNIT EF	SOURCE NCV
Liquefied Natural Gas (LNG)	56.1	0.092	0.003	kg CO_2/GJ_{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Liquefied Petroleum Gas (LPG)	63.1	0.062	0.0002	kg CO_2/GJ_{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Gasoline	69.3	0.025	0.008	kg CO_2/GJ_{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
Diesel	74.1	0.0039	0.0039	kg CO_2/GJ_{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 & 3)
OTHER DATA ON ACTIVITY	EF CO_2 ($KGCO_2/GJ_{NCV}$)	EF CH_4 ($KGCH_4/GJ_{NCV}$)	EF N_2O (KGN_2O/GJ_{NCV})	UNIT EF	SOURCE NCV
Rice crop	0	1.3000	0	kg CO_2/GJ_{PCI}	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/GJ_{PCI}	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

Table 5. Emission Factor Electricity (based on location)

COUNTRY	EF	UNIT EF	SOURCE EF
Spain	0.2500	$kgCO_2e/kWh$	Emission factors, Registration of Carbon Footprint, CO2 Offset and Absorption Projects. MITERD.April 2021 V. 17
UK	0.2331	$kgCO_2e/kWh$	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2020
France	0.0850	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME
Germany	0.4610	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Argentina	0.3670	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Belgium	0.2200	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Cambodia	0.8040	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Canada	0.1860	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Denmark	0.3600	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
UAE	0.5980	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
USA	0.5620	$kgCO_2e/kWh$	US EPA. Household Carbon Footprint Calculator
Morocco	0.7180	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Netherlands	0.4150	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Portugal	0.2550	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Romania	0.4990	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Hungary	0.3170	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
India	0.9120	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Italy	0.4060	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Thailand	0.5130	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency

Steam or heat purchased and consumed	0.1726	$kgCO_2e/kWh$	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2020
Cooling purchased and consumed	0.0165	$kgCO_2e/kWh$	Centre de ressources sur les bilans de gaz à effet de serre 2020. Base Carbone. ADEME.

Table 6. Emission Factors of Coolants

COOLANTS	FE
Carbon dioxide	1
Methane	28
Nitrous oxide	265
HFC-23	14,800
HFC-32	675
HFC-41	92
HFC-125	3,500
HFC-134	1,100
HFC-134a = R134A	1,430
HFC-143	353
HFC-143a	4,470
HFC-152a	124
HFC-227ea	3,220
HFC-236fa	9,810
HFC-245fa	1,030
HFC-43-I0mee	1,640
Perfluoromethane (PFC-14)	7,390
Perfluoroethane (PFC-116)	12,200
Perfluoropropane (PFC-218)	8,830
Perfluorocyclobutane (PFC-318)	10,300
Perfluorobutane (PFC-3-1-10)	8,860
Perfluoropentane (PFC-4-1-12)	9,160
Perfluorohexane (PFC-5-1-14)	9,300
Sulphur hexafluoride (SF6)	22,800
HFC-152	53
HFC-161	12
HFC-236cb	1,340
HFC-236ea	1,370
HFC-245ca	693
HFC-365mfc	794
R717 (ammonia)	0

COOLANTS	FE
R448A	1,387
R410A	1,890
HFC-1234ze (R1234ze)	7
R717 (ammonia)	0
R404A	3,922
R407A	2,107
R407C	1,774
R407F	1,825
R408A	3,152
R410A	2,088
R507A	3,985
R508B	13,396
R403A	3,124
R407B	2,804
R410B	2,229
R413A	2,053
R-417A	2,346
R-417B	3,026
R-422A	3,143
R-422D	2,729
R-424A	2,440
R-426A	1,508
R-427A	2,138
R-428A	3,607
R-434A	3,245
R-437A	1,805
R-438A	2,264
R-442A	1,888
R-449A	1,396
R-452A	2,140
R-453A	1,765

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
POLLUTANT	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. Rice Crop Emission Factor

EF CH4 (KG/HA/DAY)	SOURCE NCV
1.19	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

Table 9. 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

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	P4-10	
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.11-18	
	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.13-14	
	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.19-23	

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.63-64, 72-74, 81-83	
	Environmental **certification or assessment procedures**	ISO 14001	P.82	
	Resources employed for preventing environmental risks	Internal framework: Accounting	P.82-83	
	Application of the **precautionary principle**	GRI 102-11	P.64	
	Quantity of **provisions and guarantees** for environmental risks	Internal framework: Insurance policy for third-party liability and accidental pollution damage	P.82-83	
Pollution	**Measures** to prevent, reduce or remedy carbon emissions (including noise and light pollution)	Internal framework: CSR internal reporting tool, 305-5	P.68, 76-77	
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.66, 78-81	
	Actions to combat food waste	Internal framework: 1) CSR internal reporting tool 2) Donations to food banks	P.79-80, 35	
Sustainable use of resources	**Water consumption** and water supply within local limits	GRI 303	P.69-71	
	Consumption of raw materials	GRI 301-1	P.65-66	
	Measures taken to make the use of water more efficient	GRI 301-2, 302-4	P.66, 68	
	Direct and indirect energy **consumption**	GRI 302-1, 302-2, 302-3, GRI 302-4	P.66-68	
	Measures implemented to enhance energy efficiency	GRI 302-4	P.68	
	Use of renewable energies	GRI 302-1	P. 66-67	
Climate change	Important **elements** of the GHG emissions generated	GRI 305	P. 74-77	
	Measures taken to adapt to the consequences of climate change	Internal framework: 1) Sustainable agriculture projects 2) Climate change risk matrix	P. 72-74, 22	
	Reduction **goals** established voluntarily	GRI 305-5 Internal framework: logistics emissions	P.76	
Protection of biodiversity	**Measures** taken to preserve or restore biodiversity	Internal framework: CSR internal reporting tool	P.71-74	
	Impacts caused by activities or operations in protected areas	GRI 304 Internal framework: CSR internal reporting tool	P.71-72	

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.43	
	Total **number** and distribution of types of employment contract	GRI 401-1	P.43	
	Annual **average** of permanent, temporary and part-time contracts by gender, age and professional category	GRI 401-1, 405-1	P.43-45	
	Number of dismissals by gender, age and professional category	GRI 401-1	P.45	
	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.54	
Organisation of work	**Organisation** of working time	Internal framework: CSR internal reporting tool	P.45	
	Number of hours absenteeism	Internal framework: Quantitative description of number of hours absenteeism	P.45	
	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.50	
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.51-53	
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.53-54	

AREA		REPORTING FRAMEWORK	REFERENCE	COMMENTS / REASON FOR OMISSION
Universal accessibility by persons with disability		Internal framework: Qualitative description of the universal accessibility measures for persons with disability	P.55	
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.24-25	
Prevention of the risks of violating human rights and, where necessary, **measures** to mitigate, manage and redress possible abuse committed	GRI 412-2	P.24-25	
Complaints of violation of human rights	GRI 406-1	P.25	
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.24	

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.28-30	
Anti-money laundering **measures**	GRI 205-2	P.31	
Contributions to foundations and not-for-profit entities	GRI 201-1	P. 34-39	

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.34-39	
	Impact of the company's activities on local populations and region	Internal framework: CSR internal reporting tool	P.34-39	
	Relations with local communities and forms of dialogue with them	Internal framework: Qualitative description of the relations with local communities	P.34-39	
	Association or sponsorship **actions**	102-12, 102-13	P.34-39	
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.61-62	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	Internal framework:Supplier Code of Conduct CSR internal reporting tool	P.61-62	
	Supervision and audit **systems** and results	Internal framework: CSR internal reporting tool	P.62	
Consumers	**Measures** to guarantee consumer health and safety	Internal framework:Qualitative description of the measures for consumer health and safety	P.57-58 ANEXO 2	
	Grievance **systems**	418-1	P.58-60	
	Complaints received and solution provided	GRI 103-2, 416-2	P.59-60	
Tax information	**Profit** obtained, country by country	Internal framework: Tax and Finance Departments	P.34	
	Corporate income **tax** paid	Internal framework: Tax and Finance Departments	P.33	
	Government **grants** received	Internal framework: Tax and Finance Departments	P.34	

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

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 Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2021, of Ebro Foods, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the Annex 4 "Index of contents required by Act 11/2018 of December 28" of the accompanying Statement.

Responsibility of the Administrators

The preparation of the NFS included in the Consolidated Management Report of Ebro Foods, S.A. and its content is the responsibility of the Administrators of Ebro Foods, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in the Annex 4 "Index of contents required by Act 11/2018 of December 28" from the accompanying Management Report.

The Administrators are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They 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 professional integrity, objectivity, competence, diligence as well as confidentiality and professional behaviour.

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 verification report based on the work performed. 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 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution 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 2021 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 NFS for the year 2021 based on the materiality analysis made by Ebro Foods, S.A. and described in section "Corporate social responsibility and sustainability model", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the 2021 Non-Financial Statement.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFS.
- Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying Consolidated Management Report. Additionally, information has been included, for which the shareholders of Ebro Foods, S.A. have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the "Corporate social responsability and sustainability model" chapter of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that Ebro Foods, S.A. NFS for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the Annex 4 "Index of contents required by Act 11/2018 of December 28" of the Consolidated Management Report.

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)

____

Alberto Castilla Vida

March 30th, 2022

ANNUAL CORPORATE GOVERNANCE REPORT AND FINANCIAL REPORTING (ICFR)

CNMV
COMISIÓN NACIONAL DEL MERCADO DE VALORES

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

DETAILS OF ISSUER

Year Ended: 31/12/2021

Tax Registration Number: A47412333

Name:

EBRO FOODS, S.A.

Registered Office:

PASEO DE LA CASTELLANA 20 – 3rd & 4rd FLOORS - 28046 MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company and voting rights including loyalty shares, if any, at year end:

State whether the articles of association contemplate loyalty shares:

[ ] Yes
[√] No

Date latest modification	Capital (€)	Number of shares	Number of voting rights
27/02/2002	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, including directors with significant holdings:

Name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		Interest / total voting rights (%)
	Direct	Indirect	Direct	Indirect	
CORPORACIÓN FINANCIERA ALBA, S.A.	14.44	0.00	0.00	0.00	14.44
CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	0.00	0.00	0.00	11.69
SOCIEDAD ANÓNIMA DAMM	0.00	11.69	0.00	0.00	11.69
ALIMENTOS Y ACEITES, S.A.	10.36	0.00	0.00	0.00	10.36
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	0.00	10.36	0.00	0.00	10.36
HERCALIANZ INVESTING GROUP, S.A.	8.62	0.00	0.00	0.00	8.62
GRUPO TRADIFÍN, S.L.	7.96	0.00	0.00	0.00	7.96
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	0.00	0.00	0.00	7.83
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	0.00	5.20	0.00	0.00	5.20
MENDIBEA 2002, S.L.	5.20	0.00	0.00	0.00	5.20
ARTEMIS INVESTMENT MANAGEMENT, LLP	0.00	3.65	0.00	0.00	3.65

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
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	ALIMENTOS Y ACEITES, S.A.	10.36	0.00	10.36
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	5.20	0.00	5.20
ARTEMIS INVESTMENT MANAGEMENT, LLP	ARTEMIS INVESTMENT MANAGEMENT, LLP	3.65	0.00	3.65

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

A.3. State, regardless of the percentage, the percentage of voting rights held by board members in the company attributed to shares or through financial instruments, excluding the directors named in section A.2 above:

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
DEMETRIO CARCELLER ARCE	0.01	0.12	0.00	0.00	0.13	0.00	0.00
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	1.50	0.00	0.00
MARÍA CARCELLER ARCE	0.02	0.00	0.00	0.00	0.00	0.02	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

Total % of voting rights held by board members	56.06

On 15 December 2021, Pedro Antonio Zorrero Camas tendered his resignation from the board with effect from 31 December 2021, as explained elsewhere herein (see sections C.1.3, C.2 and Explanatory Note One in section H of this Report).

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.	0.12	0.00	0.12	0.00
MARÍA CARCELLER ARCE	MAHOGANYSEPPL, S.L.	0.00	0.00	0.00	0.00

Total percentage of voting rights represented on the board:

Total % of voting rights represented on the board	67.75

At the date of writing this report, the total percentage of voting rights held by board members is 56.19% and the total percentage of voting rights represented on the board is 67.88%.

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 2021, 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 and receipt of freight services on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.

Name of related party	Type of relationship	Brief description
GRUPO TRADIFÍN, S.L.	Commercial	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
GRUPO TRADIFÍN, S.L.	Contractual	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2021, 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 related parties. See in this respect the information on transactions and comments set out in section D.3 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2021, 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 related parties. See in this respect the information on 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 99.99%. Mr Carceller Arce has an indirect interest in Corporación Económica Delta, S.A. through Sociedad Anónima Damm, in which he has a 0.942% interest (0.056% direct and 0.886% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm, Chairman of the Board of Corporación Económica Delta, S.A. and also holds other positions in some companies related with Damm. See section C.1.11 of this Report.
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 in the director Empresas Comerciales e Industriales Valencianas, S.L., which he represents on the Board of Directors of Ebro Foods, S.A. That indirect interest is held through the direct interest of 50.415% he has in Inversiones Caspatró, S.L., which in turn has a direct interest of 24.965% 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. on the board of Empresas Comerciales e Industriales Valencianas, S.L., which is

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
			chaired by Cultivos Valencia, S.L. He also holds other positions in some companies related with Empresas Comerciales e Industriales Valencianas, S.L. See section C.1.11 of this Report.
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 Managing Director of that company and holds other positions in some of its subsidiaries. See section C.1.11 of this Report.
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 99.99%. Ms Carceller Arce has a 0.05% direct 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.

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 has an employment relationship with the significant shareholder Sociedad Estatal de Participaciones Industriales, in which she is Deputy Director of the Investees Department. She does not hold any office in Alimentos y Aceites, S.A.
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 and holds other positions in other companies of the Corporación Financiera Alba S.A. Group. See section C.1.11 of this Report.
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.
ALEJANDRA OLARRA ICAZA	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra Icaza has an employment relationship with Corporación Financiera Alba, S.A.. She is a member of the Investment Department.

The directors Hercalianz Investing Group, S.L., Grupo Tradifín, S.L., Corporación Financiera Alba, S.A., Alimentos y Aceites, S.A. and Empresas Comerciales e Industriales Valencianas, S.L. are significant shareholders of Ebro Foods, S.A. The director José Ignacio Comenge-Sánchez Real is also a significant shareholder through the company he controls, Mendibea 2002, S.L. See section A.2 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	28.60

At the date of writing this Report the estimated free float is 28.47%.

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	
04/06/2019	29.12	51.48	0.01	0.10	80.71
Of which free float	0.17	15.37	0.01	0.10	15.65
29/07/2020	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
30/06/2021	0.00	61.09	0.02	18.75	79.86

	Details of attendance				
Date of general meeting	% in person	% by proxy	% distance voting		Total
			Electronic vote	Others	
Of which free float	0.00	12.21	0.02	0.56	12.79
15/12/2021	1.53	66.45	0.00	10.75	78.73
Of which free float	0.00	10.61	0.00	0.39	11.00

General meetings were held exclusively online during 2021 in pursuance of: (i) Final Provision Eight of Royal Decree-Law 5/2021 of 12 March on extraordinary measures to support business solvency in response to the COVID-19 pandemic, amending Royal Decree-Law 34/2020 of 17 November on urgent measures to support business solvency and the energy sector, and on taxation issues; and (ii) the company's utmost interest in protecting the health of its shareholders, employees and other persons involved in the preparation and holding of general meetings, in view of the health situation prevailing at those times.

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 continuous, up-to-date information 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-2021/, which is the direct link to the Extraordinary General Meeting of Shareholders held on 15 December 2021; and

https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/general-shareholders-meeting/, which is the link to the Annual General Meeting of Shareholders held on 30 June 2021.

Furthermore, since the general meetings held in 2021 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 2021 (this sub-section always refers to the latest general meeting held, whether annual or extraordinary)

- Board of Directors

- Regulations of the Board

-Remuneration of Directors

- Board Committees

- Annual Corporate Governance Report

- 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 just two 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	30/06/2021	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

Name of director	Representative	Category of director	Position on Board	Date first appointment	Date latest appointment	Election procedure
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	30/06/2021	RESOLUTION PASSED AT AGM
JOSE IGNACIO COMENGE SÁNCHEZ-REAL		Proprietary	DIRECTOR	29/05/2012	16/12/2020	RESOLUTION PASSED AT AGM
JAVIER FERNÁNDEZ ALONSO		Proprietary	DIRECTOR	29/07/2020	16/12/2020	RESOLUTION PASSED AT AGM
CORPORACIÓN FINANCIERA ALBA, S.A.	ALEJANDRA OLARRA ICAZA	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
PEDRO ANTONIO ZORRERO CAMAS		Independent	DIRECTOR	13/12/2018	04/06/2019	RESOLUTION PASSED AT AGM

Total number of directors	14

Indicate any retirements from the board during the reporting period, through resignation or by resolution of the general meeting:

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
Pedro Antonio Zorrero Camas	Independent	04/06/2019	31/12/2021	Executive Committee and	YES

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
				Audit & Compliance Committee	

Cause of retirement if produced prior to the end of the director's term of office and other comments; information on whether the director sent a letter to the other board members and, for retirements of non-executive directors, explanation or opinion of any director removed from office by the general meeting

On 15 December 2021, after conclusion of the board and extraordinary general shareholders' meetings held that day, Pedro Antonio Zorrero Camas tendered his resignation from the board for professional reasons, with effect as from 31 December 2021.

Mr Zorrero Camas communicated his decision to resign and the purely personal reasons for such resignation in letters sent to the company and each of the directors.

In pursuance of the CNMV Technical Guidelines 1/2019 on Nomination and Remuneration Committees, which recommends that when a director resigns the Committee should assess the contents of the notification sent thereof, at a meeting held on 26 January 2022 the Nomination and Remuneration Committee discussed the grounds stated for Mr Zorrero Camas' resignation and his reasons for doing so, concluding that the strictly professional grounds alleged by Mr Zorrero Camas for his resignation was not related with any discrepancies with the company's strategy, directors, executives or core shareholders.

To fill the vacancy generated by Mr Zorrero Camas' resignation (with effect from 31 December 2021), the Board resolved on 31 January 2022 to appoint by cooptation Marc Thomas Murtra Millar as independent director. See sections A.3 and C.2 and Explanatory Note One in section H below.

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 studied 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, the Manuel Clavero Award, Business Sponsorship Award from the University of Seville and the Tiepolo 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 note in section C.1.10 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 8.621% at 31 December 2021 (8.695% at the date of writing this report, 21 March 2022).

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 of the Board and member of the Executive Committee of Sacyr, S.A. 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 28 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 company, 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 has received several awards for her career and business management: Executive of the Year by the journal Emprendedores in 2015, Award for Business Career in the IV Awards of the Young Entrepreneurs Association of Madrid in 2017, included within the Top 100 Leading Women in Spain published by Mujeres&Cía, and in the ranking of the 500 most influential Spanish women in 2020 published by Yo Dona, among others. She is bilingual in German and 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
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 Ebro Foods, S.A., Profand Fishing Holding, S.L., Rioja, S.à.r.L., 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 was formerly on the boards of several other companies including, among others, Acerinox, S.A., Actividades de Construcción y Servicios, S.A., Euskaltel, S.A. and Parques Reunidos Servicios Centrales, S.A. He speaks English.
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Alarra Icaza (representative of the director Corporación Financiera Alba, S.A.) was born in Bilbao. She has a degree in Business Management & Administration from Comillas Pontifical University (Universidad Pontificia Comillas) in Madrid (ICAE-ICADE). She has a lengthy track record in the investment banking sector and considerable international experience in mergers & acquisitions and equity market transactions in all sectors. She is currently a member of the Investment Department of Corporación Financiera Alba, S.A.
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 extensive experience 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 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, real estate and agricultural companies.

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
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.

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, Master in Corporate Legal Counselling from IE Business School and PhD in Communication Science from IE University. On conclusion of her academic training, she worked for 10 years as a commercial lawyer in the law firm of José Mario Armero, and is currently Manager of the Negotiation and Mediation Centre of the IE Business School, where she is Negotiation lecturer in all the Masters programmes. She is also a member of the Advisory Board of Ribé Salat and Trustee of the "Fundación Contigo contra el Cáncer de la Mujer" and the "Quiero Trabajo" foundation. She wrote the manual "El Negociador efectivo" and directed and co-authored "Negociar para CON-vencer" and "Negociar para CON-seguir", as well as numerous technical notes, working papers and research cases on negotiation. In 2020 she received the award for "The most used learning material at IE".

Total number of independent directors	4
% of board	28.57

It should be noted that Pedro Antonio Zorrero Camas stepped down as director with effect from 31 December 2021, so his professional description contained in this section is prior to that date. See sections A.3, C.1.2, C.2 and Explanatory Note One of section H below.

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 (%)			
	2021	2020	2019	2018	2021	2020	2019	2018
Executive					0.00	0.00	0.00	0.00
Proprietary	4	3	3	3	50.00	37.50	42.86	42.86
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	6	5	5	5	42.86	35.71	38.46	38.46

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 by the procedure of cooptation. 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 following goals are established in the Policy:

- 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 42.86% on the Board of Directors, the company has already reached (and exceeded) in 2021 its target for women, as the gender least represented on that body, to represent 40% of the total board members by 2022.

In addition, as Marc Thomas Murtra Millar has joined the board as an independent director, the diversity of expertise, experience and professional profiles within the composition of the board has been enriched, considering the knowledge Mr Murtra Millar brings on the impact of technology on the future of large organisations and markets. In this regard, during the assessment of the Board, its Committees and the Executive Chairman during 2020 (made in 2021 with assistance from an external consultant), it was considered convenient to have a director expert in new technologies.

See sections A.3, C.1.2, D.2 and Explanatory Note One of section H regarding Mr Murtra Millar's incorporation in the board. See section C.1.17 on the assessment made in 2021, with assistance from an external consultant, on the Board, Committees and Executive Chairman during 2020.

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, 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, which target was met and even exceeded in 2021 (see section C.1.5 of this Report).

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 hiring, 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" 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 business (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 a Senior 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 2021, 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 57.63% of the capital (57.68% at the date of writing this Report), 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 66.10% of the capital (66.23% at the date of writing this Report). 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 (6 women) is 42.86%, the company reached (and exceeded) in 2021 its target of achieving the recommended 50% 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, if any, delegated by the board to particular directors or committees, including the power to cast or repurchase shares:

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

Name of director or committee	Brief description
	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.	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

Name of director	Name of group company	Position	With executive duties?
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	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.

Finally, the positions held by Félix Hernández Callejas in the subsidiaries of the Ebro Foods Group are listed below. In this regard, it should be remembered that, as mentioned elsewhere in this Report, Félix Hernández Callejas represents the director Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. and that director is classified as an executive director by virtue of the fact that its representative is an executive and director of several Group subsidiaries.

- Anglo Australian Rice, Ltd. Director. With executive duties
- Arrozeiras Mundiarroz, S.A. Director. With executive duties
- Boost Nutrition, CV. Director. With executive duties
- Española de I+D, S.A. Joint and Several Director. With executive duties
- Eurodairy, S.L.U. Joint and Several Director. With executive duties
- Formalac, S.L.U. Joint and Several Director. With executive duties
- Fallera Nutrición, S.L.U. Joint and Several Director. With executive duties
- Herba Foods, S.L.U. Joint and Several Director. With executive duties
- Herba Ingredients Belgium B, BV. Director. With executive duties
- Herba Nutrición, S.L.U. Joint and Several Director. With executive duties
- Herba Trading, S.L.U. Joint and Several Director. With executive duties
- Joseph Heap & Sons, Ltd. Director. With executive duties
- Nuratri, S.L.U. Joint and Several Director. With executive duties
- Nutramas, S.L.U. Joint and Several Director. With executive duties
- Nutrial, S.L.U. Joint and Several Director. With executive duties
- Pronatur, S.L.U. Joint and Several Director. With executive duties
- Risella, OY. Chairman and CEO. With executive duties
- Riviana Foods, Inc. Director. No executive duties
- S&B Herba Foods, Ltd. Director. With executive duties
- Santa Rita Harinas, S.L. Chairman. No executive duties
- Vitasan, S.L.U. Joint and Several Director. With executive duties
- Vogan, Ltd. Director. With executive duties
- Yofres, S.L.U. Joint and Several Director. With executive duties
- Herba Ingredients Belgium F, BV. Director. With executive duties

C.1.11 Name the company directors or representatives of corporate directors who are board members or representatives of corporate directors in other companies, listed or otherwise:

Name of director or representative	Name of company, listed or otherwise	Position
ANTONIO HERNÁNDEZ CALLEJAS	Imirton, S.L.	SOLE DIRECTOR
ANTONIO HERNÁNDEZ CALLEJAS	Hacienda Las Casetas, S.L.	SOLE DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
DEMETRIO CARCELLER ARCE	Disa Corporación Petrolífera, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Sacyr, S.A.	VICE-CHAIRMAN
DEMETRIO CARCELLER ARCE	Font Salem, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Damm Restauración, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Setpoint Events, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Inversiones Las Parras de Castellote, S.L.	SOLE DIRECTOR
DEMETRIO CARCELLER ARCE	Sociedad Anónima Damm	CHAIRMAN
DEMETRIO CARCELLER ARCE	Corporación Económica Delta, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Compañía Inversora del Maestrazgo, S.L.	SOLE DIRECTOR
DEMETRIO CARCELLER ARCE	Rodilla Sánchez, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	Balear de Cervezas, S.L.	CHAIRMAN
BELÉN BARREIRO PÉREZ-PARDO	40DB Data, S.L.	SOLE DIRECTOR
MARÍA CARCELLER ARCE	Damm Restauración, S.L.	MANAGING DIRECTOR
MARÍA CARCELLER ARCE	Corporación Económica Delta, S.A.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Rodilla Sánchez, S.L.	MANAGING DIRECTOR
MARÍA CARCELLER ARCE	Artesanía de la Alimentación, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Sociedad Anónima Damm	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	El Obrador de Hamburguesa Nostra, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Nostra Restauración, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Hamburguesa Nostra, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Balear de Cervezas, S.L.	DIRECTOR
MARÍA CARCELLER ARCE	Renta Insular Canaria, S.A. SICAV	DIRECTOR
MARÍA CARCELLER ARCE	Hamburguesa Nostra Franquicia, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	Japan Investment, BV	DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Claptos 2, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	S.C.I. Clatos France	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Eurodairy Farms, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Kilfenora, S.L.	SOLE DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Soc. Africaine Investissement	DIRECTOR
FERNANDO CASTELLÓ CLEMENTE	Tomás Cusiné, S.L.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Ence Energía y Celulosa, S.A.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Mendibea 2002, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Blig 13-13, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Arbitrajes e Inversiones, S.L.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Globotrans, S.L.	SOLE DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Dosval, S.L.	DIRECTOR
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Fruvega, S.L.	JOINT AND SEVERAL DIRECTOR
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Dosval, S.L.	CHAIRMAN
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Olive Partners, S.A.	VICE-CHAIRMAN
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Riegos El Pator, S.L.	SOLE DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Inversiones Caspatró, S.L.	CHAIRMAN

Name of director or representative	Name of company, listed or otherwise	Position
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Valencia, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Capital, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Cultivos Activo Inmobiliario, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Las Colinas del Contador, S.A.	JOINT DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	Los Barrancos y el Hornillo, S.L.	JOINT AND SEVERAL DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Artá Capital, S.G.I.C., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Deyá Capital, S.C.R., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Deyá Capital IV, S.C.R., S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Profand Fishing Holding, S.L.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Rioja, S.a.r.l.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	Rioja Acquisition, S.a.r.l.	DIRECTOR
GRUPO TRADIFÍN, S.A.	Aldebarán Energía del Guadalquivir, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Cabher 96, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Golf Activities, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Olivetum Recursos Biomásicos, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	Light Environment Control, S.L.	DIRECTOR
GRUPO TRADIFÍN, S.A.	Instituto Hispánico del Arroz, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Real Club Sevilla Golf, S.L.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Grupo Tradifín, S.L.	MANAGING DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Tradifín, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Pharma Mar, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Light Environment Control, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	Magallanes Value Investors, S.A.	DIRECTOR
HERCALIANZ INVESTING GROUP, S.L.	Hersot Ventures, S.L.	SOLE DIRECTOR
HERCALIANZ INVESTING GROUP, S.L.	Instituto Hispánico del Arroz, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hercalianz Investing Group, S.L.	JOINT AND SEVERAL DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Acebes Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agrícola Mauriñas, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agrícola Villamarta, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Agropecuaria Isla Mayor, SL.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Arrizur 8, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Arrozales Isla Menor, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Australian Commodities, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Campoarroz Sur, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Conde-Guadaira, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Cuquero Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Casudis, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Guadalquivir, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Dehesa Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	El Cobujón, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Entreguadal, S.L.	REPRESENTATIVE OF DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
FÉLIX HERNÁNDEZ CALLEJAS	Entrerríos Norte, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Esparragosilla 91 S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Fitoplancton Marino, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Greenveta 78, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Bocón, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Guadiagrán, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hacienda Las Pompas, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hersot Ventures, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hispamark Real State, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Instituto Hispánico del Arroz, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Isla Sur, S.A.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Libeccio Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Llanos Rice, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Matochal Sur, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Mundirice Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Oryza Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Pesquerías Isla Mayor, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Prorrío, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Risoland Agro, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Revercant Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Rivereta 12, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Sirocco Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Vercelli Agrícola, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Veta Grains, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Vetarroz, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Zudirroz, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Hernández Barrera Servicios, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	Magallanes Value Investors, S.A.	DIRECTOR

- Demetrio Carceller Arce is also Chair of the Board of Trustees of Fundación Damm.

- Mercedes Costa García is also member of the Board of Trustees of Fundación Contigo contra el Cáncer de la Mujer and member of the Advisory Board of Fundación Quiero Trabajo.

- Blanca Hernández Rodríguez is also Chair of the Board of Trustees of Fundación Ebro Foods, member of the Board of Trustees of Fundación Proyecto Hombre Sevilla and member of the Board of Trustees of Fundación Capacis.

Indicate any other remunerated activities of the directors or representatives of corporate directors, regardless of their nature, other than those mentioned in the preceding table.

Name of director or representative	Other remunerated activities
BELÉN BARREIRO PÉREZ-PARDO	Lecturer and member of the Social Council of UNIR
CORPORACIÓN FINANCIERA ALBA, S.A.	Real estate and investment activities
MERCEDES COSTA GARCÍA	Management of IE Business School and member of the Advisory Board Ribé Salat

Name of director or representative	Other remunerated activities
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Bookkeeping, administration and tax management for subsidiaries
JAVIER FERNÁNDEZ ALONSO	General Manager of Corporación Financiera Alba, S.A.
GRUPO TRADIFÍN, S.L.	Management activities for Club Deportivo Real Club Sevilla Golf and estate agencies
MARÍA JESÚS GARRIDO SOLÍS	Deputy Director of the Investees Department of Sociedad Estatal de Participaciones Industriales (SEPI)
ALEJANDRA OLARRA ICAZA	Member of the Investment Department of Corporación Financiera Alba, 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)	7,169
Amount of the funds accumulated by current directors in long-term savings schemes with vested economic rights (thousand euros)	
Amount of the funds accumulated by current directors in long-term savings schemes with non-vested economic rights (thousand euros)	
Amount of the funds accumulated by former directors in long-term savings schemes (thousand euros)	

The gross amount indicated in this section C.1.13 includes: (i) the remuneration of all the directors for their duties as such, and (ii) the remuneration of the Executive Chairman for his executive duties (including attendance fees as director received from a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in a sum of 5,000 euros.

The Executive Chairman of the Board also received 5,200 euros gross in attendance fees as director from the associate Riso Scotti, S.p.A.

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

Name	Position(s)
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER
MANUEL GONZÁLEZ DE LUNA	INVESTOR RELATIONS AND FINANCIAL INSTITUTIONS MANAGER

Number of women in top management positions	4
Percentage of total members of top management	40.00

Total remuneration top management (thousand euro)	2,400

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 are not actually considered "top management".

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 15 December 2021, after the Extraordinary General Meeting of Shareholders held that same day, the Board of Directors unanimously resolved to alter the Regulations of the Board, mainly to adjust them to the Corporate Enterprises Act ("LSC") following its amendment by Act 5/2021 of 12 April on encouraging the long-term involvement of shareholders in listed companies.

The alteration 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 alterations made to the Regulations of the Board are summarised below:

A. Alterations adapting to the Corporate Enterprises Act:

- Alteration of Article 8 (Powers) to adapt the power of the Board to approve the related party transactions within its remit to the provisions of section 529.ter.1(h) LSC.

- Alteration of Article 24 (Audit and Compliance Committee) to adapt the text to that of section 529 quaterdecies.4(g) LSC

- Alteration of Article 25 (Nomination and Remuneration Committee) to adapt the power regarding the report to be issued to the Board by the Nomination and Remuneration Committee on setting the individual remuneration of each director for their duties as such and regarding the individual determination of the remuneration of each director for the performance of any executive duties assigned to them, in pursuance of sections 529 septdecies.3 and 529 octodecies.3 LSC, respectively. All this shall be coordinated with the provisions of Article 22 of the Articles of Association (following their amendment as resolved at the Annual General Meeting held on 30 June 2021).

- Amendment of Article 32 (General duties of Directors) to supplement the provisions regarding the duty of loyalty, adding the words "subordinating their personal interests at all times to the interests of the company", pursuant to section 225.1 LSC.

- Amendment of Article 37 (Conflict of interest. Related party transactions) to adapt the rules on related party transactions to the provisions of Chapter VII bis of Title XIV LSC.

- Amendment of Article 41 (Remuneration) to adapt it to the provisions of sections 529 septdecies.3, novodecies.1 and octodecies.3 LSC and expressly include a reference to the directors' liability insurance. All this shall be coordinated with the wording of Article 22 of the current Articles of Association (following their amendment as resolved at the Annual General Meeting held on 30 June 2021).

B. Other alterations for technical enhancement and coordination:

- Alteration of Article 6 (Qualitative Criteria)

- Alteration of Article 7 (General Duties)

- Alteration of Article 8 (Powers)

- Alteration of Article 9 (Specific duties regarding certain matters)

- Alteration of Article 11 (Chairman of the Board)

- Alteration of Article 15 (Secretary of the Board and Vice-Secretary)

- Alteration of Article 17 (Board Meetings)

- Alteration of Article 18 (Notice of Call)

- Alteration of Article 20 (Proxies)

- Alteration of Article 22 (General Provisions)

- Alteration of Article 24 (Audit and Compliance Committee)

C. Finally, to remedy minor errata:

- Alteration of Article 3 (Modification)

- Alteration of Article 23 (Executive Committee)

- Alteration of Article 31 (Retirement of Directors)

The recast text of the Regulations of the Board was entered in the Madrid Trade Register on 24 February 2022. 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 2022.

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 assessment of the Board, Committees and Executive Chairman corresponding to 2020 (made in 2021 with assistance from an independent external consultant) 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

An assessment is made every year on the Board, its Committees and the Executive Chairman of the Company.

The independent external consultant who assisted the company in the assessment corresponding to 2020 (made in 2021) based their process on: (i) the minutes of Board and Committee meetings that the company has provided; (ii) the Articles of Association, Regulations of the Board, Code of Conduct, Corporate Governance Reports, Audit and Compliance Committee reports, Nomination and Remuneration Committee reports and Policies of the Company published on the corporate website; (iii) examination of 156 items concerning the procedures of the Board, following the recommendations of the Code of Good Governance, the Technical Guidelines for Audit Committees and Nomination and Remuneration Committees and adaptation to the legal framework; and (iv) the interviews held through remote channels, owing to the health situation at that time, with the independent directors and most of the proprietary directors.

B. AREAS ASSESSED

Apart from assessing the composition, powers and procedures of the Board of Directors and its Committees, a specific assessment was made of those bodies with regard to the following matters:

-Board of Directors: specific assessment of: (i) the size, dimension and qualitative composition, (ii) the balance and diversity of expertise on the Board, (iii) the independence and dedication of the directors, (iv) the remuneration of the directors; (v) the adaptation of the Board procedures and powers to the provisions of law, articles and regulations applicable to the Board and to the applicable policies; and (vi) the procedure at meetings and how business is discussed and transacted.

-Executive Committee: specific assessment of reporting to the Board on the resolutions adopted by the Committee through access by all directors, through the Secretary, of the minutes of its meetings.

-Audit and Compliance Committee: specific assessment of its particular powers in matters concerning internal audit procedures, external auditors, whistleblowing channel, financial reporting, structural operations, risk control and annual accounts, as well as the specific powers of supervision in particular aspects of corporate government, internal codes of conduct and corporate social responsibility.

-Nomination and Remuneration Committee: specific assessment of its powers with regard to the selection of directors, basic terms of senior executive contracts, pay policies and the remuneration policy for directors and senior executives.

C.1.18 In any years in which an external consultant has been 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.

The external consultant has not entered into any business relationships with companies in the Ebro Group other than as regards the assessment, as explained in section C.1.17 of this Report.

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 of Directors, 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 or other stricter requirements in addition to those provided by law 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	13
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 Nomination and Remuneration Committee	5
Number of meetings of the Strategy and Investment Committee	1
Number of meetings of the Audit and Compliance Committee	7
Number of meetings of the Executive Committee	6

The number of Board meetings (13) indicated in this section includes the adoption of written resolutions without a meeting, pursuant to Article 21.4 Regulations of the Board.

During 2021, when the Covid-related restrictions continued, the lead independent director did not hold any face-to-face meetings with the other non-executive directors, although she has proactively 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	13
Attendance / total votes during the year (%)	96.15
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	13
Votes cast with attendance in person or by proxies with specific instructions / total votes during the year (%)	100.00

Attendance in person includes all directors who attended personally, face-to-face or online.

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.

In this regard, it must also 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.

- Be informed of the decisions adopted by the senior management according to recommendations made by the External Auditors in connection with the audit.

In addition, the Group has a Risks Control and Management Policy, including tax risks, 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 Department is responsible, as described in section F.3.1 of this report.

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 Group Economic Department, the Risks Committee, the economic and finance departments of the different business units, the Audit and Compliance Committee and the Board of Directors.

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 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. To perform these duties it shall, through its Chair, obtain information and collaboration from both the Internal Audit Manager and the External Auditors.

- 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. It shall also inform the Board on the proposed appointment of the Internal Audit Manager and approve each year the internal audit work plan and monitor its implementation.

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, when 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 of the Ebro Group, 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 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 Company also has a Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors, which upholds transparency as one of the fundamental values of the actions by the Company and its Group. This Policy contemplates the following general principles applicable in this matter:

- Communication and relations with institutional investors and proxy advisors are conducted in accordance with the principles of transparency, truth and permanent, adequate, timely reporting.

- The principle of non-discrimination and equal treatment is recognised for all shareholders and investors who are in the same conditions and not affected by conflicts of interest or competence.

- The rights and legitimate interests of all shareholders are protected.

- Continuous, permanent communication with shareholders and investors is encouraged.

- Reporting and communication channels are established with shareholders and investors to ensure compliance with these principles.

The company also 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:

- The communication of financial, non-financial and corporate information through any available channels shall in all cases respect: (i) the legal provisions in place from time to time on market abuse and (ii) the principles of transparency, truth and permanent, adequate, timely reporting.

- The principles of non-discrimination and equal treatment shall be respected in all cases for all shareholders who are in the same conditions and not affected by conflicts of interest or competence.

- 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)	208	140	348

Charge for non-audit work / Amount invoiced for audit work (%)	45.81	6.72	13.72

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 separate and/or consolidated annual accounts of the company. 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	8	8

	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	25.81	25.81

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	0
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:

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

% 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 will have a minimum of three and a maximum of five Directors, including the Chair, appointed by the Board of Directors subject to a report by the Nomination and Remuneration Committee.

Meetings will be 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 2021, the Strategy and Investment Committee began defining the principal guidelines for the new Strategic Plan of the Ebro Foods Group 2022-2024.

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIR	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.

Following the appointment of Marc Thomas Murtra Millar as independent director as of 31 January 2022, filling the vacancy produced upon the resignation of Pedro Antonio Zorrero Camas (with effect from 31 December 2021), the composition of the Executive Committee is as follows:

- Antonio Hernández Callejas, Chair (executive director)
- Demetrio Carceller Arce, Member (proprietary director)
- Javier Fernández Alonso, Member (proprietary director)
- Marc Thomas Murtra Millar, Member (independent director)

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 2021, 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.

Audit and Compliance Committee		
Name	Position	Category
PEDRO ANTONIO ZORRERO CAMAS	MEMBER	Independent
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MERCEDES COSTA GARCÍA	CHAIR	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary
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 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.

Following the appointment of Marc Thomas Murtra Millar as independent director as of 31 January 2022, filling the vacancy produced upon the resignation of Pedro Antonio Zorrero Camas (with effect from 31 December 2021), the composition of the Audit and Compliance Committee is as follows:

- Mercedes Costa García, Chair (independent director)
- Fernando Castelló Clemente, Member (independent director)
- Javier Fernández Alonso, Member (proprietary director)
- Grupo Tradifín, S.L., Member (proprietary director)
- Marc Thomas Murtra Millar, Member (independent director)

Mr. Murtra Millar has been appointed member of the Audit and Compliance Committee by virtue of his expertise and experience in the matters falling within the remit of this Committee.

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 will have 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 Chair 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 Chair shall be replaced every four years and will become eligible for re-election one year after their 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 2021, 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, annual work plan of the internal audit department, 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.

During 2021 the Committee also approved its 2020 activity report, made available for shareholders for the Annual General Meeting held on 30 June 2021.

The Company will issue a detailed report of all the activities performed by the Audit and Compliance Committee during 2021, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2022.

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 committee chair.

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

Nomination and Remuneration Committee		
Name	Position	Category
BELÉN BARREIRO PÉREZ-PARDO	MEMBER	Independent
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
FERNANDO CASTELLÓ CLEMENTE	CHAIR	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.

The Nomination and Remuneration Committee will have 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 will 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 will be 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 its remit.

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 2021, 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 Directors' Remuneration Policy 2019-2021 and other policies falling within its remit; (iv) new Directors' Remuneration Policy 2022-2024; (v) remuneration systems and remuneration of directors, including the Executive Chairman, and of the key executives of the Company and its Group; (vi) Corporate Governance Report and Directors' Remuneration Report for 2021; (vii) Share-Based Remuneration Plan for Group employees for 2021; and (viii) self-assessment procedure for the Board of Directors, Chairman and Committees for 2020, with assistance from an independent external consultant.

The Committee also approved during 2021 its 2020 activity report, made available for shareholders for the Annual General Meeting of 30 June 2021.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2021, which will be made available to all shareholders for the forthcoming Annual General Meeting 2022.

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							
	2021		2020		2019		2018	
	No.	%	No.	%	No.	%	No.	%
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00
Audit and Compliance Committee	2	40.00	2	40.00	3	60.00	2	40.00
Nomination and Remuneration Committee	3	60.00	3	60.00	2	50.00	1	25.00

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 approved by the Board of Directors on 15 December 2021, changes have been made to the regulations of the Executive Committee, the Audit and Compliance Committee and the Nomination and Remuneration Committee in such aspects as have been deemed fit to adapt them to the Corporate Enterprises Act following the amendment thereto by virtue of Act 5/2021. 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 bodies competent to approve related party and inter-company transactions, indicating the internal criteria and general rules of the organisation regulating the obligations of affected directors or shareholders to abstain and defining the internal procedures on reporting and regular control established by the company in relation to the related party transactions whose approval has been delegated by the Board.

Article 24 of the Regulations of the Board vests in the Audit and Compliance Committee the power to: (i) oversee related party transactions and report to the Board or the General Meeting, as the case may be, prior to their approval, on the related party transactions to be submitted for its approval; and (ii) supervise the internal procedure, if any, established by the company for those transactions whose approval has been delegated.

In general, Article 37 of the Regulations of the Board establishes that other than in the cases in which this power is reserved by law to the General Meeting, related party transactions must be reported to and approved by the Board, subject to a report by the Audit and Compliance Committee.

Article 37 of the Regulations provides that:

- Related Party Transactions made for an amount or value equal to or greater than 10% of the total consolidated assets, as per the latest consolidated annual balance sheet approved by the company, require approval by the General Meeting.

- All other Related Party Transactions shall be approved by the Board, which may not delegate this power unless: (i) they are made with Group companies within the scope of ordinary business and on arm's length terms, or (ii) they are made under standard form contracts used generally with a large number of clients, at prices or rates established generally by the supplier of the goods or provider of the services in question and provided the amount of the transaction does not exceed 0.5% of the company's consolidated net turnover.

- Whenever, in accordance with the preceding paragraph, the Board delegates the approval of related party transactions, the Board shall establish an internal procedure for regular reporting and control in order to verify the fairness and transparency of those transactions and, as the case may be, compliance with the applicable legal provisions.

- The Audit and Compliance Committee shall issue a report prior to approval of any Related Party Transactions by the General Meeting or the Board. In that report, the Committee shall assess whether the transactions are fair and reasonable for the company and, where appropriate, for shareholders other than the related party involved in the transaction, explaining the assumptions on which its assessment is based and the methods employed. No members of the Audit and Compliance Committee affected by the Related Party Transactions may participate in the preparation of this report. This report will not be obligatory for Related Party Transactions whose approval has been delegated by the Board, whenever this is permitted by law and contemplated in the Regulations of the Board.

- The Board shall ensure publication of any Related Party Transactions made by the company or Group companies for a sum equal to or greater than 5% of the total value of consolidated assets or 2.5% of the annual consolidated turnover of the Company or its Group.
For this purpose, an announcement containing the details required by law shall be published in an easily accessible part of the company's website and sent to the National Securities Market Commission. The announcement shall be published and remitted no later than the date of the Related Party Transaction, and shall be accompanied by the report, if any, issued by the Audit and Compliance Committee.

- The amount of a Related Party Transaction shall be determined by adding up the value of all transactions made with the same counterparty within the past twelve months.

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. Give the individual details of any transactions for a significant amount or object between the company and/or companies in its group and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, stating which body was responsible for approving them and whether any affected director or shareholder has abstained. If the General Meeting was competent, state whether the proposed resolution was passed by the board without votes against by the majority of independent directors:

	Name of shareholder or any of its subsidiaries	% Interest	Name of subsidiary	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without votes against by the majority of independent directors
(1)	CORPORACIÓN FINANCIERA ALBA, S.A.	14.44	---	25,040	General Meeting of Shareholders (annual and extraordinary)	---	YES
(2)	SOCIEDAD ANÓNIMA DAMM	11.69	Compañía Cervecera Damm, S.L.	5,262	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(3)	SOCIEDAD ANÓNIMA DAMM	11.69	Estrella de Levante, S.A.	1,397	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(4)	SOCIEDAD ANÓNIMA DAMM	11.69	Alfil Logistics, S.A.	7	Board of Directors without votes against by majority of independent directors	Demetrio Carceller Arce and María Carceller Arce	NO
(5)	CORPORACIÓN ECONÓMICA DELTA, S.A.	11.69	---	20,498	General Meeting of Shareholders (annual and extraordinary)	---	YES
(6)	ALIMENTOS Y ACEITES, S.A.	10.36	---	18,172	General Meeting of Shareholders (annual and extraordinary)	---	YES
(7)	HERCALIANZ INVESTING GROUP, S.L.	8.62	Instituto Hispánico del Arroz, S.A.	11,662	Board of Directors without votes against by majority of independent directors	Hercalianz Investing Group, S.L., Antonio Hernández Callejas y Grupo Tradifín, S.L.	NO
(8)	HERCALIANZ INVESTING GROUP, S.L.	8.62	---	14,984	General Meeting of Shareholders (annual and extraordinary)	---	YES
(9)	GRUPO TRADIFÍN, S.L.	7.96	Cabher 96, S.L.	28	Board of Directors without votes against by majority of independent directors	Grupo Tradifín, S.L., Antonio Hernández Callejas and Hercalianz Investing Group, S.L.	NO

	Name of shareholder or any of its subsidiaries	% Interest	Name of subsidiary	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without votes against by the majority of independent directors
(10)	GRUPO TRADIFÍN, S.L.	7.96	---	13,964	General Meeting of Shareholders (annual and extraordinary)	---	YES
(11)	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	7.83	---	13,729	General Meeting of Shareholders (annual and extraordinary)	---	YES
(12)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	5.20	Mendibea 2002, S.L.	9,120	General Meeting of Shareholders (annual and extraordinary)	---	YES
(13)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	5.20	---	3	General Meeting of Shareholders (annual and extraordinary)	---	YES
(14)	ANTONIO HERNÁNDEZ CALLEJAS	0.00	Luis Hernández González	42	Board of Directors without votes against by majority of independent directors	Antonio Hernández González, Hercalianz Investing Group, S.L. and Grupo Tradifín, S.L.	NO

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(1)	CORPORACIÓN FINANCIERA ALBA, S.A.	Corporate	Dividends paid
(2)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm’s length terms
(3)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm’s length terms
(4)	SOCIEDAD ANÓNIMA DAMM	Commercial	Freight services received on arm’s length terms
(5)	CORPORACIÓN ECONÓMICA DELTA, S.A.	Corporate	Dividends paid

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(6)	ALIMENTOS Y ACEITES, S.A.	Corporate	Dividends paid
(7)	HERCALIANZ INVESTING GROUP, S.L.	Commercial	See information on and breakdown of transactions in "COMMENTS"
(8)	HERCALIANZ INVESTING GROUP, S.L.	Corporate	Dividends paid
(9)	GRUPO TRADIFÍN, S.L.	Commercial	Purchase of rice harvest at price and on terms applied in comparable transactions
(10)	GRUPO TRADIFÍN, S.L.	Corporate	Dividends paid
(11)	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Corporate	Dividends paid
(12)	ON JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Corporate	Dividends paid
(13)	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	Corporate	Dividends paid
(14)	ANTONIO HERNÁNDEZ CALLEJAS	Contractual	Real estate lease (expense) on arm's length terms

1. The related party transactions made with shareholders (or their related parties) which, in their capacity as such, are represented or hold a position on the Board are indicated in this section.

2. Information and breakdown of transactions with Instituto Hispánico del Arroz, S.A.:

With regard to the transactions made with Instituto Hispánico del Arroz, S.A. indicated in this section D.2, it should be noted that the directors and significant shareholders Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L. each own 50% of Instituto Hispánico del Arroz, S.A., with which the Ebro Group frequently enters into commercial transactions on arm's length terms. The transactions made by the Ebro Group with that company and its subsidiaries during 2021 have been set down in this section as related to the director Hercalianz Investing Group, S.L., although they should also be considered related to the director Grupo Tradifín, S.L. by virtue of the 50% interest that this director has in Instituto Hispánico del Arroz, S.A.

The breakdown of transactions made by the Ebro Group with Instituto Hispánico del Arroz, S.A. (related to the directors Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L.) declared in this section is as follows:

- national and international commodity purchases: quinoa and different varieties of rice, for 9,521 thousand euros;

- national and international commodity sales: quinoa and different varieties of rice (harvest and grain), marine plankton and crop protection products, for 1,360 thousand euros;

- services rendered, essentially royalties and import licences, for 50 thousand euros;

- services received, essentially royalties and import licences, for 289 thousand euros;

- leases (expense) of offices, raw material warehouses and extended rice storage, for 442 thousand euros.

The Board of Directors took the following criteria in account when approving the above transactions:

- internal comparables: price and terms applied in purchase and sale transactions and services rendered and received comparable with unrelated third parties;

- external comparables: when there are no internal comparables, the price and terms of similar products on the national or international market has been taken (based on information obtained from stock markets and other public information); and

- other comparables: when there are no internal or external comparables, other aspects have been analysed, such as the return obtained on resale.

D.3. Give the individual details of 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, including any transactions made with companies that the director or executive controls or jointly controls, stating which body was responsible for approving them and whether any affected director or shareholder has abstained. If the General Meeting was competent, state whether the proposed resolution was passed by the board without votes against by the majority of independent directors:

	Name of directors or executives or companies under their control or joint control	Name of company or subsidiary	Relationship	Amount (thousand euros)	Body that approved transaction	Identification of significant shareholder or director who abstained	The proposal to the general meeting, if any, was approved by the board without votes against of the majority of independent directors
(1)	FERNANDO CASTELLÓ CLEMENTE	---	---	2,631	General Meeting of Shareholders (annual and extraordinary)	---	YES
(2)	DEMETRIO CARCELLER ARCE	Inversiones Las Parras de Castellote, S.L.	Corporate	188	General Meeting of Shareholders (annual and extraordinary)	---	YES
(3)	DEMETRIO CARCELLER ARCE	---	---	11	General Meeting of Shareholders (annual and extraordinary)	---	YES
(4)	MARÍA CARCELLER ARCE	Mahoganyseppl, S.L.	Corporate	5	General Meeting of Shareholders (annual and extraordinary)	---	YES
(5)	MARÍA CARCELLER ARCE	---	---	23	General Meeting of Shareholders (annual and extraordinary)	---	YES

	Name of directors or executives or companies under their control or joint control	Nature of the transaction and other information necessary for its evaluation
(1)	FERNANDO CASTELLÓ CLEMENTE	Dividends paid

	Name of directors or executives or companies under their control or joint control	Nature of the transaction and other information necessary for its evaluation
(2)	DEMETRIO CARCELLER ARCE	Dividends paid
(3)	DEMETRIO CARCELLER ARCE	Dividends paid
(4)	MARÍA CARCELLER ARCE	Dividends paid
(5)	MARÍA CARCELLER ARCE	Dividends paid

It should also be noted that during 2021 Ebro Foods, S.A. distributed a sum of 54 thousand euros as dividends to the executives listed in section C.1.14 of this Report.

D.4. Give the individual details of any inter-company transactions for a significant amount or object between the company and its parent or other companies in the parent's group, including the subsidiaries of the listed company, unless any other related party of the listed company has interests in those subsidiaries or the latter are fully owned, directly or indirectly, by the listed company.

In any case, inform on any inter-company transactions with companies established in countries or territories considered tax havens:

Name of group company	Brief description of the transaction	Amount (thousand euros)
No details		

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 2021 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.: Dividends received 1,000 thousand euros;
- Arotz Foods, S.A.: Purchase of goods (finished or otherwise) 34 thousand euros;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise) 389 thousand euros;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise) 6,050 thousand euros;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise) 842 thousand euros;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise) 1,180 thousand euros;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise) 122 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise) 224 thousand euros;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise) 613 thousand euros;
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise) 704 thousand euros;
- Herba Ingredients Group: Sale of goods (finished or otherwise) 110 thousand euros.

D.5. Give the individual details of any transactions for a significant amount or object between the company or group companies and other related parties that are so pursuant to the International Accounting Standards adopted by the EU and that have not been reported in the preceding sections.

Name of related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousand euros)
FÉLIX HERNÁNDEZ CALLEJAS	IT services rendered (income) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	4
FÉLIX HERNÁNDEZ CALLEJAS	Legal and tax counselling services received (expense) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A.	300

Hernández Barrera Servicios, S.A. is 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, significant shareholders or other related parties.

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 (which is not the case).

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.

Finally, it should be noted that during 2022 the company has approved and implemented a Protocol on Related Party Transactions (the "Protocol"), to enable the detection and treatment of related party transactions in the terms stipulated in the new provisions on related party transactions in the Corporate Enterprises Act, following its amendment by virtue of Act 5/2021 of 12 April.

The Protocol was approved by the Board on 28 February 2022, following a favourable report by the Audit and Compliance Committee.

Based on that Protocol, the company has established the following procedures:

- for communication between the company and its related parties to identify in advance any transactions to be made with the latter;

- for controlling potential transactions identified that are going to be made;

- for analysing the transactions identified with a view to determining: (i) whether the prerequisites exist to consider it a "related party" transaction; (ii) whether, according to the applicable legal provisions, the related party transaction should be announced; and (iii) which body is responsible for approving it, depending on the transaction;

- for subsequent monitoring of third party transactions to check that the transactions declared in the Periodical Public Reporting, Annual Accounts and Annual Corporate Governance Report: (i) correspond to the ones recorded in the corporate accounts; and (ii) are in keeping with those previously identified.

The Protocol is also applicable to the transactions made between the company and its subsidiaries or investees, in which a party related to the company has an 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 financial and non-financial 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 vary according to the circumstances in which the Group is operating. The risks associated with the COVID 19 pandemic, those related with the supply and cost of raw materials and those related with cybersecurity were especially important during 2021.

E.2. Name the corporate bodies responsible for preparing and implementing the financial and non-financial 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 financial and non-financial 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 (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. In addition, the Board receives every year the minutes of the Risks Committee meetings held in the previous year to supplement the information provided regularly by the Audit and Compliance Committee throughout the year. This reinforces the most direct monitoring of risk control by the Board and, should they deem fit in the light of the Risks Committee minutes, the directors may request further information on any risk reported or the mitigation measures implemented.

E.5. What financial and non-financial risks, including tax risks, have occurred during the year?

The financial and non-financial risks, including tax risks, that have occurred during 2021 and the first few months of 2022 (up to the date of writing this report) are listed below and explained in further detail in Explanatory Note Four in section H of this report:

A. COVID 19

B. SUPPLY RISKS

- Transport
- Rice sources
- Durum wheat harvest
- Other materials and energy

C. CYBERSECURITY

D. COUNTRY RISK

- Brexit
- Ukraine crisis

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 thorough monitoring of business at each Board meeting and the annual remittance to the Board of the minutes of all the Risks Committee meetings held during the preceding year).

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 and is accessible to all Group employees but does not expressly establish (nor does it 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 in the 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:

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: (i) efficient management of access to our systems, whether internal or external, and (ii) 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 place in Riviana Foods Inc and Riviana Foods Canada Corporation and 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.

i) 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.

ii) 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. This is designed to ensure adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

iii) 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.

iv) 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 servers, 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, and it has continued implementing new tools and utilities to monitor unauthorised access through cloud profiles.

The Group continues working on perimeter security, especially in respect of its most important plants. Processes have been defined and advanced security systems have been implemented. They have been established first in the subsidiaries in the USA and Canada and will be extended to the other major subsidiaries of the Ebro Group during 2022.

v) 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.

Each year, when it has finished its audit work, the External Auditor provides the company with a letter of recommendations on internal control. In 2021, following the audit of the 2020 accounts, the External Auditor informed the Audit and Compliance Committee that they had not detected any significant weaknesses during their work. This notwithstanding, they submitted a few recommendations to reinforce internal control.

During 2021, the External Auditor attended 7 meetings of the Audit and Compliance Committee and the Manager of the Internal Audit Department attended 6.

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.

It should be noted that none of the related party transactions that took place in 2021 (or any of those made in 2022 up to the date of writing this report) meet the conditions for requiring publication stipulated in section 529 unvicies of the Corporate Enterprises Act.

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 [ ]

The company has a Policy on Attendance Fees for General Meetings, which establishes the principle that may not be delivered in the form of cash, but will consist of a gift related with the Company's products and/or brands.

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 (57.63%), it should be borne in mind that (i) the significant shareholders represented on the Board are unrelated; (ii) 67.75% of the capital is represented on the Board (67.88% at the date of writing this report); and (iii) 71.40% of the company's capital is held by stable or strategic shareholders (71.53% at the date of writing this report).

The company has assessed the monitoring of this Recommendation and considers that the 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 somewhat 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 67.75% of the capital is represented on the Board (67.88% at the date of writing this report).

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 positions, remunerated or otherwise, held by the directors of Ebro Foods, S.A. and the representatives of corporate directors on the boards of other companies, listed or otherwise, and any other remunerated activities they may perform, is included in the corporate governance report each year, which is published permanently in the corresponding section of the corporate website.

After studying this Recommendation, the Company considers that it informs on the positions held by the directors of Ebro Foods, S.A. and the representatives of corporate directors on the boards of other companies, listed or otherwise, and in companies engaged in similar or identical activities as Ebro Foods, S.A., as well as on any other remunerated activities they may perform, remunerated or otherwise, 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 [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

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 [ ]

The "senior executives" 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 if they are not actually considered "top management".

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 [X] Partial compliance [ ] Explanation [ ] Not applicable [ ]

The criteria and variable components of the remunerations contemplated in this Recommendation are included in the current Directors' Remuneration Policy 2022-2024, which was approved at the Annual General Meeting held on 30 June 2021.

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 variable remuneration systems of the Executive Director applied in 2021 are described in the Annual Report on Directors' Remuneration 2021 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. The current Directors' Remuneration Policy 2022-2024 also includes, among others, the variable remuneration components recommended in the Code of Good Governments (Recommendation 58).

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.

The current Directors' Remuneration Policy 2022-2024 also specifies that the remuneration of the only executive director who currently has executive duties does not include aspects indexed to the value of the company's shares or contemplate receipt by that director of shares or any rights over shares, precisely because that executive director has the special status of reference shareholder.

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 THE CHANGES PRODUCED IN THE BOARD OF DIRECTORS DURING 2021 AND THE FIRST MONTHS OF 2022 UP TO THE DATE OF WRITING THIS REPORT

The following changes were produced in the composition of the Board during 2021:

- Alejandra Olarra Icaza joined the Board on 24 November 2021 representing the director Corporación Financiera Alba, S.A., replacing Tomás Hevia Armengol; and

- Pedro Antonio Zorrero Camas tendered his resignation from the Board on 15 December 2021, with effect from 31 December 2021. Consequently, he ceased as of that date to be a director of the company and member of the Executive Committee and the 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 director by the procedure of cooptation, to fill the vacancy produced by the resignation of Mr Zorrero Camas (effective as of 31 December 2021). Mr Murtra is classified as a non-executive independent director and was also appointed member of the Executive Committee and the Audit and Compliance Committee.

EXPLANATORY NOTE TWO, 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 THREE, ON SECTION E.3

The main risks that could have a bearing on achievement of the company's business goals are explained below.

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) and the threats to their continuity or of extorsion by this kind of criminals have considerably increased in recent years. This growing threat led to its consideration (since 2020) as a separate risk, stepping up the existing security protocols.

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) was 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, which is a committee independent from the Risks Committee 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 the mechanisms for mitigating those risks, assisted by an external expert.

The monitoring of the Crime Prevention Model made by the Compliance Unit consists of six-monthly monitoring of the Model, within which it also checks adequate functioning of the mechanisms to mitigate criminal risks.

- 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.

Apart from that, 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 E.5

The financial and non-financial risks, including tax risks, that have occurred during 2021 and in the first few months of 2022 (up to the date of writing this report) are explained below.

A. COVID 19

Although the pandemic did not affect our business as much during 2021 as it did in the previous year, the Group maintains its special monitoring of the situation, while reinforcing its security measures and managing the difficulties encountered as a result of sick leave taken for the virus.

B. SUPPLY RISKS

- Transport

As the economy and world trade began to pick up in the last third of 2020, a huge gap appeared between shipping supply and demand. This initially affected container ships and routes from Asia, but gradually spread to other types of vessels and, as the available demand was absorbed, to other routes.

This imbalance, together with numerous problems encountered in the supply of ships and containers (stowing delays due to operating restrictions imposed because of the pandemic, port closures in China due to new waves of the pandemic, a dearth of fleet renewal and maintenance owing to the uncertainty created by the health crisis, new environmental requirements slowing down fleet renewal and increased costs of shipowners owing to the higher prices of oil and construction materials), have constantly pushed prices up. The indexes that follow contracts exchanged for bulk and container ships, such as the Baltic Dry Index, the Shanghai Containerized Freight Index, the World Container Index and the Harper Petersen Index, reflected a price hike between 500% and 700% from the first quarter of 2020, with a tremendous impact on the prices of raw materials at source on routes from Asia and to Europe or North America.

In the case of container ships (a very versatile type of ship usually used for this kind of transport), the huge price hike has combined with the uncertainty deriving from possible breaches of contract as shipowners are enticed by more lucrative contracts transporting other products or with other destinations. Owing to this uncertainty, transport in containers has come to be considered unviable for certain sources.

To guarantee the supply chain and lower costs, alternative logistics were sought, such as chartering complete bulk ships with combined cargoes and different European destinations. Transporting larger volumes entails greater risks of losses associated with deterioration and shrinkage in transit. Therefore, measures have been put in place to step up supervision and management of the logistics chain of complete ships, with increased testing at source, too. Receiving large volumes rather than containers also means higher management and storage costs of raw materials.

Although the greatest pressure on prices and supply is in shipping, it has also increased in road haulage due to the soaring oil prices (the Brent oil price has risen to 90-100 $/barrel) and the difficulty of finding drivers to meet the growing demand. This has been aggravated by the new road transport regulations (regulation of driving hours), the little incentive offered to these professionals and geopolitical difficulties such as Brexit.

- Rice sources

The recurrent risk of drought is gradually pushing down the availability and supply of rice varieties in Spain (especially Puntal rice and pearl rice varieties in general). Consequently, the Group has access to smaller volumes in this country and prices rise generally.

To mitigate this risk, the Group continues to rely on its Argentinian subsidiary La Loma Alimentos, which encourages farmers in that country to grow alternatives to the "Spanish" varieties, enabling us to complete our supply and seek viable alternatives for the supply of these varieties.

- Durum wheat harvest

Prices of durum wheat soared as from the second fortnight in July, with a hike of over 50% in the price at source at French ports in less than a month. The spike in prices was due to a poor harvest in the sowing region on the Canadian-American border due to the drought and a poor quality harvest in France. The impact in 2021 (partly reduced following divestment in the dry pasta businesses in North America) was particularly severe in the last four months of the year and was partly mitigated by raising prices and improving productivity.

As a result of pulling out of the dry pasta businesses in France at the end of the year (and our previous withdrawal from the dry pasta businesses in North America), the potential impact of this situation on the Group is considerably reduced in 2022, limited to the purchases made by Garofalo (mainly in North America and Italy) and, to a smaller extent, wheat purchases for the manufacturing of fresh pasta in France and Italy.

- Other materials and energy

Other raw materials used by the Group (such as wood, paper, plastic and oil products) have also suffered sharp price rises in recent months, in a cycle that powers itself.

The Group tries to establish long-term agreements wherever the market allows this and has thus managed to curb the impact on its financial statements 2021. The risks have been addressed by combining specific mitigating measures and seeking alternatives that produce the least possible impact on demand, first by cutting canal/product marketing expenses and then raising prices.

C. CYBERSECURITY

In September 2021, one of the Group subsidiaries suffered an attack of this nature. The Group's Protocol was immediately implemented to isolate the attack, limit the possible damage, investigate the extent and repair the possible detriment to servers and users. Thanks to the swift, precise action of the Group's internal teams, the damage was limited and it is considered (both internally and by external specialist advisers) that this incident should not have any consequences on the operations and reputation of the company that was attacked.

D. COUNTRY RISK

- Brexit

Insularity and certain problems with residence permits following the UK's exit from the European Union generated problems and an increase in the risk related with certain supplies, especially road haulage (owing to a truck driver shortage). Customs activity gradually returned to normal in the second half of the year and the truck driver problem progressively eased.

- Ukraine crisis

The recent events in Ukraine following the military invasion by the Russian Federation on 24 February 2022 are generating considerable global uncertainty. Considering: (i) the Group has no major interests in the region; (ii) the possible impact on the supplies used by the Group is limited to collateral effects (possible changes in consumption, increased cost of fertilizers, replacement of certain cereal crops, etc.); (iii) the measures adopted by the EU to control the energy price hike, and the fact that the impact of those prices is relatively lower than in other industries, the directors of the parent believe that this situation of high uncertainty and its consequences should not have a very severe impact on the Group.

EXPLANATORY NOTE FIVE

The information referring to 2022 included throughout this report corresponds to the period from 1 January to the date of writing the report, 21 March 2022. 21 March 2022 is considered the "date of writing" this report.

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
- Sustainable Agriculture Initiative (SAI) Platform. 2015
- SERES Foundation. 2015
- Sustainable Rice Platform. 2016
- Sedex. 2016
- Forética. 2017
- Waste Warrior Brands. 2020

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

This Annual Corporate Governance Report was approved by the Board of Directors of the Company on:

30/03/2022

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 "2021 Disclosures Regarding the Internal Control over Financial Reporting (ICFR) System"

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 February 14, 2022, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2021, 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 effective 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 2021 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. 3/ 2021 (of September 28, 2021) (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 and external experts in their role supporting the audit committee.

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)

Alfonso Manuel Crespo

March 25, 2022

ANNUAL REPORT ON
REMUNERATION OF THE DIRECTORS

CNMV
COMISIÓN NACIONAL DEL MERCADO DE VALORES

ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES

DETAILS OF ISSUER

Year ended:	31/12/2021
Tax Registration No.:	A47412333

Name:

EBRO FOODS, S.A.

Registered office:

PASEO DE LA CASTELLANA, 20. 3RD & 4TH FLOORS, 28046 MADRID

A. COMPANY'S REMUNERATION POLICY FOR THIS YEAR

A.1.1. Explain the directors' remuneration policy in place for this year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the general meeting of shareholders, provided the incorporation is clear, specific, and precise.

Describe the specific criteria for this year in respect of both the remuneration of directors for their duties as such and their performance of any executive duties, applied by the board in accordance with the provisions of the contracts signed with the executive directors and the remuneration policy approved by the general meeting.

In any case, inform at least on the following aspects:

a) Description of the procedures and corporate bodies involved in determining, approving and applying the remuneration policy and conditions thereof.

b) Indicate and, where necessary, explain whether comparable companies have been taken into account to establish the company's remuneration policy.

c) Information on whether assistance was received from an external adviser and, if so, their identity.

d) Procedures contemplated in the prevailing directors' remuneration policy to apply temporary exceptions to the policy, conditions on which the company may have recourse to those exceptions and components that may be subject to exception, according to the policy.

The Directors' Remuneration Policy of the Company for this year (2022) was approved at the Annual General Meeting of Shareholders held on 30 June 2021 for the years 2022-2024.

The Directors' Remuneration Policy 2022-2024 gives continuity to the previous Policy (for the period 2019-2021), which was in force until 31 December 2021, in respect of the principles, structure and contents of the Directors' remuneration package (both for their duties as such and for the performance of executive duties), which had been widely accepted by shareholders (it was approved in 2018 with the favourable votes of 71.979% of the capital present and represented at the Annual General Meeting). In view of the broad acceptance by shareholders of the previous Policy, comparable companies were not taken into account nor were any external advisers involved in drawing up the Directors' Remuneration Policy 2022-2024.

This notwithstanding, the Directors' Remuneration Policy 2022-2024 incorporates the new aspects introduced in the Corporate Enterprises Act ("LSC") by Act 5/2021 of 12 April amending the recast Corporate Enterprises Act, approved by Legislative Royal Decree 1/2010 of 2 July, and other financial provisions to encourage the long-term involvement of shareholders in listed companies ("Act 5/2021"). In this regard although, pursuant to Transitional Provision One of Act 5/2021, the new regulations introduced by Act 5/2021 for approving the Directors' Remuneration Policy (amendments to section 529.novodecies LSC) did not enter into force until six months after the date of publication of that Act in the Official State Gazette (i.e. until 3 November 2021), the contents of the Directors' Remuneration Policy 2022-2024, which was approved at the General Meeting held on 30 June 2021, were nevertheless adapted to the new requirements introduced by Act 5/2021 in order to avoid having to submit an amendment at the Annual General Meeting 2022 to adapt it to the new regulations.

The Directors' Remuneration Policy 2022-2024 was drawn up by the Nomination and Remuneration Committee at its meeting on 24 May 2021. Once the Nomination and Remuneration Committee had issued the corresponding specific report (pursuant to section 5.2.9.novodecies.4 LSC), the proposed Policy was presented to the Board of Directors, which resolved to lay it before the Annual General Meeting for approval on 30 June 2021 (pursuant to section 511.bis LSC).

Just as its precursor, the current Directors' Remuneration Policy 2022-2024 is based on the following principles:

(i) Directors shall be remunerated according to their duties, responsibilities, and dedication. This remuneration shall be sufficient to retain talent and acknowledge the Directors' track record.

(ii) The remuneration shall be set according to the importance of the Company, its economic situation from time to time and comparable market standards.

(iii) Directors' remuneration should be reasonable without compromising their independence of judgement, especially that of non-executive Directors.

(iv) The remuneration system for Directors, particularly executive Directors for their management duties, shall be designed to boost the company's long-term sustainability and profitability and maximise its value for the benefit of all its shareholders, avoiding excessive exposure to risks and reward for unfavourable results. In this regard, an attractive remuneration structure has been designed for executive Directors for their executive duties (and other senior executives of the Group), with a view to attracting and retaining talent and professional worth on the one hand and securing an adequate balance between Company and Group earnings and risk exposure on the other.

Based on those principles, in the Directors' Remuneration Policy 2022-2024 Directors' remuneration is structured as follows:

a) All the Directors, as such, receive the fixed remuneration established each year by the General Meeting. The relevant proposal submitted by the Board of Directors to the Annual General Meeting will take account of the importance of the company and its economic situation. Pursuant to Article 22 of the Articles of Association regarding Directors' remuneration, it is up to the General Meeting to set the annual fixed sum to be received by all the Directors, for their duties as such. Then, following a report by the Nomination and Remuneration Committee, the Board of Directors establishes the individual remuneration of each Director for their duties as such, taking into account the positions held by the Directors on the Board of Directors, their membership of Board

Committees and any other objective circumstances that the Board of Directors may consider appropriate, within the framework of the Articles of Association and the Remuneration Policy. The Board of Directors shall also decide on the timing of successive payments. For this purpose, a points system has been established in the terms described hereinbelow.

The remaining contents of this section A.1, point 1, continue in section D of this report.

A.1.2. Relative importance of the variable remuneration items in respect of the fixed remuneration (remuneration mix) and what criteria and goals have been taken into account to determine them and to guarantee an appropriate balance between the fixed and variable components of the remuneration. In particular, describe the actions taken by the company regarding the remuneration scheme to reduce excessive risk exposure and align the scheme with the long-term goals, values and interests of the company, including where appropriate a reference to measures contemplated to ensure that the remuneration policy takes into account the company's long-term results, measures adopted with respect to certain categories of employees whose professional activities have a significant impact on the company's risk profile and measures to avoid conflicts of interest.

Indicate also whether the company has established an accrual or vesting period for certain variable remuneration items payable in cash, shares or other financial instruments, a deferred payment period or the delivery of financial instruments already accrued and vested, or whether a clause has been agreed to reduce the deferred remuneration not yet vested, or for clawback of bonuses based on data which subsequently prove to be manifestly inaccurate or misstated.

In pursuance of the Directors' Remuneration Policy 2022-2024 (which follows on from the previous Policy on this point), the Chairman of the Board of Directors, as executive Director performing executive duties, is the only Director who will receive variable remuneration on similar terms to the other senior executives of the company, according to the criteria and targets established in the Directors' Remuneration Policy 2022-2024.

The variable remuneration of the Chairman of the Board of Directors for his executive duties includes:

- Ordinary annual variable remuneration, established in the executive Director's contract, which is proportionate to the level of achievement of the targets established in the Director's Remuneration Policy 2022-2024.

This remuneration, as a percentage of the fixed annual remuneration, is proportionate to fulfilment of the targets set, establishing a floor (below which variable remuneration is zero) and a ceiling (above which variable remuneration is capped at 150% of the amount payable for meeting the targets). This variable remuneration accrues and is paid on an annual basis, after assessing the financial results of the year. The ordinary annual variable remuneration corresponding to the Executive Chairman for the current year (2022) will thus be determined in 2023, once the financial results of 2022 are known.

- Deferred annual variable remuneration, linked to fulfilment of the Strategic Plan 2022-2024, applicable to the senior management of the Ebro Foods Group. The payment of bonuses is conditional upon meeting the targets set each year by the Remuneration Scheme (corresponding to the targets set in the Strategic Plan 2022-2024) and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation, or any other extraordinary circumstance which may, in the Board of Director's opinion, materially affect the Scheme.

Bonuses are paid 11 months after being determined (after checking the degree of fulfilment of the annual targets and comparing them with those set in the Strategic Plan 2022-2024), so by the time they are paid, more than one year has passed since the end of the year to which the bonus corresponds. Accordingly, the bonus that may be payable to the Executive Chairman, the only Director with executive duties, for 2022 (the first year of the Directors' Remuneration Policy 2022-2024) would be paid in 2024.

The general conditions of the Scheme include an adjustment clause whereby the Board of Directors of Ebro Foods, S.A. will adopt such resolutions as may be necessary to ensure that in any event or corporate operation or other extraordinary circumstances that might affect calculation of the deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

The Scheme also includes a ("clawback") clause whereby the Board of Directors of Ebro Foods, S.A. may require executives to repay all or part of any deferred bonus paid under the Scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the Scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

With this Deferred Annual Variable Remuneration Scheme, the remuneration of the Executive Chairman, the only Director with executive duties, is aligned with the medium and long-term results of the Company and its Group. It should also be borne in mind for this purpose that the Executive Chairman, the only Director with executive duties, is one of the principal shareholders of the Company.

This year (2022) is the first year of the Directors' Remuneration Policy 2022-2024. When the Policy was drawn up and approved by the Annual General Meeting, the Strategic Plan 2022-2024 had not yet been defined by the Board of Directors. This notwithstanding, the Directors' Remuneration Policy 2022-2024 incorporates the targets of the Strategic Plan 2022-2024 and ties to them the Deferred Annual Variable Remuneration of the Executive Chairman.

A.1.3. Amount and nature of the fixed components expected to be accrued during the year by directors for their duties as such.

The fixed remuneration of the Directors for their duties as such for the current year (2022) will be set at the Annual General Meeting to be held in 2023.

As determined in the current Directors' Remuneration Policy, in the light of the circumstances and the Group's business performance during this year (2022), the Nomination and Remuneration Committee will submit a proposal that it considers appropriate to the Board of Directors, which will in turn decide on a proposal it considers appropriate to lay before the Annual General Meeting to be held in 2023. It should be borne in mind that, according to Article 22 of the Articles of Association (and the current Remuneration Policy 2022-2024): "Both the fixed annual allocation for the Board of Directors as a whole and the amount of attendance fees shall be determined by the General Meeting and shall remain in force until a resolution is passed to change them." Therefore, unless otherwise decided at the Annual General Meeting 2023, the fixed remuneration of the Directors for their duties as such accrued during this year will be the same as the amount established for the reporting period (2021). In this regard, on 16 February 2022 the Nomination and Remuneration Committee resolved to propose to the Board of Directors, submitting a favourable report, that the fixed remuneration for the Board of Directors as a whole for 2021 should be the same as that established for 2020 (i.e. 2,850,000 euros).

The criteria established in the current Remuneration Policy 2022-2024 (which are the same as those set in the previous Policy) will be applicable for distribution among the different Board members of the fixed remuneration of the Directors for their duties as such during the present year. Therefore, distribution will be based on a points system, where points are assigned to each Director according to the following scale (which was established by the Board of Directors in 2006, following the proposal submitted by the Nomination and Remuneration Committee):

- Member of the Board of Directors: 1 point
- Chairman of the Board of Directors: 1 point
- Vice-Chairman of the Board of Directors: 0.5 points
- Member of the Executive Committee: 1 point
- Committees other than the Executive Committee:
-- Member of the Committee: 0.2 points
-- Committee Chairman: 0.05 points per meeting
-- Committee Members: 0.03 points per meeting

The Board of Directors will set the individual remuneration of each Director this year subject to a report by the Nomination and Remuneration Committee and based on the application of the above scale.

A.1.4. Amount and nature of the fixed components accrued by executive directors during the year for senior management duties.

According to the criteria for annual review of the fixed remuneration of the Executive Chairman (the only Director who performs executive duties), he will receive a fixed cash remuneration of 1,560,000 euros gross this year (2022), which is 4% more than the annual fixed remuneration received in the reporting period (2021). That 4% increase was approved by the Board of Directors in February 2022 (with effect from 1 January 2022), at the proposal and subject to a favourable report by the Nomination and Remuneration Committee, and the review was approved generally for all the executives of the Ebro Group in Spain.

Together with that monetary remuneration, the Executive Director will also receive, as fixed remuneration in kind, private use of a company car (see the following section in this respect).

The Chairman of the Board of Directors is the only executive Director performing executive duties. Although Hercalianz Investing Group, S.L. is recognised as an executive Director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group and, therefore, has received no remuneration for such duties. See the explanatory note in section D of this report regarding the classification of Hercalianz Investing Group, S.L. as an executive Director.

A.1.5. Amount and nature of any remuneration in kind that will be accrued during the year, including, but not limited to, insurance premiums paid for directors.

The Chairman of the Board of Directors, as the only executive Director performing executive duties, receives remuneration in kind to the extent of private use made of the company car allocated to him. The value of this remuneration in kind estimated to accrue for the current year (2022) is 8,000 euros gross.

In addition, the Company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the executives included in the Scheme (including the Executive Chairman), so that they may receive part of that remuneration in the form of products and services previously selected by the Company. The value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training. Under no circumstances do those items entail any additional remuneration to that received in cash, since the amounts paid by the Company to the corresponding service providers are deducted from the fixed cash remuneration.

In addition, in line with common practice in other comparable companies, the Company has taken out and maintains in force (and will continue to maintain in the current year) a liability insurance Policy for its Directors and executives.

A.1.6. Amount and nature of the variable components, distinguishing between those established at short and long term. Financial and non-financial parameters -including among the latter social, environmental and climate change factors- selected to determine the variable remuneration in the current year. Explain to what extent those parameters are aligned with the performance of both the director and the company and their risk profile, and the methodology, necessary time and techniques contemplated to determine, at year-end, the effective level of achievement of the parameters used to design the variable remuneration. Explain the criteria and factors applied in respect of the time required and methods to check that the performance parameters -or any other parameters to which the accrual and vesting of each component of the variable remuneration was tied- have actually been met.

Indicate the range, in monetary terms, of the different variable components according to the level of achievement of the goals and parameters established and whether there is a maximum monetary amount in absolute terms.

As mentioned earlier, of the Directors, only the Chairman of the Board of Directors, as executive Director performing executive duties, will receive variable remuneration (according to the Directors' Remuneration Policy 2022-2024) and he will do so on similar terms to the other senior executives of the Company and its Group.

The variable remuneration of the Chairman of the Board of Directors for his executive duties includes:

(i) Ordinary annual variable remuneration:

According to the Directors' Remuneration Policy 2022-2024, the annual variable remuneration of the Executive Chairman is proportionate to the level of achievement of the target for consolidated adjusted EBITDA-A of the Group established in the corresponding annual budget (in 2022, the consolidated Adjusted EBITDA-A budgeted for 2022).

The ordinary annual variable remuneration of the Executive Chairman for the performance of his executive duties accrues according to the following rules:

- If the targets are fully met (100% achievement of the consolidated adjusted EBITDA-A budgeted for the year), the annual variable remuneration is equivalent to 100% of the fixed remuneration.

- In the event of over-achievement of the targets, the annual variable remuneration may be increased to no more than 150% of the fixed remuneration. So if targets are met in a proportion of over 100%, the ordinary annual variable remuneration will be increased in the same proportion up to a ceiling of 150% of the fixed annual remuneration, which would accrue in the event of over-achievement of 115%. Therefore, if the target is over-achieved by more than 115%, the annual variable remuneration would be capped at 150% of the annual fixed remuneration.

If the degree of achievement of the target is set at between 100% and 115%, the variable remuneration will be determined proportionately.

- In the event of under-achievement of the targets, the ordinary annual variable remuneration will be reduced in proportion to the percentage fulfilment (under 100%) achieved, with a floor of 85%, below which no annual variable remuneration accrues. If achievement of the consolidated EBITDA-A target is set at between 100% and 85%, the annual variable remuneration will be determined proportionately.

- As an exception, considering the special dedication by the Executive Chairman to the performance of his executive duties and a temporary situation in the Company or Group, the Board of Directors may, at the proposal of the Nomination and Remuneration Committee, decide to raise the variable remuneration of the Executive Chairman to the maximum limit established for his fixed remuneration.

Based on this, once the financial results of 2022 are known (in 2023, generally in February), the Nomination and Remuneration Committee will review the degree of achievement and submit a proposal to the Board of Directors, for approval, regarding the annual variable remuneration to be received by the Executive Chairman for the current year (2022).

In monetary terms and taking account of the above-mentioned rules of accrual, the annual variable remuneration of the Executive Chairman for 2022 may vary between 0 euros (if targets are met by less than 85%) and 2,340,000 euros gross (if targets are met by 115% or more).

(ii) Deferred annual variable remuneration:

In 2022, once the Board of Directors has approved the Strategic Plan 2022-2024, the Nomination and Remuneration Committee will prepare and submit to the Board of Directors for approval a new Deferred Annual Variable Remuneration Scheme (deferred annual bonus scheme) linked to fulfilment of the Strategic Plan 2022-2024 for the executive managers o Ebro Foods Group. The Chairman of the Board of Directors, as executive Director and for his executive duties, will participate in that Scheme according to the terms of the Directors' Remuneration Policy 2022-2024 and his contract.

At present, the new Scheme is expected to be substantially identical to the one that ended in 2021 (tied to the Strategic Plan 2019-2021), as indicated in the current Directors' Remuneration Policy 2022-2024.

The beneficiaries of the Scheme (including the Chairman of the Board of Directors as executive Director) are only entitled to receive the deferred remuneration if they are still working in the Ebro Group at the date of payment. As an exception, the Scheme is expected to contemplate (as its precursor did) early payment in the event of: (i) termination of the employment relationship with the Company during the period of the Scheme owing to the death or a final declaration of total, absolute or major disability; or (ii) takeover of the Group or any similar corporate operation.

According to the Directors' Remuneration Policy 2022-2024, the Chairman of the Board of Directors is entitled to participate in the Scheme by virtue of his executive duties. On the terms of that Policy, the deferred annual bonus that would be received by the Executive Chairman under the Scheme would be proportional to the degree of achievement of the targets set in the Policy (tied to the targets identified in the Strategic Plan 2022-2024), in the terms described in the Remunerations Policy.

The outlines of the future Scheme are established in the Directors' Remuneration Policy 2022-2024, as follows:

- The targets of the Scheme for the first two years (2022, payable in 2024, and 2023, payable in 2025) are the annual adjusted EBITDA-A and ROCE for those years established in the Strategic Plan 2022-2024, to which the 25% of the deferred variable remuneration is subject to the achievement of those targets.

- The degree of achievement of the Adjusted EBITDA-A will represent 80% of the deferred bonus for each year and the degree of achievement of the ROCE will account for the remaining 20%.

- The targets of the Scheme for the final year (2024, payable in 2026) are: (i) the annual adjusted EBITDA-A and ROCE for that year (representing 80% and 20%, respectively), to which the 25% of the deferred variable remuneration is tied; (ii) the aggregate sum of adjusted EBITDA-A of the years included in the Scheme (2022-2024) in comparison with the sum of those contemplated in the Strategic Plan 2022-2024, 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment; and (iii) the general assessment of the development of the Strategic Plan 2022-2024 in financial aspects other than adjusted EBITDA-A and non-financial aspects set by the Scheme (from among those identified in the Strategic Plan 2022-2024). The Strategy and Investment Committee will make the general assessment of the development of the Strategic Plan 2022-2024 and the Audit and Compliance Committee will assess achievement of the non-financial targets. Both committees will submit their respective proposals to the Nomination and Remuneration Committee, the remaining 12.5% of the deferred variable remuneration of the three-year period being subject to the outcome of that assessment.

- In the first two years of the Scheme (2022 and 2023):

a) If the consolidated adjusted EBIDTA-A and ROCE targets are achieved at 100%, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties each year will be 100% of 25% (i.e. 25%) of the fixed remuneration established for the three-year period.

b) In the event of over-achievement of the aforesaid consolidated adjusted EBIDTA-A and ROCE targets in any of the first two years of the three-year period, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties in each of those two years will be increased in proportion to the percentage of achievement (above 100%), capped at 125%, such that if the targets are achieved in a proportion equal to or greater than 125%, the corresponding deferred bonus for that year will be 125% of 25% (i.e. 31.25%) of the fixed remuneration established for the three-year period.

c) In the event of under-achievement of the aforesaid consolidated adjusted EBIDTA-A and ROCE targets in any of the first two years of the three-year period, the deferred annual bonus to which the executive Director will be entitled for the performance of those duties in each of those two years will be reduced in proportion to the percentage of achievement (below 100%), floored at 85%, such that if the targets are achieved in a proportion of less than 85%, the deferred bonus for that year will be zero.

In the third and final year of the Scheme (2024):

a) In relation to the achievement of the aforementioned consolidated adjusted EBIDTA-A and ROCE targets established for that year, 25% of the fixed remuneration corresponding to the three-year period will be determined. The provisions set out above for over-achievement and under-achievement will be applicable.

b) The final 25% of the fixed remuneration corresponding to the three-year period will be determined as follows, if appropriate:

> Fifty per cent (50%) according to the degree of achievement of the accumulated consolidated EBITDA-A target for the entire three-year period according to the Strategic Plan 2022-2024, applying the same rules as above for over-achievement and under-achievement.

> Twenty-five per cent (25%), in the percentage determined by the Board of Directors at the proposal and subject to a report by the Nomination and Remuneration Committee, according to the assessment of the achievement of non-financial targets included in the Strategic Plan 2022-2024 and identified in the Scheme.

> And the remaining twenty-five per cent (25%), in the percentage determined by the Board of Directors at the proposal and subject to a report by the Nomination and Remuneration Committee, according to the overall assessment of global achievement of the Strategic Plan 2022-2024.

- The Nomination and Remuneration Committee will review each year (once the results of the preceding year are known) the level of achievement of the economic variables to which this deferred bonus is linked (EBITDA-A and ROCE). The Nomination and Remuneration Committee will also review and validate, during the final year of the Scheme, the proposed general assessment of the development of the Strategic Plan 2022-2024 submitted by the Strategy and Investment Committee and the proposed assessment of the degree of achievement of the non-financial targets made by the Audit and Compliance Committee. After these verifications, the Nomination and Remuneration Committee will submit a proposal to the Board of Directors, which is responsible for the final setting of the amounts for the Executive Chairman (and the other executives included in the Scheme).

Based on the foregoing and once the Scheme has been put in place and the reference to the variable remuneration that might correspond to the Executive Chairman within the Scheme in 2022 has been established:

- In 2023, once the Group's consolidated results for the year 2022 have been determined (generally in February), the Nomination and Remuneration Committee will review the degree of achievement of the objectives set out in the Strategic Plan for that year and submit to the Board of Directors, for approval, the annual remuneration to be received by the Executive Chairman (in 2024) for the year 2022.

- In monetary terms and taking account of the above-mentioned rules, the deferred annual variable remuneration of the Executive Chairman for 2022 may vary between 0 euros (if targets are met by less than 85%) and approximately 1,462,500 euros gross (if targets are met by 125% or more). This figure has been calculated based on the annual monetary fixed remuneration of the Executive Chairman in 2022 and assuming that it will remain stable over the three-year period of the Scheme (2022-2024).

During this year (2022), the Executive Chairman has received the sum of 1,058,191.51 euros gross as his deferred annual remuneration for 2020.

The Scheme described above is not indexed to the value of the Company's share and the beneficiaries do not receive shares or any other rights thereover.

In any case, it should be stressed that the Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2022-2024 has not, at the time of writing this report, been fully defined by the Nomination and Remuneration Committee, as it depends on the prior approval of the Strategic Plan. This notwithstanding, the Scheme proposed by the Nomination and Remuneration Committee will have to be adjusted to the foregoing, according to the provisions of the Directors' Remuneration Policy 2022-2024, currently in force.

A.1.7. Main features of the long-term saving schemes. This information should include, inter alia, the contingencies covered by the scheme, whether it is defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution schemes, the benefit to which beneficiaries are entitled under defined-benefit schemes, the conditions for the vesting of economic rights in favour of the directors and compatibility with any kind of termination benefit payable for or in connection with interruption or expiry of the contractual relationship between the company and the director.

State whether accrual or vesting of rights under any of the long-term savings schemes is subject to the achievement of certain targets or parameters related with the short and long-term performance of the director.

No contributions have been made in previous years, nor are any expected to be made this year (2022), to any pension funds or schemes for former or existing members of the Board of Directors (neither the Directors for their duties as such nor the executive Directors for the performance of executive duties) and no obligations have been contracted in this respect.

Nor have any contributions been made or obligations contracted for Directorships in other group companies (for the Directors for their duties as such or the executive Directors for the performance of executive duties).

A.1.8. Any kind of payment or compensation for termination, early or otherwise, of the contractual relationship between the company and the director, at the initiative of the company or the director, and any arrangements agreed, such as exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment.

No compensations have been arranged or paid for termination of Directors' duties (neither the Directors for their duties as such nor the executive Directors for the performance of executive duties).

A.1.9. State the terms and conditions to be respected in the contracts of executive directors performing senior management duties. Include information, inter alia, on the term, limits on severance pay and other compensations, continued service clauses, required notice, payment in lieu of notice and any other clauses relating to golden hellos, golden handshakes, golden parachutes, or any other compensation payable on termination, early or otherwise, of the contractual relationship between the company and the executive director. Include, inter alia, details of any clauses or agreements on restraint of trade, exclusive dedication, minimum employment commitment, loyalty and no competition during and after employment, save as explained in the previous section.

Pursuant to sections 249, 529 octodecies and 529 quindecies of the Corporate Enterprise Act and Article 22 of the Articles of Association, the Board of Directors is competent to establish the terms of contracts to be signed by the company with its executive Directors having executive duties, at the proposal of the Nomination and Remuneration Committee and within the confines of Directors' Remuneration Policy approved by the General Meeting.

According to the Directors' Remuneration Policy 2022-2024, the principal terms of contract of the Executive Chairman (the only Director with executive duties) for his executive duties (apart from his remuneration, which is explained in other sections of this report) are as follows:

- Term: indefinite
- Notice: three months
- Termination benefits: none
- Continued service or post-contract no competition clauses: none

See the explanatory note in section D of this report for the reasons why Hercalianz Investing Group, S.L. is classified as an executive Director.

As regards the possible incorporation in the future of other executive Directors, the Directors' Remuneration Policy 2022-2024 provides that the current remuneration scheme for executive Directors for the performance of executive duties and other aspects relating to their contractual relationship with the Company consider that the only executive Director who performs those duties is a reference shareholder of the Company.

For this reason, if new executive Directors with executive duties join the Board of Directors during the effective term of the Directors' Remuneration Policy 2022-2024, it might be necessary to revise some of those aspects, such as: (i) establishment of the continued service and/or no competition clauses (and the corresponding remuneration) or (ii) inclusion in the remuneration of aspects indexed to the value of the company's share or that entail the receipt of shares or rights thereover. In this case, the Policy would be amended, and the corresponding amendment would be tabled before the General Meeting for approval on the terms stipulated in law.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will accrue by directors this year for services rendered in addition to those inherent in their directorship The nature.

No supplemental remuneration is expected to be earned by Directors (Directors for their duties as such or executive Directors for the performance of executive duties) for services rendered in addition to those inherent in their Directorship and/or the performance of executive duties.

A.1.11. Any other remuneration, such as advances, loans and guarantees granted to directors by the company, and other remuneration.

The company has not granted and does not foresee granting this year (2022) any loans, advances or guarantees to members of the Board of Directors (the Directors for their duties as such or the executive Directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

A.1.12. The nature and estimated amount of any other supplementary remuneration not included in the preceding paragraphs, paid by the company or another company in the group, that will accrue in directors' favour this year.

There is no remuneration other than as explained in this Report, apart from the attendance fees that received by the Executive Chairman each year as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group). This year (2022), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2021 (5,000 euros gross).

The Executive Chairman also receives attendance fees each year, as Director of Riso Scotti, S.p.A., an associate and not part of the Group, in which Ebro Foods, S.A. has a 40% interest (it is an associate consolidated by the equity method). This year (2022), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2021 (5,200 euros gross).

A.2. Explain any significant change in the remuneration policy applicable this year, deriving from:

a) A new policy or modification of the policy already approved by the general meeting.

b) Significant changes in the specific criteria established by the board for this year within the current remuneration policy in respect of those applied in the previous year.

c) Proposals that the board has agreed to submit to the general meeting at which this annual report will be presented, for application to this year.

This year (2022) is the first year of application of the Directors' Remuneration Policy 2022-2024.

As explained earlier, this new Policy continues along the lines of the previous Policy (corresponding to the period 2019-2021). The only important aspect that distinguishes this Policy from the previous one is the fact that part of the deferred annual bonus of the Executive Chairman is tied to the achievement of the non-financial targets from the Strategic Plan 2022-2024 determined in the Deferred Bonus Scheme tied to fulfilment of the Strategic Plan 2022-2024.

At the date of writing this Report, no amendments to the current Directors' Remuneration Policy 2022-2024 are expected to be laid before the Annual General Meeting in 2022.

A.3. Indicate the direct link to the document containing the current remuneration policy of the company, which must be available on the company's website.

https://www.ebrofoods.es/wp-content/uploads/2021/06/Directors-Remuneration-Policy-2022-2024.pdf

A.4. In view of the details provided in section B.4, explain how the shareholders' advisory vote at the general meeting on the annual report on remuneration of the previous year has been taken into account.

Given the large majority of the capital that voted in favour of the advisory vote on the Director's Remuneration Report for the year 2020, with more than two-thirds of the capital present and represented at the General Meeting voting for the approval (73.5633%, with 12.9848% abstaining), it has not been considered necessary to take any measures in this regard.

B. OVERALL SUMMARY OF APPLICATION OF THE REMUNERATION POLICY DURING THE REPORTING PERIOD

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remunerations reflected in section C of this report. This information should include the role played by the remuneration commission, the decisions taken by the board and, if appropriate, the identity and role of the external advisers whose services were used in the process of applying the remuneration policy during the reporting period.

a) Remuneration of Directors for their duties as such.

The fixed remuneration for all the Directors for their duties as such for 2020 was paid during the reporting period (2021).

In this regard, the Nomination and Remuneration Committee resolved on 17 February 2021 to submit a proposal to the Board of Directors, to be tabled by the latter at the Annual General Meeting to be held that year (2021), to set the fixed remuneration for all the Directors for their duties as such for the reporting period (2020) at 2,850,000 euros gross. It further proposed maintaining the amount of attendance fees for Board of Directors meetings (1,600 euros gross per meeting) and meetings of the Board of Directors Committees (800 euros gross per meeting). On 28 February 2021, the Board of Directors resolved to table a motion with those proposals submitted by the Nomination and Remuneration Committee at the Annual General Meeting held on 30 June 2021, when they were approved.

Based on the foregoing and the resolutions passed at the Board of Directors and Committee meetings held in 2020, the aggregate annual fixed remuneration of the Directors for their duties as such for 2020 was distributed as follows:

- membership of the Board of Directors: a total sum of 1,870,805.67 euros gross
- membership of the Board of Directors Committees: a total sum of 979,194.30 euros gross.

The fees for attendance of Board of Directors and Committee meetings of Ebro Foods, S.A. in 2020 amounted to 316,800 euros gross.

At a meeting on 16 February 2022, the Nomination and Remuneration Committee resolved to submit a proposal to the Board of Directors (to be tabled at the Annual General Meeting in 2022) to set the aggregate fixed remuneration for all the Directors for their duties as such for the reporting period (2021) at 2,850,000 euros gross (the same amount as in 2020). It further proposed maintaining the amount of attendance fees for Board of Directors meetings (1,600 euros gross per meeting) and meetings of the Board of Directors Committees (800 euros gross per meeting).

On 28 February 2022, the Board of Directors resolved to table a motion with those proposals at the Annual General Meeting to be held in 2022.

If that amount is approved at the Annual General Meeting to be held in 2022, it will be distributed among the Board of Directors members in accordance with the prevailing distribution criteria (see section A.1). Based on those criteria, the annual fixed assignment to Directors for their duties as such for 2021, considering the meetings of the Board of Directors and its Committees during that year, would be as follows:

- membership of the Board of Directors: a total sum of 1,871,425.52 euros gross
- membership of the Board of Directors Committees: a total sum of 978,574.44 euros gross.

If the proposals are approved, the attendance fees for Board of Directors and Committee meetings of Ebro Foods, S.A. in 2021 would amount to 317,600 euros gross.

The total amount of the fixed assignment to Directors for their duties as such is distributed among the individual Directors based on the points system established in the Remuneration Policy in place from time to time (see section A.1. of this report). For this purpose, in view of a report by the Nomination and Remuneration Committee, the Board of Directors approves the individual remuneration of each Director in view of the Board of Directors Committees they are on and the number of meetings held by those committees.

b) Remuneration of the Chairman of the Board of Directors as executive Director for the performance of executive duties.

In 2021, the fixed cash remuneration of the Executive Chairman (the only Director with executive duties) for the performance of his executive duties was 1,500,000 euros gross, in accordance with the resolution adopted by the Board of Directors on 13 February 2020, proposed by the Nomination and Remuneration Committee. That is the fixed remuneration established in the Directors' Remuneration Policy 2019-2021 (amended to update the information it contained on the annual fixed remuneration of the Executive Chairman, approved at the Annual General Meeting held on 29 July 2020).

With regard to the annual variable remuneration for the reporting period (2021), on 16 February 2022 the Nomination and Remuneration Committee examined the degree of achievement of the consolidated adjusted EBITDA-A target indicated in the budget, this being the variable taken to determine the annual bonus of the Executive Chairman and submitted the corresponding report to the Board of Directors in respect of that annual variable remuneration.

At the same meeting on 16 February 2022, the Nomination and Remuneration Committee reviewed the level of achievement of the quantitative and qualitative targets to which the long-term variable remuneration for 2021 is tied, according to the Deferred Annual Bonus Scheme 2019-2021. 2021 being the last year of the Scheme, up to 50% of the deferred variable remuneration for the three-year period, depending on the achievement of: (i) the adjusted EBIDTA-A and ROCE targets included in the Strategic Plan 2019-2021 for 2021; (ii) the cumulative consolidated adjusted EBIDTA-A target over the three years of the Scheme; and (iii) the qualitative assessment of the Strategic Plan 2019-2021, for which the Nomination and Remuneration Committee received a prior report from the Strategy and Investment Committee.

Accordingly, the sums corresponding to the Executive Chairman (the only Director with executive duties) for the performance of executive duties in the reporting period (2021), according to his contract and the Directors' Remuneration Policy 2019-2021 and after the corresponding verifications by the Nomination and Remuneration Committee, were as follows:

- Fixed remuneration: 1,504,655 euros gross (1,500,000 euros gross of fixed cash remuneration and 4,655 euros gross in kind)

- Short-term ordinary annual variable remuneration: 1,593,733.37 euros gross.

- Deferred annual variable remuneration: 1,897,671 euros gross. A provision for this amount has been recognised in the annual accounts at 31 December 2021, as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board of Directors (as executive Director and for the performance of executive duties) and it will be paid in 2023 to the extent that the Executive Chairman remains with the Group at the date of the payment, as explained earlier. It should be borne in mind that in 2021, the last year of the Deferred Variable Remuneration Scheme (2019-2021), 50% of the variable remuneration for the three-year period was determined.

In addition, during the reporting period (2021), the Executive Chairman received the sum of 897,081.36 euros gross as deferred annual variable remuneration for 2019, payable in 2021. A provision for that amount had been recognised in the 2019 accounts.

B.1.2. Explain any deviation during the year from the procedure established for application of the remuneration policy.

There were no deviations in 2021 from the procedure established for application of the Directors' Remuneration Policy 2019-2021.

B.1.3. State whether any temporary exception to the remuneration policy has been applied and, if so, explain the exceptional circumstances giving rise to those exceptions, the specific components of the remuneration policy that were affected and the reasons why the company considered those exceptions necessary for the long-term interests and sustainability of the company overall or to guarantee its viability. Quantify the impact that the application of those exceptions has had on the remuneration of each director during the year.

No temporary exceptions to the Directors' Remuneration Policy 2019-2021 were applied during 2021.

B.2. Explain the different actions taken by the company regarding the remuneration system and how they have contributed to reducing excessive risk exposure, and align it with the long-term goals, values, and interests of the company, indicating what measures have been adopted to ensure that remuneration has accrued in consideration of the long-term results of

the company, striking an appropriate balance between the non-variable and variable components of remuneration, what measures have been taken with respect to those categories of personnel whose professional activities have a significant impact on the company's risk profile, and what measures have been taken to avoid conflicts of interest, where necessary.

The Deferred Annual Variable Remuneration Scheme in place during the reporting period (2021), i.e. the one linked to the Strategic Plan 2019-2021, makes the payment of bonuses conditional upon meeting targets set each year and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation or any other extraordinary circumstance which may, in the Board of Directors's opinion, materially affect the Scheme.

The general conditions of the Scheme include an adjustment clause whereby the Board of Directors of Ebro Foods, S.A. will adopt such resolutions as may be necessary to ensure that in any event or corporate operation or other extraordinary circumstances that might affect the calculation of deferred remuneration payable, the gross remuneration will be equivalent to the remuneration that would have been payable had that circumstance not existed.

The Scheme also includes a clawback clause whereby the Board of Directors of Ebro Foods, S.A. may require Directors to repay all or part of any deferred bonus paid under the Scheme when it considers such amounts to have been unduly paid, either because the amounts paid under the Scheme do not correspond to the degree of fulfilment of the required targets, or because they were calculated on the basis of data subsequently proved to be misstated.

Finally, as indicated earlier, the Scheme is structured in such a way that the deferred annual bonus corresponding to any of the years within the Scheme will be paid 11 months after being determined (after checking the degree of fulfilment of the targets), so by the time they are paid, a reasonable time will have passed (approx. 14 months), enabling greater certainty as to the accuracy of the financial information used to calculate the bonus. The corresponding remuneration of the members of the Scheme in 2021 will thus be paid in 2023, provided they are still employed in the Ebro Group.

B.3. Explain how the remuneration accrued and vested during the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term sustainable profitability.

Describe the relationship between the remuneration received by the directors and the earnings or other short and long-term performance indicators of the company explaining, where appropriate, how any variations in the company's performance may have had a bearing on the variation in directors' remuneration, including any deferred remuneration, and how they contribute to the short and long-term results of the company.

As explained elsewhere in this Report, the remuneration of the Directors for their duties as such is set by the General Meeting of Shareholders, so the General Meeting must assess the remuneration proposed in view of the performance of the Company and its Group.

The variable remuneration (both ordinary and deferred) of the Chairman of the Board of Directors as executive Director, for his executive duties, is linked to the development of the Group's business, being determined in accordance with the level of achievement of the targets set (linked to the future targets of the Group), as indicated in this report and in the Directors' Remuneration Policy.

In the reporting year (2021), the Directors' Remuneration Policy 2019-2021 expressly contemplated both principles. It should be noted in particular that the variable remuneration of the Executive Chairman (the only Director with executive duties) for his executive duties is tied to the achievement of quantitative targets (meeting the adjusted EBIDTA-A and ROCE targets both for the year and, in the case of the corresponding remuneration through his participation in the Deferred Annual Bonus Scheme, for the three-year period 2019-2021) and qualitative targets (part of the remuneration through his participation in the Deferred Annual Bonus Scheme in the last year of the three-year period is tied to the qualitative assessment of fulfilment of the Strategic Plan 2019-2021). This is designed to link his remuneration to the short and long-term development of the Company. So, through achievement of the financial goals set for each year (either in the budget, for the annual variable remuneration, or in the Strategic Plan 2019-2021, for the remuneration received by virtue of his participation in the Deferred Annual Bonus Scheme), the remuneration of the Executive Chairman is tied to the evolution of the Group's results.

These criteria are maintained this year (2022), when the new Directors' Remuneration Policy 2022-2024 establishes the same structure for the pay package of the Executive Chairman (the only Director with executive duties), apart from the novelty that in the last year of the applicable period, the remuneration corresponding to the Executive Chairman for his participation in the Deferred Annual Bonus Scheme will be tied, in addition to the quantitative and qualitative criteria mentioned above, to the degree of achievement during the three-year period of non-financial targets established in the Strategic Plan 2022-2024.

B.4. Report on the results of the advisory vote by the General Meeting on the annual report on remuneration of the previous year, indicating the number of abstentions, blank votes and votes for and against.

	Number	% total
Votes cast	122,877,877	79.86

	Number	% votes cast
Votes against	16,528,512	13.45
Votes for	90,393,065	73.56
Blank votes	894	0.00
Abstentions	15,955,406	12.98

Comments

B.5. Explain how the fixed components accrued and vested during the year by the directors for their duties as such were determined, their relative proportion for each director and how they have varied in respect of the previous year.

As explained earlier, the fixed remuneration of the Directors for their duties as such is set by the General Meeting, following assessment and a proposal by the Nomination and Remuneration Committee and the Board of Directors.

The proposal by the Nomination and Remuneration Committee and the Board of Directors generally takes into account the economic situation of the Group and the development of its business, as well as the number of Board of Directors members (being a collective remuneration for all the Directors for their duties as such).

Accordingly, the Annual General Meeting held on 30 June 2021 resolved to set the collective remuneration of all the Directors for their duties as such for 2020 at 2,850,000 euros gross.

With regard to the remuneration for 2021, the Board of Directors resolved in February 2022 to table a motion at the Annual General Meeting to be held in June 2022 to maintain the collective fixed remuneration for the Directors for their duties as such at 2,850,000 euros gross.

That sum was distributed among the individual Directors (for 2020) and will be distributed (for 2021) on the basis of the points system (explained in section A.1.3 of this Report and in the Directors' Remuneration Policy 2019-2021).

B.6. Explain how the salaries accrued and vested by each of the executive directors for their management duties was determined in the reporting period and how they have varied in respect of the previous year.

In 2021 (the reporting period), the fixed cash remuneration of the Executive Chairman (the only Director with executive duties) for the performance of executive duties is specified in his contract. In this respect, following the review by the Board of Directors of the fixed cash remuneration of the Executive Chairman on 27 February 2020, in line with the proposal submitted by the Nomination and Remuneration Committee (as per the Directors' Remuneration Policy 2019-2021), the fixed cash remuneration for 2021 was 1,500,000 euros gross. That was 250,000 euros (20%) more than the fixed cash remuneration received in 2020 (1,250,000 euros gross). It should be remembered that as stipulated in the Directors' Remuneration Policy 2019-2021 and at the proposal of the Nomination and Remuneration Committee, the Board of Directors resolved on 27 February 2020 to raise the annual fixed cash remuneration of the Executive Chairman in two tranches: 1,250,000 euros gross in 2020 and 1,500,000 euros gross in 2021.

The annual variable remuneration amounts (both ordinary and deferred) are determined by the Nomination and Remuneration Committee, which checks the level of achievement of the quantitative and qualitative variables to which such variable remunerations are subject, considering the reports issued by other Committees where appropriate, and submits a proposal to the Board of Directors.

The following variable amounts were thus earned by the Executive Chairman for 2021:

- annual variable remuneration of 1,593,733 euros gross (compared to 1,875,000 euros gross in 2020);

- deferred annual remuneration for 2021 of 1,897,671 euros gross (compared to 1,058,192 euros gross in 2020). A provision for this amount has been recognised in the annual accounts 2021 as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board of Directors (as executive Director and for the performance of executive duties) and it will be paid in 2023. It should be borne in mind that in 2021, the last year of the Deferred Variable Remuneration Scheme (2019-2021), 50% of the variable remuneration for the three-year period was determined.

In accordance with the Deferred Annual Bonus Scheme and the collection criteria applicable to the corresponding sums thereunder, the Executive Chairman received in 2021 the sums accrued in 2019, amounting to 897,081.36 euros gross.

B.7. Explain the nature and main features of the variable components of the remuneration schemes accrued and vested during the reporting period.

In particular:

a) Identify each of the remuneration schemes that determined the variable remunerations accrued by each of the directors during the reporting period, including information on the scope, date of approval, date of implementation, vesting conditions if any, accrual and effective periods, criteria used to assess performance and the effect they had on the setting of the variable amount accrued, as well as the measurement criteria used and the time necessary to be in a position to measure adequately all the conditions and criteria stipulated. Include a detailed explanation of the criteria and factors applied with regard to the required time and the methods for checking that the performance and any other requirements on which the accrual and vesting of each component of the variable remuneration was conditional were actually met.

b) In the case of stock options and other financial instruments, the general features of each scheme shall include information on the conditions for acquiring unconditional rights (vesting) and exercising those options or financial instruments, including the price and time for exercise.

c) Each of the directors and their category (executive directors, non-executive proprietary directors, non-executive independent directors and other non-executive directors) who are beneficiaries of remuneration systems or schemes that include variable remuneration.

d) If applicable, provide information on any payment deferral periods established that have been applied and/or the periods for retaining/not disposing of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration schemes:

Variable remuneration (short and long-term) for the performance of executive duties corresponds exclusively to the Chairman of the Board of Directors, the only Director performing executive duties, on the terms set out elsewhere in this report.

The ordinary annual variable remuneration established in the executive Director's contract is proportionate to the level of achievement of the targets set for each year by the Board of Directors, based on a proposal by the Nomination and Remuneration Committee. As established in the Directors' Remuneration Report 2019-2020 (and the Policy currently in place for the period 2022-2024), accrual of the Executive Chairman's annual variable remuneration is linked to the degree of achievement of the Group's consolidated adjusted EBITDA-A target set in its annual budget. See in this regard section A.1.6 of this report.

Once the results of the preceding year are available (normally in February of the following year) the Nomination and Remuneration Committee checks the degree of achievement of the target, which is taken as the basis for determining the annual variable remuneration, if any, payable to the Executive Chairman.

The annual variable remuneration of the Executive Chairman is monetary.

Neither the Executive Chairman nor any Director participates in stock option schemes or similar schemes in respect of other financial instruments.

Explain the long-term variable components of the remuneration schemes:

Only the Executive Chairman, the only Director with executive duties, receives a long-term annual variable remuneration.

That long-term variable remuneration derives from the participation of the Executive Chairman, together with the senior executives of the Group, in the Deferred Annual Bonus Scheme (which is in turn tied to the three-year Strategic Plan in place from time to time).

The payment of bonuses is conditional upon meeting the targets set each year by the Remuneration Scheme and the beneficiary's continued employment in the Group at the date of payment established for those bonuses, except in cases of: (i) death or disability of the beneficiary or (ii) takeover in the Group or a similar corporate operation, or any other extraordinary circumstance which may, in the Board of Director's opinion, materially affect the Scheme.

The targets to which the long-term bonus is tied are those identified in the Scheme for each year of the three-year period. A more detailed explanation is given in section A.1.6 of this report.

Bonuses are paid 11 months after being determined (after checking the degree of achievement of the targets), so by the time they are paid, more than one year has passed since the end of the year to which the bonus corresponds.

Once the results of the preceding year are available, the Nomination and Remuneration Committee checks the degree of achievement of the quantitative targets taken as the basis for determining the corresponding remuneration in each year of the Scheme. The assessment by the Nomination and Remuneration Committee of the qualitative aspects considered to determine the long-term bonus is made following a report by the Strategy and Investment Committee.

B.8. Indicate whether certain variable components accrued have been adjusted downward after deferral of the payment of non-vested amounts, or repayment has been claimed after vesting and payment of those components, in view of information subsequently found to be inaccurate. State the amounts reduced or repaid by application of the malus and clawback clauses, why these clauses were enforced and the years to which they correspond.

No such circumstances have existed.

B.9. Explain the main features of the long-term savings schemes, the amount or equivalent annual cost of which is indicated in the tables in Section C, including retirement and any other survival benefit, wholly or partially financed by the company with internal or external funds, stating the type of scheme, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions for the vesting of economic rights in favour of the directors and the compatibility thereof with any kind of termination benefit payable upon interruption of the contractual relationship between the company and the director.

There are no such schemes.

B.10. State any compensations or other kind of payment accrued and/or received by directors during the reporting period upon termination of their contracts, at the initiative of the company or the director, early or at the end of the specified term.

No compensation has been arranged or paid for termination of Directors' duties (to Directors for their duties as such or executive Directors for their executive duties).

B.11. State whether there have been any significant modifications in the contracts of senior executives or executive directors and explain those changes, if any. Explain the main terms and conditions of the new contracts signed with executive directors during the reporting period, unless they have been explained in section A.1.

In the reporting year (2021), as resolved by the Board of Directors on 27 February 2020 in line with a proposal by the Nomination and Remuneration Committee, the annual fixed cash remuneration of the Executive Chairman was set at 1,500,000 euros gross. That resolution led to: (i) amendment of the Directors' Remuneration Policy 2019-2021 to adjust the amounts indicated therein regarding the fixed cash remuneration of the Executive Chairman (amendment approved by the General Meeting on 29 July 2020); and (ii) the corresponding modification of the Executive Chairman's contract with the Company regarding the performance of his executive duties.

B.12. Explain any deviation during the year from the procedure established for application of the remuneration policy.

As explained earlier, no supplementary remuneration is earned by the Directors (for their duties as such or for executive duties) in consideration for services rendered other than those corresponding to their office or, exclusively with regard to the Executive Chairman, to the performance of executive duties. However, as also mentioned earlier (see section A.1.12), the Executive Chairman receives annual attendance fees as a Director of: (i) a Group company, and (ii) an associate company which does not form part of the Group.

B.13. Explain any supplementary remuneration accrued by directors in consideration for services rendered other than those corresponding to their office as such.

Neither the Company nor any other companies in the Group have granted any loans, advances or guarantees to members of the Board of Directors (to the Directors for their duties as such or the executive Directors for the performance of executive duties), or contracted any obligations on their behalf through guarantees or bonds.

B.14. Describe the remuneration in kind accrued by directors during the year, including a brief explanation of the nature of the different remuneration components.

As explained earlier (see sections A.1.4 and A.1.5 of this Report), only the Chairman of the Board of Directors, as the only executive Director with executive duties, receives remuneration in kind, consisting of the private use made of the company car allocated to him. The value of his remuneration in kind for the reporting year (2021), 4,655 euros, is included within the fixed remuneration of the executive Director accrued in 2021.

In addition, the Company has a Flexible Remuneration Scheme, through which it is possible to design the composition of remuneration of the executives included in the Scheme (including the Chairman of the Board of Directors), so that they may receive part of that remuneration in the form of products and services previously selected by the Company. The value of those products and services is deducted from the gross salary of the executive, who is allocated in lieu the corresponding income in kind. These products and services include group medical insurance, housing rental, nursery, vehicle hire/lease and employee training. Therefore, these items do not entail additional remuneration to that received in cash, since the amounts paid by the Company to the corresponding service providers are deducted from the beneficiary's cash remuneration.

B.15. Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third entity to which the director renders services, when those payments are intended to remunerate said director's services in that company.

No payments of this nature have been made.

B.16. Explain and provide details of the amounts accrued during the year in connection with any item of remuneration other than those listed above, of whatever nature and provenance within the group, including all benefits in whatsoever form, such as when it is considered a related party transaction or when it may distort the true and fair view of the total remuneration accrued by the director. The amount awarded or pending payment, the nature of the payment received and the reasons, where appropriate, why it has been considered not to form part of the director's remuneration, for their duties as such or for executive duties, and whether or not it has been considered appropriate to include it within the amounts accrued as "other items" in section C.

As explained earlier, there are no remunerations other than those listed above, without prejudice to the fees received by the Chairman of the Board of Directors as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group), of 5,000 euros gross in 2021.

In 2021, the Chairman of the Board of Directors also received Directorship fees from Riso Scotti, S.p.A. in a sum of 5,200 euros gross. As indicated in Article A.1, point 12, above, Riso Scotti, S.p.A. is an associate and does not form part of the Ebro Foods Group.

C. DETAILS OF INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period 2021
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	From 01/01/2021 to 31/12/2021
DEMETRIO CARCELLER ARCE	Proprietary Vice-Chairman	From 01/01/2021 to 31/12/2021
ALIMENTOS Y ACEITES, S.A.	Proprietary Director	From 01/01/2021 to 31/12/2021
BELÉN BARREIRO PÉREZ-PARDO	Independent Director	From 01/01/2021 to 31/12/2021
MARÍA CARCELLER ARCE	Proprietary Director	From 01/01/2021 to 31/12/2021
FERNANDO CASTELLÓ CLEMENTE	Independent Director	From 01/01/2021 to 31/12/2021
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2021 to 31/12/2021
CORPORACIÓN FINANCIERA ALBA, S.A.	Proprietary Director	From 01/01/2021 to 31/12/2021
MERCEDES COSTA GARCÍA	Lead Independent Director	From 01/01/2021 to 31/12/2021
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary Director	From 01/01/2021 to 31/12/2021
JAVIER FERNÁNDEZ ALONSO	Proprietary Director	From 01/01/2021 to 31/12/2021
GRUPO TRADIFÍN, S.L.	Proprietary Director	From 01/01/2021 to 31/12/2021
HERCALIANZ INVESTING GROUP, S.L.	Executive Director	From 01/01/2021 to 31/12/2021
PEDRO ANTONIO ZORRERO CAMAS	Independent Director	From 01/01/2021 to 31/12/2021

C.1. Complete the following tables regarding the individual remuneration of each of the directors (including the remuneration for executive duties) accrued during the financial year.

a) Remuneration accrued in the reporting company:

i) Remuneration in cash (thousand euros)

Complete the following Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term annual variable remuneration	Long-term annual variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
ANTONIO HERNÁNDEZ CALLEJAS	241	23	147	1,505	1,594	897			4,407	4,152
DEMETRIO CARCELLER ARCE	181	27	181						389	400
ALIMENTOS Y ACEITES, S.A.	121	18							139	144
BELÉN BARREIRO PÉREZ-PARDO	121	22	33						176	180
MARÍA CARCELLER ARCE	121	18							139	144
FERNANDO CASTELLÓ CLEMENTE	121	27	76						224	224
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	121	18	26						165	172
CORPORACIÓN FINANCIERA ALBA, S.A.	121	18							139	257
MERCEDES COSTA GARCÍA	121	27	78						226	226
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	121	18							139	144
JAVIER FERNÁNDEZ ALONSO	121	29	184						334	140
GRUPO TRADIFÍN, S.L	121	27	70						218	219
HERCALIANZ INVESTING GROUP, S.L	121	18	26						165	172
PEDRO ANTONIO ZORRERO CAMAS	121	28	158						307	312

Comments

The total remuneration of the Directors in 2021 amounted to 7,163,731 euros gross, rounded up to 7,164 thousand euros. This differs from the amount indicated in the table as a result of the rounding off to thousands of the individual remuneration of each Director.

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

ii) Table of changes in share-based remuneration schemes and gross earnings on the vested shares or financial instruments.

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0.00				
DEMETRIO CARCELLER ARCE	Scheme							0.00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0.00				
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0.00				
MARÍA CARCELLER ARCE	Scheme							0.00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0.00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0.00				
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0.00				
MERCEDES COSTA GARCÍA	Scheme							0.00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0.00				
JAVIER FERNÁNDEZ ALONSO	Scheme							0.00				

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	Equivalent shares
GRUPO TRADIFÍN, S.L.	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L.	Scheme							0.00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0.00				

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
BELÉN BARREIRO PÉREZ-PARDO	
MARÍA CARCELLER ARCE	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MERCEDES COSTA GARCÍA	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
JAVIER FERNÁNDEZ ALONSO	
GRUPO TRADIFÍN, S.L.	
HERCALIANZ INVESTING GROUP, S.L.	
PEDRO ANTONIO ZORRERO CAMAS	

	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
Name	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
BELÉN BARREIRO PÉREZ-PARDO								
MARÍA CARCELLER ARCE								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
CORPORACIÓN FINANCIERA ALBA, S.A.								
MERCEDES COSTA GARCÍA								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								

Name	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
JAVIER FERNÁNDEZ ALONSO								
GRUPO TRADIFÍN, S.L.								
HERCALIANZ INVESTING GROUP, S.L.								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
MARÍA CARCELLER ARCE	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	

Name	Item	Amount
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MERCEDES COSTA GARCÍA	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
JAVIER FERNÁNDEZ ALONSO	Item	
GRUPO TRADIFÍN, S.L.	Item	
HERCALIANZ INVESTING GROUP, S.L.	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

b) Remuneration
i))

Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
ANTONIO HERNÁNDEZ CALLEJAS		5							5	5
DEMETRIO CARCELLER ARCE										
ALIMENTOS Y ACEITES, S.A.										
BELÉN BARREIRO PÉREZ-PARDO										
MARÍA CARCELLER ARCE										
FERNANDO CASTELLÓ CLEMENTE										

Name	Fixed remuneration	Attendance fees	Remuneration as members of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2021	Total 2020
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL										
CORPORACIÓN FINANCIERA ALBA, S.A.										
MERCEDES COSTA GARCÍA										
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.										
JAVIER FERNÁNDEZ ALONSO										
GRUPO TRADIFÍN, S.L.										
HERCALIANZ INVESTING GROUP, S.L.										
PEDRO ANTONIO ZORRERO CAMAS										

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

ii) Table of changes in share-based remuneration schemes and gross earnings on the shares or financial instruments vested.

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
ANTONIO HERNÁNDEZ CALLEJAS	Scheme							0.00				
DEMETRIO CARCELLER ARCE	Scheme							0.00				
ALIMENTOS Y ACEITES, S.A.	Scheme							0.00				

Name	Name of Scheme	Financial instruments at beginning of 2021		Financial instruments awarded during 2021		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2021	
		No. instruments	Equivalent shares	No. instruments	Equivalent shares	No. instruments	Equivalent/ vested shares	Price of vested shares	Gross earnings on shares or financial instruments vested (€ thousand)	No. instruments	No. instruments	Equivalent shares
BELÉN BARREIRO PÉREZ-PARDO	Scheme							0.00				
MARÍA CARCELLER ARCE	Scheme							0.00				
FERNANDO CASTELLÓ CLEMENTE	Scheme							0.00				
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Scheme							0.00				
CORPORACIÓN FINANCIERA ALBA, S.A.	Scheme							0.00				
MERCEDES COSTA GARCÍA	Scheme							0.00				
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Scheme							0.00				
JAVIER FERNÁNDEZ ALONSO	Scheme							0.00				
GRUPO TRADIFÍN, S.L.	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L.	Scheme							0.00				
PEDRO ANTONIO ZORRERO CAMAS	Scheme							0.00				

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
ALIMENTOS Y ACEITES, S.A.	
BELÉN BARREIRO PÉREZ-PARDO	
MARÍA CARCELLER ARCE	
FERNANDO CASTELLÓ CLEMENTE	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	
CORPORACIÓN FINANCIERA ALBA, S.A.	
MERCEDES COSTA GARCÍA	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	
JAVIER FERNÁNDEZ ALONSO	
GRUPO TRADIFÍN, S.L.	
HERCALIANZ INVESTING GROUP, S.L.	
PEDRO ANTONIO ZORRERO CAMAS	

Name	Contribution by company during the year (€ thousand				Amount of funds accumulated (€ thousand)			
	Savings schemes with economic rights vested		Savings schemes with economic rights not vested		Savings schemes with economic rights vested		Savings schemes with economic rights not vested	
	2021	2020	2021	2020	2021	2020	2021	2020
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
ALIMENTOS Y ACEITES, S.A.								
BELÉN BARREIRO PÉREZ-PARDO								
MARÍA CARCELLER ARCE								
FERNANDO CASTELLÓ CLEMENTE								
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL								
CORPORACIÓN FINANCIERA ALBA, S.A.								
MERCEDES COSTA GARCÍA								
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.								
JAVIER FERNÁNDEZ ALONSO								
GRUPO TRADIFÍN, S.L.								
HERCALIANZ INVESTING GROUP, S.L.								
PEDRO ANTONIO ZORRERO CAMAS								

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	Item	
ALIMENTOS Y ACEITES, S.A.	Item	
BELÉN BARREIRO PÉREZ-PARDO	Item	
MARÍA CARCELLER ARCE	Item	
FERNANDO CASTELLÓ CLEMENTE	Item	
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Item	
CORPORACIÓN FINANCIERA ALBA, S.A.	Item	
MERCEDES COSTA GARCÍA	Item	
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Item	
JAVIER FERNÁNDEZ ALONSO	Item	
GRUPO TRADIFÍN, S.L.	Item	
HERCALIANZ INVESTING GROUP, S.L.	Item	
PEDRO ANTONIO ZORRERO CAMAS	Item	

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

c) Summary of remunerations (thousand euros):

	Remuneration accrued in the Company					Remuneration accrued in Group companies					
Name	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2021 company	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2021 group	Total 2021 company + group
ANTONIO HERNÁNDEZ CALLEJAS	4,407				4,407	5				5	4,412
DEMETRIO CARCELLER ARCE	389				389						389
ALIMENTOS Y ACEITES, S.A.	139				139						139
BELÉN BARREIRO PÉREZ-PARDO	176				176						176
MARÍA CARCELLER ARCE	139				139						139
FERNANDO CASTELLÓ CLEMENTE	224				224						224
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	165				165						165
CORPORACIÓN FINANCIERA ALBA, S.A.	139				139						139
MERCEDES COSTA GARCÍA	226				226						226
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	139				139						139
JAVIER FERNÁNDEZ ALONSO	334				334						334
GRUPO TRADIFÍN, S.L	218				218						218
HERCALIANZ INVESTING GROUP, S.L	165				165						165
PEDRO ANTONIO ZORRERO CAMAS	307				307						307
TOTAL	7,167				7,167	5				5	7,172

Comments

The total remuneration of Directors in 2021 was 7,168,731 euros, rounded up to 7,169 thousand euros. This differs from the amount indicated in the table as a result of the rounding off to thousands of the individual remuneration of each Director.

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

C.2. Indicate the evolution over the past 5 years.

	Total amounts accrued and % annual variation								
	2021	% Variation 2021/2020	2020	% Variation 2020/2019	2019	% Variation 2019/2018	2018	% Variation 2018/2017	2017
Executive Directors									
ANTONIO HERNÁNDEZ CALLEJAS	4,412	6.13	4,157	36.21	3,052	22.92	2,483	-17.32	3,003
HERCALIANZ INVESTING GROUP, S.L.	165	-4.07	172	1.18	170	-8.60	186	0.00	186
Non-executive Directors									
DEMETRIO CARCELLER ARCE	389	-2.75	400	-0.25	401	-9.68	444	0.68	441
ALIMENTOS Y ACEITES, S.A.	139	-3.47	144	5.11	137	-9.87	152	-3.80	158
BELÉN BARREIRO PÉREZ- PARDO	176	-2.22	180	1.12	178	-8.72	195	-0.51	196
MARÍA CARCELLER ARCE	139	-3.47	144	5.11	137	8.73	126	-	0
FERNANDO CASTELLÓ CLEMENTE	224	0.00	224	-0.88	226	-10.67	253	19.91	211
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	165	-4.07	172	1.18	170	-15.00	200	0.00	200
CORPORACIÓN FINANCIERA ALBA, S.A.	139	-45.91	257	-23.28	335	3.08	325	-	0
MERCEDES COSTA GARCÍA	226	0.00	226	0.44	225	-7.79	244	20.20	203
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	139	-3.47	144	5.11	137	-9.87	152	-1.30	154
JAVIER FERNÁNDEZ ALONSO	334	138.57	140	-	0	-	1	-99.70	329
GRUPO TRADIFIN, S.L.	218	68.99	129	-40.83	218	-10.66	244	3.39	236
PEDRO ANTONIO ZORRERO CAMAS	307	-1.60	312	3.65	301	n.s	24	-	0
Consolidated earnings of the company									
	238,629	24.02	192,415	35.74	141,752	0.12	141,589	-35.82	220,600
Average remuneration of employees									
	41,356	-3.71	42,948	1.63	42,261	-	0	-	0

Comments

See the Explanatory Note One in section D of this Report, concerning changes in the Board of Directors with regard to Pedro Antonio Zorrero Camas and Alimentos y Aceites, S.A.

See Explanatory Note Two in section D of this report regarding the classification of Hercalianz Investing Group, S.L. as an executive Director.

With regard to the average remuneration of employees:

- The information contained in the computer files for 2018 is not adjusted to the criteria established in this Report and, therefore, is not comparable.

- We do not have information for 2017 in our computer files.

D. OTHER INFORMATION OF INTEREST

If there are any material.

CONTINUATION OF SECTION A.1.1, POINT 1, OF THIS REPORT

The Directors also receive, for their duties as such, fees for attending the meetings of the Board of Directors and any Board of Directors Committees they are on.

The amount of those fees is also set by the General Meeting and remain in force until amended.

b) Non-executive Directors do not receive any variable remuneration based on the profits of the Company or Group.

c) The executive Directors, just as the other senior executives of the Group, receive an annual remuneration for their executive duties according to the terms of their respective contracts. The remuneration structure of executive Directors (and other senior executives in the Group) includes the following components:

- annual fixed remuneration;
- short-term variable remuneration;
- deferred annual variable remuneration, linked to the Strategic Plan 2022-2024, as explained hereinbelow.

The fixed remuneration is the remuneration established in the corresponding contract signed between the company and the Executive Committee. With regard to the variable remunerations, both short-term annual and deferred annual, the Nomination and Remuneration Committee rates each year the degree of achievement of the targets to which they are linked (established in the Remuneration Policy 2022-2024), taking account of any reports submitted by other Committees, and submits the corresponding proposal and report to the Board of Directors of Director in respect of the individual remuneration of each Executive Director in that year.

The current Directors' Remuneration Policy 2022-2024 does not contemplate the application of any temporary exceptions.

EXPLANATORY NOTE ONE, REGARDING THE CHANGES PRODUCED IN THE BOARD OF DIRECTORS

The following changes were produced in the composition of the Board of Directors during 2021:

- Alejandra Olarra Icaza joined the Board of Directors on 24 November 2021 as representative of the Director Corporación Financiera Alba, S.A., replacing Tomás Hevia Armengol in that appointment; and

- Pedro Antonio Zorrero Camas tendered his resignation from the Board of Directors on 15 December 2021, with effect from 31 December 2021. Consequently, as of that date he ceased to be a company Director and member of the Executive Committee and Audit and Compliance Committee. Mr. Zorrero Camas was classified as an independent Director.

Moreover, on 31 January 2022, the Board of Directors resolved to appoint Marc Thomas Murtra Millar Director by the procedure of cooptation, to fill the vacancy produced upon Mr. Zorrero Camas' resignation (effective as of 31 December 2021). Mr. Murtra is classified as a non-executive independent Director and was also appointed member of the Executive Committee and Audit and Compliance Committee.

Finally, it is hereby stated that Alimentos y Aceites, S.A. (proprietary Director and reference shareholder) tendered his resignation as Director on 24 March 2022, with effect from 29 March 2022 (see the communication sent to the National Securities Market Commission by the Company as "Other Relevant Information" on 24 March 2022 with registry number 15141).

On the same date of issue of this Report[CLM1], 30 March 2022, Mr. Jordi Xuclà Costa was appointed proprietary Director of Alimentos y Aceites, S.A. to fill the vacancy caused by the resignation tendered by the company.

EXPLANATORY NOTE TWO, REGARDING THE CLASSIFICATION OF HERCALIANZ INVESTING GROUP, S.L. AS EXECUTIVE DIRECTOR

As mentioned throughout this Report, although Hercalianz Investing Group, S.L. is classified as an Executive Director, it has never performed executive duties in Ebro Foods, S.A. or any subsidiary of the Group, so has never received and does not receive any remuneration as such.

Hercalianz Investing Group, S.L. has been classified as an Executive Director (pursuant to section 212 bis of the Corporate Enterprises Act) because its representative on the Board of Directors of Ebro Foods, S.A. is an executive of a subsidiary of the Ebro Foods Group.

This annual remuneration report was approved by the Board of Directors of the company at its meeting on:

30/03/2022

State whether any Directors voted against or abstained in connection with the approval of this Report.

[√] Yes
[ ] No

Name of board member (s) who did not vote for approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
ALIMENTOS Y ACEITES, S.A.	Abstention	Mr Jordi Xuclà Costa is the proprietary Director of Alimentos y Aceites, S.A. (the reference shareholder who was a Director until 29 March 2022), who abstained from voting on this Report, stating that the Board of Directors of SEPI (as controlling shareholder of Alimentos y Aceites, S.A.) decides on the vote of SEPI as shareholder of Ebro Foods, S.A. See the Explanatory Note One in section D. of this Report.

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.

DISCLAIMER

06

DISCLAIMER BY THE DIRECTORS OF EBRO FOODS, S.A.

Regarding the contents of the Annual Financial Report 2021

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 2021 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 2021, as authorised for issue by the Board of Directors of the Company on the 30 March 2022.

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, 30 March, 2022.