

02.

Corporate Social Responsibility and Sustainability model



□ 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. 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. Interaction 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.

The company's principal stakeholders are:

- Shareholders
- Customers, consumers and distributors
- Employees
- Suppliers
- Society (Administration, NGOs and other institutions)
- Media

The frequency and form of communication with each group varies according to the company of the Ebro Group and the reason for the consultation or meeting, with at least one a year. Much of this dialogue is conducted directly by the parent company.

STAKEHOLDERS	DIALOGUE CHANNELS
Shareholders	Corporate website Electronic shareholders' mailbox Shareholders' office CNMV regulatory announcements Investor Relations Department Meetings with analysts and investors Roadshows General Meeting of Shareholders Quarterly reports Annual Report Social media Press releases Reporting channel of the Code of Conduct (COC)
Employees	Corporate website and websites of our subsidiaries Corporate Intranet Suggestion box Social media Mailbox Digital newsletter Blogs (corporate and brand) Mailshots Department Days Works Council HR contacts Corporate Communications Department Annual Report Reporting channel of the COC
Customers, consumers and distributors	Corporate website and websites of our subsidiaries Customer services department Electronic mailboxes in each of the Group companies Parent company mailbox (comunicacion@ebrofoods.es) Advertising and Marketing Satisfaction surveys Regular one-to-one meetings and visits Social media Blogs (corporate and brand) Trade fairs, forums and conferences Annual Report Reporting channel of the COC
Suppliers	Corporate website and websites of our subsidiaries Meetings with the Purchasing Departments of Group companies Supplier Code of Conduct Regular visits to suppliers Surveys Assessments through Sedex Annual Report Social media Reporting channel of the COC
Society	Corporate website and websites of our subsidiaries Website of the Ebro Foods Foundation Social media Corporate blog Annual Report Communications and CSR Department Press releases Parent company mailbox (comunicacion@ebrofoods.es) Meetings with NGOs and social action institutions Meetings with local authorities Meetings with resident associations Reporting channel of the COC

STAKEHOLDERS	DIALOGUE CHANNELS
Media	Corporate website and websites of our subsidiaries Corporate Communications Department Parent company mailbox (comunicacion@ebrofoods.es) Press releases CNMV regulatory announcements Social media Corporate blog Regular meetings with different media Interviews Surveys and questionnaires Annual Report

4. Materiality analysis: In 2022, following the guidelines of the new Corporate Sustainability Reporting Directive (CSRD), we worked with KREAB Spain on making a double materiality assessment. In this regard, our present materiality matrix contemplates the most important sustainability issues from the perspective of business continuity (financial materiality) and those more important by virtue of their environmental, economic or social impact on the Group’s stakeholders or the natural environment (impact materiality).

This assessment was based on the areas of action and impacts of Ebro Foods grouped by topics and indicators, with reference to the following standards and legislation: (i) Act 11/2018 Spain, (ii) RS Global Reporting Initiative (GRI), (iii) Dow Jones Sustainability Index (DJSI), (iv) MSCI and (v) SASB Materiality Map – Sustainability Accounting Standards Board Food and Beverages.

Following a study of the catalogue of impacts, the different indicators have been grouped into 18 material topics, in turn grouped into 4 major categories of topics encompassing the different themes: Working Capital, Governance and Organisation, Human Capital and Environmental Capital.



CATALOGUE OF POTENTIAL MATERIAL TOPICS

TOPICS THAT STAKEHOLDERS HAVE BEEN ASKED ABOUT IN THE DIFFERENT CONSULTATIONS

1. WORKING CAPITAL	
1	Food quality and safety
2	Consumer satisfaction
3	Innovation
4	Responsible supply chain
2. GOVERNANCE AND ORGANISATION	
5	Good governance
6	Tax contribution and institutions
3. HUMAN CAPITAL	
7	Health and safety of professionals
8	Human Rights
9	Social impact and local communities
10	Talent attraction and retention
11	Diversity and inclusion
12	Development of human capital
4. ENVIRONMENTAL CAPITAL	
13	Circular economy and use of resources
14	Mitigation and adaptation to climate change
15	Food waste
16	Pollution control and prevention
17	Biodiversity and ecosystems
18	Water and marine resources

Seven countries were consulted for the assessment (Spain, United Kingdom, United States, Italy, Netherlands, India and Thailand), selected according to three essential criteria:

1. Importance for business
2. Interest in sustainability matters
3. Combination of developed and developing countries

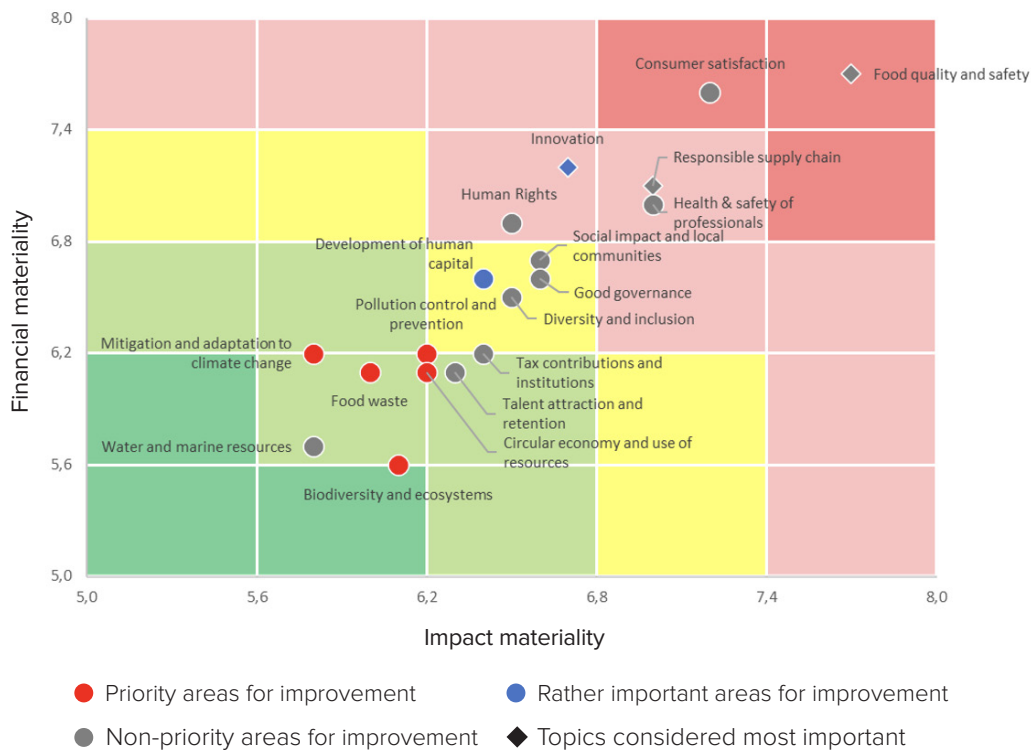
Seven stakeholders were also consulted, as priority communities for the company:

- Internal: employees and executives
- External: customers, suppliers, third sector, media and investors

Four variables were analysed:

1. Impact materiality: the matters of greatest importance for the different communities, from the point of view of the impact generated on the environment or society by the Group's management of them.
2. Financial materiality: a concept contemplated by EFRAG only for executives, and assessed with the following question: How could management of the following elements affect the company's operations (revenue, costs, liquidity, debt or asset value)?
3. Most important topics: those considered most important by the different segments of their stakeholders. (This would be equivalent to the former materiality.)
4. Priority areas for improvement: identification of the principal areas for improvement in which Ebro Foods should make progress.

Based on the foregoing, the resulting double materiality matrix and the principal topics to be managed are shown below:



Principal topics to be managed

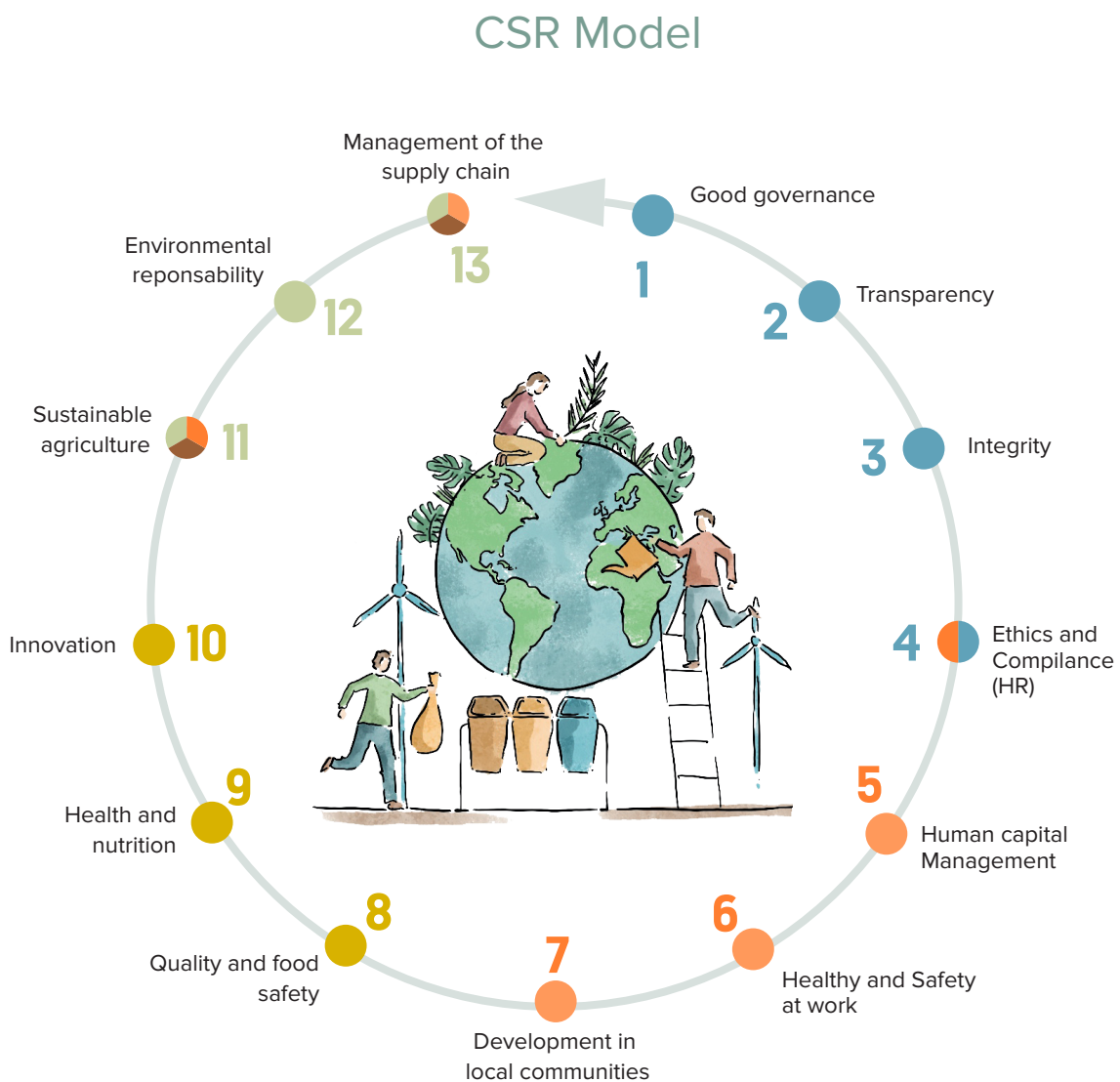
The principal topics to be managed by Ebro Foods, on the grounds that they are financially important, materially important or both, are, from a global, aggregated perspective:

- 1 Food quality and safety
- 2 Consumer satisfaction
- 3 Responsible supply chain
- 4 Health and safety of professionals
- 5 Innovation
- 6 Human Rights
- 7 Social impact and local communities

□ Working areas in CSR and Sustainability

The conclusions of the double materiality assessment confirmed that the five strategic focal points identified by the Group coincide with the expectations of the different stakeholders: **Our Team, Our Community, Our Public, Our Shareholders and Our Environment**, and the corresponding 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.



- Corporate governance
- Social welfare (in&out)
- Food and nutrition
- Sustainable procurement
- Environment and climate change

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 for the remaining objectives has not yet been published.

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.

According to the results of that analysis, the current development of taxonomy does not contemplate the business activities performed by the Ebro Foods Group as taxonomy-eligible activities. Consequently, nor does the Group have any taxonomy-aligned activities to report in 2022.

The main conclusions of the analysis are set out below:

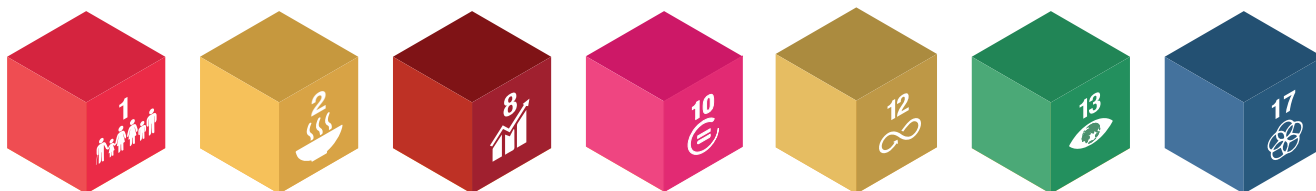
1. For the time being, the EU Taxonomy has only developed the economic activities corresponding to two environmental objectives: i) climate change mitigation and ii) climate change adaptation, which do not so far cover the entire range of activities undertaken by the companies. In this regard, the economic 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 2022 that could be classified within group “4.2.4 production of heat/cold from bioenergy”, although its representativity is negligible.

The EU is expected to publish the delegated acts corresponding to the other four environmental objectives of the Taxonomy during 2023. 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 singled out the ones to which we make the greatest contribution by virtue of 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:

 <p>UN GLOBAL COMPACT Network Spain WE SUPPORT</p>	<p>Signatory of the United Nations Global Compact www.pactomundial.org</p>
 <p>La alimentación no tiene desperdicio</p>	<p>Member of the Spanish Commercial Coding Association (AECOC) project against food waste “Don’t waste food, use it” http://www.alimentacionsindesperdicio.com/</p>
 <p>seres fundación sociedad y empresa responsable</p>	<p>Member of the SERES Foundation http://www.fundacionseres.org/Paginas/Inicio.aspx</p>
 <p>Socio de forética</p>	<p>Member of Forética http://www.foretica.org/</p>
 <p>SAI PLATFORM</p>	<p>Sustainable Agriculture Initiative (SAI) Platform http://www.saiplatform.org/</p>
 <p>SRP Sustainable Rice Platform</p>	<p>Sustainable Rice Platform (SRP) http://www.sustainablerice.org/</p>
 <p>Sedex</p>	<p>Sedex https://www.sedexglobal.com</p>

□ Policies and Governance

In order to define the general guidelines of the Group and its associates and the integration of ESG criteria in our business model, the Group is governed by the following policies and principles of conduct approved by the 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.

The strategy and actions taken in the area of Social Responsibility and Sustainability of the Group are supervised by the Audit, Control and Sustainability Committee of Ebro Foods, which in turn reports to the Board of Directors of the company on the most important aspects.

□ 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 confirms that we are a socially responsible investment vehicle.

During 2022, we 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. Gaïa ESG Rating