

Consolidated Annual Financial Report 2023

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In the event of any discrepancy between the Spanish and English versions of this document, the Spanish version will prevail.

Important information for ADR holders is permanently published on the English version of the company's website www.ebrofoods.es/en/, which may be consulted.

**Audit Report on the Consolidated Financial Statements
issued by an Independent Auditor**

**EBRO FOODS, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and Management Report
for the year ended
December 31, 2022**

AUDIT REPORT ON THE CONSOLIDATED 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.:

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, 2022, 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, 2022, 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.

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.

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

Description At December 31, 2022, the Group recorded goodwill, other intangible assets (primarily brands), and property, plant and equipment for a carrying amount of 807,072 thousand euros, 429,480 thousand euros, and 824,450 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 2022 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.
- 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 2022 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 2022 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 2022 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 12, 2023.

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 12, 2023

EBRO FOODS GROUP

CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT

for the year ended
December 31, 2022

(prepared in accordance with the
International Financial Reporting
Standards adopted
by the European Union)

EBRO FOODS GROUP

Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2022

DATA TO BE TAGGED FOR XBRL FORMATTING PURPOSES

- ✓ Name of reporting entity or other means of identification: Ebro Foods, S.A.
- ✓ Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period: There has been no change in the name of the entity or other means of identification.
- ✓ Domicile of entity: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Legal form of entity: Public limited company (*sociedad anónima*).
- ✓ Country of incorporation: Spain
- ✓ Address of entity's registered office: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Principal place of business: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Description of nature of entity's operations and principal activities: Refer to Note 1 of the consolidated financial statements.
- ✓ Name of parent entity: Ebro Foods, S.A.
- ✓ Name of ultimate parent of group: Not applicable.
- ✓ Length of life of limited life entity: The reporting entity does not have a limited life.

Note	
	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
	CONSOLIDATED STATEMENT OF PROFIT OR LOSS
	CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE
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EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT YEAR-END 2022 AND 2021
THOUSANDS OF EUROS

	Note	<u>31/12/2022</u>	<u>31/12/2021</u>
<u>NON-CURRENT ASSETS</u>		<u>2,231,038</u>	<u>2,205,307</u>
Intangible assets	8	429,480	434,348
Property, plant and equipment	9	824,450	788,681
Right-of-use assets	10	54,639	59,375
Investment properties	11	19,382	19,398
Financial assets	12	3,986	4,874
Investments in associates	14	43,235	43,002
Deferred tax assets	21	48,794	46,270
Goodwill	15	807,072	809,359
<u>CURRENT ASSETS</u>		<u>1,669,178</u>	<u>1,733,315</u>
Inventories	16	911,115	702,699
Trade and other receivables	12	474,625	415,938
Current tax assets	21	19,414	23,097
Taxes receivable	21	66,476	35,465
Other financial assets	12	2,116	4,265
Derivatives	12	1,457	527
Other current assets		9,025	12,085
Cash and cash equivalents	13	184,950	539,239
Non-current assets held for sale	5 & 25	0	0
<u>TOTAL ASSETS</u>		<u>3,900,216</u>	<u>3,938,622</u>
	Note	<u>31/12/2022</u>	<u>31/12/2021</u>
<u>EQUITY</u>		<u>2,198,280</u>	<u>2,133,190</u>
<u>Equity attributable to equity holders of the parent</u>	17	<u>2,164,438</u>	<u>2,101,627</u>
Share capital		92,319	92,319
Share premium		4	4
Restricted parent company reserves		21,633	21,633
Retained earnings		1,912,836	1,882,678
Translation differences		137,646	104,993
<u>Non-controlling interests</u>		<u>33,842</u>	<u>31,563</u>
<u>NON-CURRENT LIABILITIES</u>		<u>832,066</u>	<u>881,681</u>
Deferred income	18	10,919	10,326
Provisions for pensions and similar obligations	19	25,187	35,088
Other provisions	20	15,506	15,538
Financial liabilities	12	553,164	598,509
Deferred tax liabilities	21	227,290	222,220
<u>CURRENT LIABILITIES</u>		<u>869,870</u>	<u>923,751</u>
Other financial liabilities	12	394,833	445,916
Derivatives	12	2,843	1,270
Trade and other payables	12	438,370	415,565
Current tax assets	21	14,364	37,454
Taxes payable	21	14,745	19,766
Other current liabilities		4,715	3,780
Liabilities of non-current assets held for sale	5 & 25	0	0
<u>TOTAL EQUITY AND LIABILITIES</u>		<u>3,900,216</u>	<u>3,938,622</u>

The accompanying notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2022.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
THOUSANDS OF EUROS

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	6	2,967,672	2,427,068
Change in inventories of finished goods and work in progress		38,392	19,398
Own work capitalized		508	243
Other operating income	7	19,993	25,687
Raw materials and consumables used and other external expenses	6	-1,727,697	-1,356,990
Employee benefits expense	7	-358,329	-333,188
Depreciation and amortization	8, 9, 10 & 11	-101,023	-94,565
Other operating expenses	7	-636,945	-484,595
OPERATING PROFIT		<u>202,571</u>	<u>203,058</u>
Finance income	7	65,365	32,130
Finance costs	7	-84,068	-39,601
Impairment of goodwill	15	0	0
Share of profit of associates	14	1,939	3,144
PROFIT BEFORE TAX		<u>185,807</u>	<u>198,731</u>
Income tax	21	-50,242	-53,512
PROFIT FROM CONTINUING OPERATIONS		<u>135,565</u>	<u>145,219</u>
Profit after tax from discontinued operations	25	-917	105,027
<u>PROFIT FOR THE YEAR</u>		<u>134,648</u>	<u>250,246</u>
<u>Attributable to:</u>			
Equity holders of the parent		<u>122,059</u>	<u>238,629</u>
Non-controlling interests		<u>12,589</u>	<u>11,617</u>
		<u>134,648</u>	<u>250,246</u>

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Earnings per share (euros)</u>	17		
- From continuing operations			
Basic		<u>0.799</u>	<u>0.868</u>
Diluted		<u>0.799</u>	<u>0.868</u>
- From profit for the period			
Basic		<u>0.793</u>	<u>1.551</u>
Diluted		<u>0.793</u>	<u>1.551</u>

The accompanying notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the year ended December 31, 2022.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
THOUSANDS OF EUROS

	Note	2022			2021		
		Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
1. Profit for the year				134,648			250,246
2. Other comprehensive income recognized directly in equity:		42,855	-2,562	40,293	116,049	-2,330	113,719
2.1 Other comprehensive income to be reclassified to profit or loss in subsequent periods		32,399	0	32,399	105,972	0	105,972
Translation differences	17	32,399	0	32,399	105,070	0	105,070
Translation differences reclassified to profit or loss during the reporting period		0	0	0	902	0	902
2.2 Other comprehensive income not to be reclassified to profit or loss in subsequent periods		10,456	-2,562	7,894	10,077	-2,330	7,747
Actuarial gains and losses	19	10,456	-2,562	7,894	10,077	-2,330	7,747
1+2 Total income and expense recognized during the period:	17			174,941			363,965
Attributable to:							
Equity holders of the parent	17			162,606			352,213
Non-controlling interests	17			12,335			11,752
				174,941			363,965

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, 2022.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
THOUSANDS OF EUROS

	Total Equity	NCI	Equity attributable to equity holders of the parent									
			Total	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings	Profit/(loss)	Interim dividend	Translation differences	Own shares
Balance at December 31, 2020	1,957,798	30,447	1,927,351	92,319	4	3,169	18,464	1,621,824	192,415	0	-844	0
- Distribution of prior-period profit	0	0	0	0	0	0	0	192,415	-192,415	0	0	0
- Dividend payment	-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 in equity	-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
- 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) recognized in equity	-2,330	0	-2,330	0	0	0	0	-2,330	0	0	0	0
Total income and expense recognized	363,965	11,752	352,213	0	0	0	0	7,747	238,629	0	105,837	0
Balance at December 31, 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
- Distribution of prior-period profit	0	0	0	0	0	0	0	238,629	-238,629	0	0	0
- Dividends paid (note 17)	-94,861	-7,158	-87,703	0	0	0	0	-87,703	0	0	0	0
- Issue of shares	121	121	0	0	0	0	0	0	0	0	0	0
- Costs of issuing/cancelling shares	-209	0	-209	0	0	0	0	-209	0	0	0	0
- Gain/(loss) on own share sales	-21	0	-21	0	0	0	0	-21	0	0	0	0
- Transactions with non-controlling interests	-3,314	-3,019	-295	0	0	0	0	-295	0	0	0	0
- Other movements (notes 5 & 22)	-11,567	0	-11,567	0	0	0	0	-11,567	0	0	0	0
Total distribution of profit and transactions with shareholders	-109,851	-10,056	-99,795	0	0	0	0	138,834	-238,629	0	0	0
- Profit for the year (as per statement of profit or loss)	134,648	12,589	122,059	0	0	0	0	0	122,059	0	0	0
- Change in translation differences	32,399	-254	32,653	0	0	0	0	0	0	0	32,653	0
- Translation differences reclassified to profit or loss	0	0	0	0	0	0	0	0	0	0	0	0
- Change due to actuarial gains/(losses)	10,456	0	10,456	0	0	0	0	10,456	0	0	0	0
- Tax effect of gains/(losses) recognized in equity	-2,562	0	-2,562	0	0	0	0	-2,562	0	0	0	0
Total income and expense recognized	174,941	12,335	162,606	0	0	0	0	7,894	122,059	0	32,653	0
Balance at December 31, 2022	2,198,280	33,842	2,164,438	92,319	4	3,169	18,464	1,790,777	122,059	0	137,646	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, 2022.

EBRO FOODS, S.A. GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
THOUSANDS OF EUROS

	Note (*)	<u>2022</u>	<u>2021</u>
Receipts from customers		3,016,229	3,002,908
Payments to suppliers and employees		-2,961,991	-2,845,104
Interest paid		-6,575	-8,757
Interest received		1,013	373
Dividends received		2,319	4,350
Other operating activity receipts / payments		25,809	223
Income tax paid	21	-90,821	-136,510
<u>Net cash flows from operating activities</u>	a)	<u>-14,017</u>	<u>17,483</u>
INVESTING ACTIVITIES			
Purchase of fixed assets	b)	-118,808	-120,035
Proceeds from sale of fixed assets	c)	4,711	3,724
Purchase of financial assets (net of cash acquired)	d)	-48,556	-24,063
Proceeds from sale of financial assets and/or businesses	e)	22,700	750,202
Other investment activity proceeds / purchases		353	-116
<u>Net cash flows from investing activities</u>		<u>-139,600</u>	<u>609,712</u>
Acquisition of own shares		-665	-632
Proceeds from sale of own shares		13	14
Dividends paid to shareholders (including NCI holders)	f)	-96,528	-185,719
Proceeds from borrowings		541,877	1,481,723
Repayment of borrowings		-673,845	-1,608,919
Other financing activity proceeds / payments and grants		10,918	-1,833
<u>Net cash flows used in financing activities</u>		<u>-218,230</u>	<u>-315,366</u>
Translation differences arising on cash flows from foreign companies		4,111	8,429
<u>NET INCREASE/(DECREASE) in cash and cash equivalents</u>		<u>-367,736</u>	<u>320,258</u>
Cash and cash equivalents, opening balance		539,239	210,486
Effect of year-end exchange rate on opening balance		13,447	8,495
<u>Cash and cash equivalents, closing balance</u>	13	<u>184,950</u>	<u>539,239</u>

The statement of cash flows for 2021 includes the cash flows pertaining to the Dry Pasta business in France, classified as discontinued that year (and to a lesser degree, the cash flows pertaining to the dry pasta businesses in the US and Canada, sold early that year).

<u>Net cash flows from operating activities</u>	0	2,457
<u>Net cash flows used in investing activities</u>	0	-10,693
<u>Net cash flows used in financing activities</u>	0	-3,095

The accompanying notes 1 to 28 are an integral part of the consolidated statement of cash flows for the year ended December 31, 2022.

(*) 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 generation declined by comparison with 2021 due to a higher working capital requirement as a result of farmgate price inflation affecting most raw materials, as well as higher energy and other utility prices.
- b) This balance, less the 2,492 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) Corresponds basically to the payment for the acquisition of the InHarvest business (Note 5).
- e) Corresponds mainly to collection of the proceeds from the sale of Roland Monterrat (Note 5).
- f) This balance is made up of:
 - Dividends paid to shareholders of the Parent in the amount of 87,703 thousand euros.
 - Dividends paid to non-controlling shareholders and holders of stock options (put & call options) in the amount of 8,825 thousand euros.

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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 Group'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 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 2021 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 29, 2022 and duly filed with Madrid's Companies Register.

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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 21, 2022 for submission for ratification at the upcoming Annual General Meeting is as follows:

Amounts relating only to the Parent's separate financial statements	Amount (€ 000)
<u>Basis of appropriation:</u>	
Unrestricted reserves	1,036,271
Profit for the year (as per statement of profit or loss)	214,562
	<u>1,250,833</u>

The profit generated by the Ebro Foods Group in 2022 makes it possible, as in prior years, to propose the payment of a cash dividend by Ebro Foods, S.A. with a charge against profit for the year, of 0.57 euros per share, payable in the course of 2023, for 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 3, June 30, and October 2, 2023.

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.

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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.

These consolidated financial statements for the year ended December 31, 2022, which were authorised for issue by the Parent's directors on March 30, 2023, 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 2022 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:

- The estimates related to recoverability of the carrying 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 estimated useful lives of intangible assets and property, plant and equipment (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 estimates related to the recoverability of the carrying amount of deferred tax assets (Note 21).

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Although these estimates and assumptions 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 and the war in Ukraine (see below), could make it necessary to revise the estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the changes in estimates in the related consolidated financial statements.

COVID-19 and war in Ukraine Implications of the pandemic on the consolidated financial statements

With respect to the “COVID-19” pandemic: the global economy continues to recover, albeit unevenly across the various countries and regions. As expected, 2022 was marked by continuation of the gradual recovery in GDP initiated in 2021, particularly in Europe and the Americas (which may continue for some of 2023, depending on the country and region).

After successive waves and variants between March 2020 and well into 2022, it is safe to say that by the end of 2022 things were virtually back to the way they were before it all started (particularly in Europe and North America).

In Spain, a raft of urgent and extraordinary measures were passed to address the economic and social fallout from COVID-19. The majority of the Spanish population is currently vaccinated against the coronavirus. Other countries took similar actions, introducing their own measures.

With respect to the war in Ukraine: events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, have sparked significant global uncertainty. The international community reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The difficulty in predicting how the conflict will end 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 could have on the Group's businesses. The situation is affecting the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), energy prices and exchange rates.

In short, the post-pandemic era has been marked unanticipated economic developments such as global supply chain friction, energy inflation (oil, gas and electricity), financial market and exchange rate volatility and, ultimately, the war in Ukraine, which has ushered in a period of high inflation with scope for provoking recessionary episodes in Europe and the Americas and social tension, which have in turn triggered new monetary and economic policies in an attempt to curb and resolve the prevailing inflationary cycle. As a result, it is hard to estimate how these variables will evolve in the coming months.

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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, 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 and Ukraine could have on the prices of wheat sourced from other markets).
- With respect to the global economic impact, the type 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 very significant impact on the Group's businesses.

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 and the war in Ukraine 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 net adverse ramifications on the Ebro Group's financial position, earnings performance or cash flows.
2. In 2022, the trend in sales was far more 'normal' and akin to that observed in other years, such as 2021 and 2019. In 2020 (due to the pandemic), sales of our products were distorted, especially in the months of March and April.
3. In light of the complexity of the current circumstances and based on the information available for recent months, the situation had a small net impact on the Ebro Group in 2022. The Group's performance in 2022 was very similar to that of 2021 or 2019, despite sharp growth in commodity prices and logistics costs, which were mitigated by cost savings and controls and product price increases.

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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, 2022 and additional information. As disclosed in Note 2.d below, the Group has used the same accounting policies to prepare the 2022 consolidated financial statements as it used to prepared the 2021 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 and war in Ukraine in light of the consequences it has had for the Ebro Group:

- Both situations constitute significant extraordinary events and, therefore, in keeping with prevailing accounting standards, require 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.
- Neither situation has had a significant adverse effect on the Ebro Group's direct activities; nor has it given rise to the need to recognise 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 in 2022. 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 our accounts receivable, that there have been no significant changes in the assumptions or judgements used to analyse the Group's accounts receivable with respect to those used at year-end 2021 (i.e., the analysis performed did not indicate the need to recognize any additional extraordinary losses on account of the pandemic or war in Ukraine).
- As for the Group's lease contracts (IFRS 16), there have been no changes in the agreements as a result of the pandemic or war in Ukraine.
- Lastly, the Group has verified that the prevailing extraordinary circumstances have not had any impact on the recognition of deferred tax assets or the utilization of tax credits in keeping with IAS 12, the measurement of fair value in keeping with IFRS 13 or the measurement of provisions or onerous contracts in accordance with IAS 37.

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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, 2022, 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, 2021.

It was not necessary to restate the prior-year figures in order to make them comparable year-on-year.

c) Changes in the scope of consolidation

Notes 4 and 5 detail the main changes affecting the consolidation scope in 2022 and 2021, 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) Basis 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.

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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:

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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; and the 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.

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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.

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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).

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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.

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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 licences: 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.

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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 of 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.

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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 realised 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.

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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.

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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 recognises 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 recognises 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 recognises 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.

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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 are 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.

I) 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 realised, 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.

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- 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.

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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 scanty material, are recognized as an expense when they are paid. The other Group companies do not have similar obligations or have obligations that are scanty material.

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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 recognise 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 its customers will reach 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.

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– 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.

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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 2021 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, 2022:

Certain standards and standard amendments became applicable for the first time from January 1, 2022 (including the amendments to IFRS 3, IAS 16, IAS 37 and the 2018-2020 Cycle of the Annual Improvements to IFRS) 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, 2022 or are still pending adoption by the European Union. None of the upcoming standards has been adopted early by the Group.

The Group intends to apply the new standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union when they are effective, to the extent applicable to the Group. The Group is in the process of analysing their impact but estimates that their first-time application will not have a significant impact on its consolidated financial statements.

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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
	31-12-22	31-12-21	31-12-22	31-12-21		
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 (USA)	Production and sale of rice and pasta
Ebro Foods, 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.U. (HF)	100.0%	100.0%	EF	EF	Madrid (Spain)	Investment management
Herba Ricemills S.L.U. (HR)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Herba Nutrición S.L.U. (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 (USA)	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 UK	100.0%	-	Tilda/S&B	-	London (UK)	Administration
Ebro Tilda Private Limited	100.0%	100.0%	EF	EF	New Delhi (India)	Sale and marketing of rice
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 (E Frost)	55.0%	55.0%	HF	HF	Munich (Germany)	Investment management
Ebro Frost Denmark, AS.	100.0%	100.0%	E Frost	E Frost	Orbaek (Denmark)	Production and sale of rice and pasta
Ebro Frost Germany, GmbH.	100.0%	100.0%	E Frost	E Frost	Munich (Germany)	Production and sale of rice and pasta
Ebro Frost UK, Ltd.	100.0%	100.0%	E Frost	E Frost	London (UK)	Production and sale of rice and pasta
S&B Herba Foods, Ltda. (Group) (S&B)	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
Ebro Belgium, NV (Boost) (6)	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
Arrozeiras 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
Ebro India, Ltda.	100.0%	100.0%	HF/EF	HF	New Delhi (India)	Production and sale of rice

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	31-12-22	31-12-21	31-12-22	31-12-21		
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%	100.0%	HF	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
Ebro Ingredients, B.V. Group 1:	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%	100.0%	EFN	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 H-D, S.A.	100.0%	100.0%	HR	HR	Valencia (Spain)	New product development and sale
Riviana International Inc. (R. Int.)	100.0%	100.0%	Riviana	Riviana	Houston (USA)	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 (USA)	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 Premium Foods (formerly, LTL) (EPF)	99.8%	99.8%	EF	EF	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 Monerrat, SAS	-	100.0%	-	EPF	Lyon (France)	Sold
Panzani Development, S.A.	100.0%	100.0%	EPF	EPF	Lyon (France)	Investment management
S.F.C. d'Investissements, SAS	100.0%	100.0%	EPF	EPF	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 (USA)	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%	EI	EI	Netherlands and Belgium	Production and sale of rice
Ebro Ingredients Netherlands, BV (2)	100.0%	100.0%	EI	EI	Netherlands	Industrial operations
Ebro Ingredients Belgium B, BV (3)	100.0%	100.0%	EI	EI	Belgium	Industrial operations
Ebro Ingredients Belgium C, BV (4)	100.0%	100.0%	EI	EI	Belgium	Industrial operations
Ebro Ingredients Belgium F, BV (5)	100.0%	100.0%	EI	EI	Belgium	Industrial operations
Euro Rice Flour, BV	100.0%	100.0%	EI	EI	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 (USA)	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/EPF	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).

- (1) Formerly, Herba Ingredients, B.V.
- (2) Formerly, Herba Ingredients Netherlands, BV
- (3) Formerly, Herba Ingredients Belgium B, BV
- (4) Formerly, Herba Ingredients Belgium C, BV
- (5) Formerly, Herba Ingredients Belgium F, BV
- (6) Formerly, Boost Nutrition C.V.

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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, 2022 and 2021.

5. SIGNIFICANT TRANSACTIONS (BUSINESS COMBINATIONS, DISPOSALS, ETC.) CLOSED IN 2022 AND 2021 AND IMPACT ON COMPARABILITY

5.1 Business combinations of entities under common control in 2022

There were no significant internal company restructuring transactions in 2022.

5.2 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 Panzani business that year.

5.3 Third-party business combinations undertaken in 2022 and 2021 and impact on comparability. Changes in consolidation scope:

New transactions in 2022

<u>Companies added to the consolidation scope and increases in shareholdings in 2022:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
Ebro UK, Ltd. (UK)	Rice	100%	Company incorporation
InHarvest, Inc (USA)	Rice	100%	Outright acquisition of this business

<u>Companies removed from the consolidation scope and decreases in shareholdings in 2022:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
Roland Monterrat, S.A. (France)	Pasta	100%	Sale of this company

The most important transactions undertaken in 2022 were the following:

Acquisition of the InHarvest business in the US

On April 1, 2022, the Group, through its rice business, specifically its US subsidiary, Riviana Foods Inc., completed the acquisition of the assets comprising the business of InHarvest, Inc., an American company with an important presence in the industrial (B2B), food service and private label businesses, specialized in premium rice, quinoa and grains, in the US market. The acquisition encompasses the two factories operated by InHarvest, located in Colusa and Woodland (California), strategically located in the country's western rice-growing region, where the Ebro Group did not have a manufacturing presence. The business employs approximately 140 people.

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The Group's investment totalled 45.2 million euros. The acquisition was financed from own funds. The Group took effective control of this business on April 1, 2022, which is the date of its first-time consolidation. The preliminary estimate of the fair value of the net assets acquired as at April 1, 2022 is as follows:

Thousands of euros	Date of first-time consolidation
	April 1, 2022
	Fair value
Acquisition of 100% of the InHarvest business (USA)	
Property, plant and equipment	19,709
Inventories	19,557
Other current assets	7,334
Total assets	46,600
Trade payables	781
Other current liabilities	617
Total liabilities	1,398
Total identifiable net assets at fair value	45,202
Goodwill arising on acquisition	0
Purchase consideration transferred	45,202
Non-controlling interests	0
Financed with financial liabilities and cash	45,202
Purchase consideration transferred	45,202
Net cash (debt) acquired with the subsidiary	0
Revenue since the acquisition date	31,904
Net profit contribution since the acquisition date	2,486
Revenue since January 1, (a)	45,041
Net profit contribution since January 1, (a)	3,513

(a) Estimate as if the businesses had been acquired on January 1, 2022

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.

Sale of the Monterrat business (France)

In June 2022, the Group sold Roland Monterrat, a company which makes fresh prepared dishes in France (*pâté en croûte*, sandwiches and *croque-monsieur*).

The consideration comprised (i) 10 million euros for the shares sold; and (ii) 12 million euros in respect of the account receivable by the Group from the company sold; it was collected in June, which is when the business was delivered to the buyer and the sale was recognized for accounting purposes.

Since 2015, that investment had generated a loss for the Ebro Group of 49.2 million euros (after tax), of which 25.9 million euros had already been recognized in prior years so that 23.3 million euros was recognized in 2022 (3.7 million euros as an operating loss and 19.6 million euros as a non-recurring loss; refer to Note 7.2). That business was part of the Group's Pasta segment.

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In May 2021, the Ebro Group presented a claim for damages before Roland Monserrat's former shareholders (i.e., the shareholders that sold the company to the Ebro Group in September 2015). That legal claim remains ongoing and the experts appointed by the parties are assessing the damages for presentation before the competent court. However, as a pre-trial measure, the competent court has embargoed the assets of some of the former shareholders being sued.

At the date of publishing these consolidated financial statements, it is impossible to say with reasonable certainty when this case will be settled or how much the Group can expect to receive. Nevertheless, the Ebro Group believes it has strong chances of being handed a favourable ruling that will enable it to receive a sum close to the amount invested in this business. However, the Group has not recognized any income in relation with this matter as applicable accounting rules preclude the recognition of contingent assets.

New transactions in 2021

<u>Companies added to the consolidation scope and increases in shareholdings in 2021:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
Indo European Foods Limited (UK)	Rice	100%	Outright acquisition of this business
Gourmet Food & Beverages Ltd (UK)	Rice	100%	Outright acquisition of this business

<u>Companies removed from the consolidation scope and decreases in shareholdings in 2021:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
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 totalled 20.8 million euros. The acquisition was financed from own funds.

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The Group took effective control of this business on April 15, 2021, which was also the date of its first-time consolidation. The fair value of the net assets acquired at April 15, 2021 was as follows:

	KOHINOOR
	Date of first-time consolidation
	15/04/2021
<u>Thousands of euros</u>	Fair value
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 January 1,

Sale of the dry pasta business in France

During the first half of 2021, the Group took stock of the interest expressed by several players in the Group's dry pasta business in France (following the disposal of its dry pasta businesses in the US and Canada in 2020) 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 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 (the "French Dry Pasta" business).

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The sale of that 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 were satisfied and the transaction was 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 when calculated in 2022 did not yield significant differences) 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 in 2021.

Accordingly, under the applicable accounting standard, that business's assets and liabilities were derecognized at December 31, 2021 and its income and expenses for the years ended December 31, 2021 and 2020 were 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 Ebro Premium Food (formerly LTL, a 100%-owned subsidiary of Panzani SAS). Ebro Premium Food 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. 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 encompassed 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 in 2021.

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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. 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 in 2021.

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 and premium dry pasta business
- 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.

Rice business

Herba Group: Specialized in businesses related with rice, pulses and other grains. The Herba Group has established itself as Europe's leading rice group and one of the world's most important players. It boasts an extensive and modern manufacturing base and an extensive sales network, doing business in more than 70 markets.

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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, Brillante, La Fallera, La Cigala, Saludades, Lassie, Reis fit, Rix fis, Oryza, Bosto, Riceland, Risella, Peacock and Phoenix. The table below summarizes the Group's market shares in its main retail markets:

Country	By volume	By value	Ranking
Spain	25.7%	32.5%	#1
Portugal	16.4%	18.0%	#1
Belgium	22.6%	31.5%	#2
Germany	13.8%	19.6%	#2
Netherlands	21.6%	31.6%	#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 Group: This is the unit specialized in the rice business in the US, specifically through Riviana Foods, Inc., the largest rice company in the US, with rice processing and production facilities in Tennessee, Texas, Arkansas and California.

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 23.6% 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 sells its products under a variety of brands and is the joint market leader by both volume (18.6%) and value (24.3%); it also commands a market share of 11% (by value) in Ireland.

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Ebro Premium Food France: This unit 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 20.4% by sales volumes.

Premium Dry Pasta and Fresh Pasta Business

Ebro Premium Food Fresh Pasta France This is the Group unit specialized in the fresh pasta business in France. It is the undisputed market leader with a share of 48.8% by volume and 41.6% by value, thanks to its value-added customer proposition.

Its products are sold under the Lustucru brand and include fresh pasta, pan-fry gnocchis, snacks and ready-made dishes. It represents a growth segment and a launch pad for the Group's R&D effort.

Bertagni Group: Added to the Group in March 2018 following the acquisition of 70% of the shares of Bertagni 1882, Spa, the parent of the Bertagni Group. The Group has an option over the remaining 30%. The Bertagni Group 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 Group: This is the Group unit that specialises 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 micro-climate. 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 6.6% by volume and 7.7% by value). Its brands are sold in most European markets and the US and its Santa Lucia brand is a best-selling pasta brand in eastern Africa.

Riviana Fresh Pasta Group: 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 65% by volume and 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:

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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 configure 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 has not been necessary to establish criteria for allocating shared expenses and income or shared assets and liabilities among the segments other than in the French 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 location 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 area is provided below:

- Spain: Herba's rice business and the Harinas de Santa Rita and Arotz businesses.
- Rest of Europe: essentially the businesses of Herba, Ebro France (including 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.

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The breakdown of assets and revenue provided by geographic market for continuing operations, without considering the place where the goods are produced, is provided in the next table (thousands of euros):

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

2022 - Geographic market	Spain	Europe	Americas	Other	TOTAL
Segment revenue	260,312	1,167,290	1,216,202	646,285	3,290,089
Inter-segment revenue	-31,290	-71,217	-179,360	-40,550	-322,417
Total revenue	229,022	1,096,073	1,036,842	605,735	2,967,672
Intangible assets	43,080	243,890	142,312	198	429,480
Property, plant and equipment and right-of-use assets	122,310	408,369	285,112	63,298	879,089
Other assets	346,276	1,264,399	766,690	214,282	2,591,647
Total assets	511,666	1,916,658	1,194,114	277,778	3,900,216
Capital expenditure	20,103	62,422	36,297	2,576	121,398

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	2022	2021	FRANCE	2022	2021
Segment revenue	1,050,762	721,781	Segment revenue	442,010	420,318
Inter-segment revenue	-158,466	-86,845	Inter-segment revenue	-57,148	-39,937
Total revenue	892,296	634,936	Total revenue	384,862	380,381
Intangible assets	136,398	129,355	Intangible assets	38,036	40,106
Property, plant and equipment	263,824	234,884	Property, plant and equipment	116,043	127,558
Other assets	722,332	703,566	Other assets	242,334	312,096
Total assets	1,122,554	1,067,805	Total assets	396,413	479,760
Capital expenditure	25,287	24,192	Capital expenditure	36,936	41,261

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, 2022 and 2021.

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REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS												
EBRO FOODS GROUP (Thousands of euros)	TOTAL CONSOL. FIGURES		Rice Business (excl. North America)		North America Rice & Fresh Pasta		Fresh Pasta Business (excl. North America)		EF Holdco		Other Businesses & Consol. Adjustments	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
STATEMENT OF FIN'L POSITION												
Intangible assets	429,480	434,348	185,057	194,561	142,312	135,330	79,455	81,490	21,351	21,659	1,305	1,308
Property, plant and equipment	879,089	848,056	356,511	346,744	285,109	254,026	227,522	237,404	963	1,683	8,984	8,199
Investment properties	19,382	19,398	22,107	22,109	0	0	0	0	8,464	8,478	-11,189	-11,189
Financial assets	6,102	9,139	3,368	6,397	21	20	2,517	2,524	146	146	50	52
Investments in associates	43,235	43,002	1	1	52,177	46,622	5	5	1,726,427	1,619,592	-1,735,375	-1,623,218
Deferred tax assets	48,794	46,270	19,887	16,625	8,306	10,481	7,195	7,427	6,529	4,953	6,877	6,784
Goodwill	807,072	809,359	190,788	195,392	299,232	281,795	309,295	324,415	0	0	7,757	7,757
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable from group companies	0	0	76,482	70,258	120,309	231,532	27,191	16,538	104,181	123,148	-328,163	-441,476
Other current assets	1,667,062	1,729,050	895,089	767,071	453,376	460,294	291,626	315,434	32,471	193,457	-5,500	-7,206
	3,900,216	3,938,622	1,749,290	1,619,158	1,360,842	1,420,100	944,806	985,237	1,900,532	1,973,116	-2,055,254	-2,058,989
Assets held for sale	0	0			0	0	0	0			0	0
Total assets	3,900,216	3,938,622			1,360,842	1,420,100	944,806	985,237			-2,055,254	-2,058,989
Total equity	2,198,280	2,133,190	1,037,479	984,188	1,111,019	1,177,731	354,976	294,656	1,379,493	1,254,277	-1,684,687	-1,577,662
Deferred income	10,919	10,326	4,769	4,411	0	0	6,150	5,915	0	0	0	0
Provisions for pensions and similar obligations	25,187	35,088	11,643	15,007	2,654	8,161	4,999	6,347	4,000	3,682	1,891	1,891
Other provisions	15,506	15,538	2,165	2,551	655	102	1,317	1,566	11,240	11,240	129	79
Non-current & current financial liabilities	947,997	1,044,425	169,460	251,558	33,366	33,473	354,774	359,024	364,586	375,978	25,811	24,392
Other non-financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	227,290	222,220	63,225	62,523	94,627	89,749	35,562	38,877	33,466	30,661	410	410
Borrowings from group companies	0	0	247,391	96,185	29,920	24,778	21,076	123,671	96,771	261,036	-395,158	-505,670
Other current liabilities	475,037	477,835	213,158	202,735	88,601	86,106	165,952	155,181	10,976	36,242	-3,650	-2,429
	3,900,216	3,938,622	1,749,290	1,619,158	1,360,842	1,420,100	944,806	985,237	1,900,532	1,973,116	-2,055,254	-2,058,989
Liabilities of non-current assets held for sale	0	0			0	0	0	0			0	0
Total liabilities	3,900,216	3,938,622			1,360,842	1,420,100	944,806	985,237			-2,055,254	-2,058,989
Capital expenditure for the year	121,398	124,390	47,368	52,431	30,987	25,510	41,732	45,874	306	263		
Capital employed	2,228,932	2,060,319	1,123,547	1,004,368	687,653	496,359	357,969	548,711	34,663	12,176		
ROCE	10.5	10.1										
Leverage	29.8%	41.2%										
Average headcount for the year	6,293	6,440										
Stock market data:												
Number of shares outstanding ('000)	153,865	153,865										
Market cap. at year-end	2,256	2,597	Millions of euros									
EPS	0.79	1.55										
Dividend per share (DPS)	0.57	1.14										
Underlying carrying amount per share	14.07	13.66										

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):

	31/12/2022			31/12/2021		
	Rice	Pasta	TOTAL	Rice	Pasta	TOTAL
Intangible assets	136,399	5,913	142,312	129,354	5,976	135,330
Property, plant and equipment	263,819	21,290	285,109	234,877	19,149	254,026
	400,218	27,203	427,421	364,231	25,125	389,356

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REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS										
EBRO FOODS GROUP (Thousands of euros)	TOTAL CONSOL. FIGURES		Rice Business		Fresh/Premium Pasta Bus.		EF Holdco		Other Businesses & Consol. Adjustments	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
STATEMENT OF PROFIT OR LOSS										
External revenue	2,967,672	2,427,068	2,319,883	1,853,201	636,358	565,413	542	1	10,889	8,453
Inter-segment revenue			9,603	5,718	15,187	25,368	3,853	4,468	-28,643	-35,554
Total revenue	2,967,672	2,427,068	2,329,486	1,858,919	651,545	590,781	4,395	4,469	-17,754	-27,101
Change in inventories	38,392	19,398	27,197	17,365	9,708	1,930	0	0	1,487	103
Own work capitalized	508	243	73	85	435	158	0	0	0	0
Other operating income	19,993	25,687	13,707	21,832	13,585	10,509	35,137	12,878	-42,436	-19,532
Raw materials and consumables used and other expenses	-1,727,697	-1,356,990	-1,400,110	-1,095,926	-336,884	-279,036	0	0	9,297	17,972
Employee benefits expense	-358,329	-333,188	-238,434	-211,270	-106,098	-107,417	-14,348	-14,418	551	-83
Depreciation and amortization	-101,023	-94,565	-67,165	-58,593	-32,147	-34,379	-1,500	-1,425	-211	-168
Other operating expenses	-636,945	-484,595	-451,578	-345,323	-196,960	-152,172	-11,062	-12,493	22,655	25,393
Operating profit	202,571	203,058	213,176	187,089	3,184	30,374	12,622	-10,989	-26,411	-3,416
Finance income	65,365	32,130	68,724	30,246	4,548	3,605	209,050	227,855	-216,957	-229,576
Finance costs	-84,068	-39,601	-69,934	-30,272	-10,121	-4,609	-8,600	-4,223	4,587	-497
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0
Share of profit of associates	1,939	3,144	1,382	4,854	0	0	0	0	557	-1,710
Consolidated profit (loss) before tax	185,807	198,731	213,348	191,917	-2,389	29,370	213,072	212,643	-238,224	-235,199

6.3 Revenue from customer contracts

Disaggregated revenue disclosures. The Group's disaggregated revenue from contracts with customers:

Type of goods or services (Thousands of euros)	31/12/2022				
	Rice	Pasta	Other	Inter-company	Total
Sale of goods	2,318,387	644,910	11,276	-21,955	2,952,618
Rendering of services	9,192	4,589	3,516	-6,030	11,267
Revenue from royalties <i>et al.</i>	170	2,046	887	-1,054	2,049
Lease income	1,737	0	1	0	1,738
	2,329,486	651,545	15,680	-29,039	2,967,672

Type of goods or services (Thousands of euros)	31/12/2021				
	Rice	Pasta	Other	Inter-company	Total
Sale of goods	1,851,828	586,745	9,114	-29,001	2,418,686
Rendering of services	6,415	618	3,889	-6,102	4,820
Revenue from royalties <i>et al.</i>	307	3,418	599	-1,133	3,191
Lease income	369	0	2	0	371
	1,858,919	590,781	13,604	-36,236	2,427,068

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.

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7. OTHER INCOME AND EXPENSE

7.1 Other operating income (thousands of euros)

	2022	2021
Government grants (related to income and grants)	3,006	1,001
Other operating income	15,180	15,232
Gains on disposal of fixed assets	232	1,150
Gains on disposal of investment properties	0	264
Gains on disposal of investees	0	948
Reversal of non-current asset impairment provisions	204	566
Other income	1,371	6,526
Income from lawsuits	0	4,372
Reversal of provisions for other lawsuits	680	582
Other less significant items	691	369
Other income from discontinued activities	0	1,203
	19,993	25,687

Other income included the following less-recurring items in 2022:

- A gain of 232 thousand euros recognized on the sale of items of property, plant and equipment and a gain of 204 thousand euros derived from the reversal of impairment allowances against items of property, plant and equipment.
- Income from the reversal of provisions for liabilities and pensions of 680 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 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.

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7.2 Other operating expenses (thousands of euros)

	2022	2021
External services	(515,718)	(385,168)
Advertising expenditure	(77,161)	(75,474)
Research and development costs	(1,578)	(1,434)
Taxes/levies other than corporate income tax	(9,653)	(8,828)
Loss on sale, derecognition or impairment of property, plant and equipment	(5,358)	(3,650)
Losses on disposal of investees	(19,619)	(754)
Other provisions and charges recognized	(7,858)	(9,287)
Provisions for lawsuits and disputes	(1,726)	(2,183)
Industrial and logistics restructuring charges	(4,911)	(3,473)
New business and investment acquisition costs	(414)	(1,905)
Tax assessment expenses	0	(335)
Claims expenses	0	(670)
Other less significant items	(807)	(721)
	(636,945)	(484,595)

The most significant less-recurring items included under other operating expenses in 2022:

- A loss of 5,358 thousand euros recognized on the derecognition, sale or restructuring of several pieces of industrial equipment and plant.
- Investment expenditure not eligible for capitalisation in the amount of 414 thousand euros.
- Charges for provisions and expenses for lawsuits with third parties in the amount of 1,726 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 4,911 thousand euros.
- The loss recognized on the sale of Monterrat in the amount of 19,619 thousand euros (Note 5).

Other operating expenses included the following less-recurring items in 2021:

- 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 qualify 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.

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7.3 Finance costs and finance income (thousands of euros)

	2022	2021
Finance costs		
Third-party borrowings	(6,982)	(4,661)
Unwinding of discount on financial liabilities	(1,766)	(1,728)
Unwinding of discount on provisions for pensions and similar obligations	(1,076)	(615)
Losses on derecognition of financial assets and liabilities	(2)	(1)
Impairment provisions on other financial assets	(2,583)	(1,572)
Expenses/losses related to derivatives and financial instruments	(12,006)	(6,708)
Exchange losses	(59,653)	(24,316)
	(84,068)	(39,601)
Finance income		
Third-party loans	2,436	1,524
Gains on derecognition of financial assets and liabilities	3,524	964
Reversal of financial asset impairment provisions	187	792
Gains on derivatives and financial instruments	4,331	3,283
Exchange gains	54,887	25,567
	65,365	32,130
Net finance income/(cost)	(18,703)	(7,471)

7.4 Employee benefits expense

The breakdown of employee benefits expense and the average Group headcount in 2022 and 2021 and at each year-end (thousands of euros):

	2022	2021
Wages and salaries	(273,761)	(257,642)
Other benefit expense	(32,583)	(24,911)
Social security and similar costs	(40,384)	(38,961)
Cost of post-employment and similar benefits	(11,601)	(11,674)
	(358,329)	(333,188)

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AVERAGE HEADCOUNT

AVERAGE 2022	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	201	3	87	6	297
Skilled staff and middle management	586	10	251	8	855
Clerical and support staff	399	122	464	29	1,014
Production staff	2,286	748	661	358	4,053
Other staff	24	22	24	4	74
TOTAL	3,496	905	1,487	405	6,293

AVERAGE 2021	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	209		74	1	284
Skilled staff and middle management	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

YEAR-END HEADCOUNT

YEAR-END 2022	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	198	3	85	8	294
Skilled staff and middle management	587	12	260	6	865
Clerical and support staff	404	113	479	34	1,030
Production staff	2,324	583	703	271	3,881
Other staff	23	19	25	4	71
TOTAL	3,536	730	1,552	323	6,141

YEAR-END 2021	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
Executives	198	1	75	1	275
Skilled staff and middle management	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

As required under article 260 of the Corporate Enterprises Act, it is hereby disclosed that the number of people employed by the Group in 2022 (2021) with a disability of a severity of 33% or higher averaged 62 (55) men and 25 (27) women, most of whom in the production staff categories.

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8. INTANGIBLE ASSETS

The reconciliation of the carrying amount of intangible assets at the beginning and end of 2022 and 2021, detailing the amortization and impairment provisions recognized each year, is provided below (in thousands of euros):

Carrying amounts	Development costs	Patents & trademarks	Computer software	Intangibles in progress	Total
Balance at December 31, 2020	0	442,203	6,051	1,102	449,356
Balance at December 31, 2021	60	429,822	4,222	244	434,348
Balance at December 31, 2022	48	424,770	4,267	395	429,480

Gross carrying amounts	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2020	0	476,144	52,571	1,102	529,817
Business combinations	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 December 31, 2021	76	468,400	35,509	244	504,229
Business combinations					0
Business sales (exits)		(2,677)	(159)		(2,836)
Additions	5	38	2,071	151	2,265
Decreases		(28)	(7)		(35)
Translation differences		92	1,033		1,125
Assets held for sale					0
Transfers		4	(4)		0
Balance at December 31, 2022	81	465,829	38,443	395	504,748

Amortization and impairment	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2020	0	(33,941)	(46,520)	0	(80,461)
Business combination					0
Business sales (exits)		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 December 31, 2021	(16)	(38,578)	(31,287)	0	(69,881)
Business combination					0
Business sales (exits)			228		228
Additions	(17)	(2,578)	(2,044)		(4,639)
Decreases		1	3		4
Translation differences		44	(1,024)		(980)
Assets held for sale					0
Transfers		52	(52)		0
Balance at December 31, 2022	(33)	(41,059)	(34,176)	0	(75,268)

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Movements in 2022

The most significant movements under this heading during the year ended December 31, 2022:

- Additions totalling 2,265 thousand euros (mainly software).
- An increase of 145 thousand euros due to translation differences.
- A decrease of 4,639 thousand euros on account of amortization charges for the year.
- A decrease of 2,608 thousand euros due to the deconsolidation (sale) of the intangible assets of Roland Monerrat (Note 5) and the derecognition of other intangible assets in the amount of 31 thousand euros.

The most significant movements under this heading during the year ended December 31, 2021:

- Additions totalling 2,914 thousand euros (mainly software). An increase of 17,108 thousand euros due to business combinations.
- 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 recognized within the charges corresponding to discontinued activities (French Dry Pasta | Panzani business); refer to Note 25).
- A decrease of 48,665 thousand euros due to companies sold during the year.
- In 2021, the Group derecognized intangible assets with a carrying amount of 581 thousand euros and transferred assets with a carrying amount of 15 thousand euros.

Trademarks

At year-end 2022, there were four trademarks (year-end 2021: four) with an original aggregate cost of 42,024 thousand euros (year-end 2021: 42,128 thousand euros) that have been written down for impairment by 21,728 thousand euros in total (21,796 thousand euros).

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Segment	Cash-generating unit: Trademarks	Number of trademarks	Balance at 31/12/2022		
			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	75	0	75
Rice	Tilda Group	2	117,258	0	117,258
Rice	Riviana (US)	4	112,658	0	112,658
Rice	Riviana (US) SOS	4	17,530	0	17,530
Rice	Riviana (US) Rice select	4	4,257	0	4,257
Rice	Indo European Foods (UK)	1	16,877	0	16,877
Pasta	Riviana (Canada)	1	16,959	(11,075)	5,884
Pasta	Ebro Premium Foods (France)	3	36,400	0	36,400
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
			424,409	(21,728)	402,681
Rice	Riviana (US) Rice select		6,523	(4,947)	1,576
Rice	Riviana (US) Rice select - Customer portfolio		1,764	(1,764)	0
Pasta	Canada - customer portfolio		3,484	(3,484)	0
Rice	Tilda Group - customer portfolio		21,422	(4,760)	16,662
Rice	Geovita - customer portfolio		4,872	(1,630)	3,242
Other indefinite-lived trademarks and patents			3,355	(2,746)	609
			465,829	(41,059)	424,770

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 2022 and 2021; most of the tests were performed by an independent expert, namely Kroll. Those impairment tests did not indicate the need to recognise any additional impairment losses in either 2022 or 2021.

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 relief-from-royalty 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 2022 (2021) were:

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Product	Trademark/Country or Business	Discount rate - Pre-tax		Discount rate - Post-tax		Growth rate, <i>g</i>	
		2022	2021	2022	2021	2022	2021
Rice	Herba Germany	9.38%	5.70%	7.38%	5.30%	2.50%	2.00%
Rice	SOS business (Spain, Netherlands and Portugal)	9.0% - 10.38%	5.6% - 6.7%	7.38% - 9%	5.3% - 6.3%	2.35% - 2.8%	1.9% - 2.0%
Rice	Geovita (Italy and France)	11.13%	6.50%	9.13%	6.00%	2.35%	1.90%
Rice	Riviana (US)	10.50%	6.70%	8.50%	6.30%	2.50%	2.20%
Rice	Riviana Abu Bint (Saudi Arabia)	13.00%	8.60%	10.00%	7.80%	1.20%	1.30%
Rice	Riviana (US) SOS	10.50%	6.70%	8.50%	6.30%	2.50%	2.20%
Rice	Tilda (UK)	10.38%	6.40%	8.38%	6.00%	2.55%	2.00%
Pasta	Riviana Canada	10.25%	6.50%	8.00%	6.00%	2.35%	2.00%
Rice and Fresh	Ebro France	9.00%	6.20%	7.38%	5.80%	2.40%	2.00%
Pasta	Garofalo (Italy and international)	12.25%	7.40%	9.38%	6.80%	2.35%	1.90%
Pasta	Garofalo (Africa and international)	11.25%	8.40%	10.50%	7.50%	2.35%	1.90%
Pasta	Bertagni (Italy)	11.88%	7.14%	9.13%	6.50%	2.35%	1.90%

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.

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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 2022 and 2021, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

<u>Carrying amounts</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 2020	123,324	226,451	407,988	25,583	9,592	64,861	857,799
Balance at December 31, 2021	109,175	213,645	356,329	20,820	9,661	79,051	788,681
Balance at December 31, 2022	111,527	228,288	355,543	37,666	9,765	81,661	824,450

<u>Gross carrying amounts</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 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
Transfers	(331)	331		1	(1)		0
Balance at December 31, 2021	117,197	354,538	884,497	79,997	24,751	79,051	1,540,031
Business combinations	3,936	11,249	4,429	36	14	45	19,709
Business sales (exits)	(1,355)	(15,205)	(21,342)	(1,165)		(1,676)	(40,743)
Additions	1,642	28,115	71,898	19,560	2,335	6,184	129,734
Decreases		(510)	(6,995)	(128)	(436)		(8,069)
Translation differences	(581)	3,544	6,236	448	(58)	(1,942)	7,647
Transfers	(1)	(36)	103	(71)		(1)	(6)
Balance at December 31, 2022	120,838	381,695	938,826	98,677	26,606	81,661	1,648,303

<u>Depreciation and impairment</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 2020	(7,497)	(189,092)	(697,454)	(54,345)	(15,786)	0	(964,174)
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)
Transfers	(43)	34	(55)	(2)	66		0
Balance at December 31, 2021	(8,022)	(140,893)	(528,168)	(59,177)	(15,090)	0	(751,350)
Business combination							0
Business sales (exits)	58	6,569	11,940	472			19,039
Additions	(943)	(17,255)	(69,396)	(2,106)	(2,147)		(91,847)
Decreases		316	6,095	92	352		6,855
Translation differences	(404)	(1,437)	(4,261)	(483)	29		(6,556)
Transfers		(707)	507	191	15		6
Balance at December 31, 2022	(9,311)	(153,407)	(583,283)	(61,011)	(16,841)	0	(823,853)

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.

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Note that the Group obtained grants in relation to certain investments made by the various Group companies in 2022 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 2022

The most significant movements under this heading during the year ended December 31, 2022:

- An increase of 1,091 thousand euros due to exchange gains and of 8,162 thousand euros due to the monetary correction of the assets of La Loma Alimentos de Argentina.
- A decrease of 85,401 thousand euros due to depreciation charges and of 4,007 thousand euros due to impairment charges recognized against certain assets.
- Additions of 119,133 thousand related to capital expenditure, essentially investments in technical upgrades and new facilities at the factories. The consolidated management report includes information about the most significant investments recognized under this heading in 2022.
- An increase of 19,709 thousand euros due to business combinations (Note 5).
- In 2022, the Group derecognized assets with a carrying amount of 1,214 thousand euros.
- A decrease of 21,704 thousand euros due to the deconsolidation (sale) of the property, plant and equipment of Roland Monterrat (Note 5).

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 were recognized within the charges corresponding to discontinued activities (French Dry Pasta | 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.
- 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.
- 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.

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- In 2021, the Group also derecognized assets with a carrying amount of 12,054 thousand euros.

The depreciation and impairment charges recognized on property, plant and equipment in the 2022 and 2021 consolidated financial statements break down as follows:

- In 2022, 85,401 thousand euros of depreciation charges; 4,007 thousand euros of new impairment allowances and 204 thousand euros of impairment allowance reversals.
- In 2021, 93,655 thousand euros of depreciation charges (including 14,917 thousand euros which were recognized within the charges corresponding to discontinued activities (French Dry Pasta | Panzani business; refer to Note 25) and the reversal of 566 thousand euros of impairment allowances.

The derecognition of items of property, plant and equipment in 2022 generated losses, on the one hand, of 1,351 thousand euros (2021: 3,650 thousand euros) and gains of 232 thousand euros (2021: 1,150 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:

Thousands of euros	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Accum. depreciation & impairment	Total	Financial liability Note 12
Balance at December 31, 2020	15,202	67,300	11,915	2,719	4,570	(25,464)	76,242	(79,951)
Business combination		7,697			63		7,760	(7,786)
Business sales (exits)	(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 December 31, 2021	9,141	61,743	10,380	1,929	5,455	(29,273)	59,375	(64,148)
Business combinations (Note 5)							0	
Business sales (exits) (Note 5)		(1)	(5,361)	(118)		4,620	(860)	361
Additions	(13)	2,235	1,524	578	1,687		6,011	(6,042)
Decreases		(1,067)	(359)	(323)	(1,288)	2,950	(87)	103
Translation differences	86	1,504	(49)	(10)	26	(388)	1,169	(1,362)
Transfers		(56)			5	49	(2)	(1)
Depreciation charges						(10,967)	(10,967)	
Finance costs								(1,766)
Lease payments								11,826
Balance at December 31, 2022	9,214	64,358	6,135	2,056	5,885	(33,009)	54,639	(61,029)

The reconciliation of the opening and closing balances of accumulated depreciation and impairment allowances (thousands of euros):

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<u>Accumulated impairment and depreciation</u> <u>Thousands of euros</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Total
Balance at December 31, 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 December 31, 2021	(1,837)	(16,117)	(6,947)	(1,051)	(3,321)	(29,273)
Business sales (exits)			4,502	118		4,620
Additions	(517)	(7,077)	(1,453)	(440)	(1,480)	(10,967)
Decreases		992	359	315	1,284	2,950
Translation differences	(65)	(322)	25	7	(33)	(388)
Assets held for sale						0
Transfers		(66)	22		93	49
Balance at December 31, 2022	(2,419)	(22,590)	(3,492)	(1,051)	(3,457)	(33,009)

In 2022, the Group recognized depreciation charges of 10,967 thousand euros (2021: 14,038 thousand euros). Of the 2021 figure, 2,927 thousand euros were recognized as depreciation charges related to discontinued activities - the French Dry Pasta | 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	2023	2024	2025	2026	2027	Other	TOTAL
EUR	3,102	1,802	1,290	875	640	7,280	14,989
USD	4,346	4,400	4,437	4,453	4,508	11,254	33,398
GBP (UK)	953	515	629	413	875	4,964	8,349
INR (Indian)	50	62	62	62	62	62	360
DKK (Denmark)	24	12	0	0	0	0	36
HUF (Hungary)	19	20	0	0	0	0	39
SEK (Sweden)	32	0	0	0	0	0	32
MAD (Morocco)	3	164	164	164	165	2,754	3,414
THB (Thailand)	159	132	106	15	0	0	412
Total	8,688	7,107	6,688	5,982	6,250	26,314	61,029

In 2022 and 2021, the Group recognized the following expenses in connection with short-term leases and leases over low-value assets.

Lease Expense in 2022 (Thousand of euros)	2022			2021		
	Short-term contracts	Low-value contracts	Total expense	Short-term contracts	Low-value contracts	Total expense
<u>Leases not capitalized:</u>						
Buildings and offices	598		598	595		595
Plant and machinery	22		22	69		69
Warehouses	1,347		1,347	1,044		1,044
Industrial equipment	1,720	689	2,409	1,307	754	2,061
Other non-industrial equipment	55	224	279	5	220	225
Vehicles	273		273	179		179
Total	4,015	913	4,928	3,199	974	4,173
Lease expense in future years						
- In 2023	2,407	538	2,945			
- Between 1 and 5 years		330	330			
- Over 5 years		212	212			
	2,407	1,080	3,487			

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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 2022 and 2021, detailing the depreciation and impairment allowances recognized in each year, is provided below (in thousands of euros):

Carrying amounts	Land	Buildings	Total
Balance at December 31, 2020	17,761	1,693	19,454
Balance at December 31, 2021	17,758	1,640	19,398
Balance at December 31, 2022	17,758	1,624	19,382

	Gross carrying amounts			Depreciation and impairment		
	Land	Buildings	Total	Land	Buildings	Total
Balance at December 31, 2020	18,388	7,618	26,006	(627)	(5,925)	(6,552)
Additions			0		(17)	(17)
Decreases	(3)	(2,345)	(2,348)	0	2,309	2,309
Balance at December 31, 2021	18,385	5,273	23,658	(627)	(3,633)	(4,260)
Additions			0		(16)	(16)
Decreases	0	0	0	0	0	0
Balance at December 31, 2022	18,385	5,273	23,658	(627)	(3,649)	(4,276)

The depreciation charge recognized in 2022 amounted to 16 thousand euros (2021: 17 thousand euros), while impairment allowances amounted to zero (2021: zero).

The only movement of significance in 2021 was the sale of a property, which generated a gain of 264 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.

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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.

The fair value of the Group's investment properties at year-end 2022 was an estimated 48 million euros (year-end 2021: 52 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:

	31/12/2022			31/12/2021		
	Total	Non-current	Current	Total	Non-current	Current
<i>Classification for statement of financial position purposes:</i>						
- Financial assets	6,102	3,986	2,116	9,139	4,874	4,265
- Trade and other receivables	474,625	0	474,625	415,938	0	415,938
- Derivatives	1,457	0	1,457	527	0	527
TOTAL FINANCIAL ASSETS	482,184	3,986	478,198	425,604	4,874	420,730
<i>Classification for measurement purposes:</i>						
Financial assets at amortised cost:						
- Trade and other receivables	474,625	0	474,625	415,938	0	415,938
- Loans to associates	1,122	1,122	0	1,122	1,122	0
- Loans to third parties	930	687	243	3,543	1,403	2,140
- Deposits and guarantees	2,908	1,035	1,873	3,323	1,198	2,125
Financial assets at fair value through profit or loss						
- Shares in non-group companies	1,142	1,142	0	1,151	1,151	0
- Derivatives	1,457	0	1,457	527	0	527
TOTAL FINANCIAL ASSETS	482,184	3,986	478,198	425,604	4,874	420,730

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Loans to third parties

The year-on-year decrease in the balance of loans to third parties in 2022 is the result of repayments collected in accordance with the corresponding loan schedules.

Of the total recognized under this heading: (i) 513 thousand euros (year-end 2021: 276 thousand euros) are denominated in euros; (ii) 403 thousand euros (463 thousand euros) are denominated in US dollars; (iii) zero (670) thousand euros are denominated in Moroccan dirhams; and (iv) 14 thousand euros (2,134 thousand euros) are denominated in Mexican pesos.

The maturity schedule for these non-current loans is: (i) 243 thousand euros in 2023; and (iii) 687 thousand euros in 2024.

Trade and other receivables

The breakdown of this heading at year-end 2022 and 2021 (in thousands of euros):

ITEM	31-12-22	31-12-21
Trade receivables	469,331	396,339
Due from associates	725	827
Miscellaneous receivables	15,285	27,808
Provisions	(10,716)	(9,036)
TOTAL	474,625	415,938

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, 2022, the ageing analysis of trade receivables is as follows (thousands of euros):

Ageing analysis	Gross	Impairment allowance	Net
Within 3 months	456,602	(2,092)	454,510
Past due by between 3 and 6 months	8,442	(2,918)	5,524
Past due by between 6 and 12 months	1,202	(1,202)	0
Past due by between 12 and 18 months	197	(197)	0
Past due by between 18 and 24 months	128	(128)	0
Past due by > 24 months	2,760	(2,760)	0
	469,331	(9,297)	460,034

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 2022 (2021): (i) net new provisions of 2,537 thousand euros (713 thousand euros); (ii) the utilization of 1,020 thousand euros (2,146 thousand euros); (iii) the net recognition of 149 thousand euros (net derecognition of 1,790 thousand euros) due to business combinations; and (iv) exchange gains of 14 thousand euros (losses of 123 thousand euros).

There have been no other significant movements in any other financial assets since December 31, 2021.

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12.2 Financial liabilities

The breakdown of the Group's financial liabilities is provided below (in thousands of euros):

	31/12/2022			31/12/2021		
	Total	Non-current	Current	Total	Non-current	Current
<i>Classification for statement of financial position purposes:</i>						
- Financial liabilities	947,997	553,164	394,833	1,044,425	598,509	445,916
- Trade and other payables	438,370	0	438,370	415,565	0	415,565
- Derivatives	2,843	0	2,843	1,270	0	1,270
TOTAL FINANCIAL LIABILITIES	1,389,210	553,164	836,046	1,461,260	598,509	862,751
<i>Classification for measurement purposes:</i>						
<i>Financial liabilities at amortised cost:</i>						
- Trade and other payables	438,370	0	438,370	415,565	0	415,565
- Bank borrowings	662,324	471,719	190,605	780,410	523,463	256,947
- Borrowings from other entities	10,791	7,803	2,988	2,981	426	2,555
- Lease liabilities (Note 10)	61,029	52,341	8,688	64,148	55,221	8,927
- Deposits and guarantees	676	649	27	84	57	27
<i>Financial assets at fair value through profit or loss</i>						
- Financial liabilities structured as share options	213,177	20,652	192,525	196,802	19,342	177,460
- Derivatives	2,843	0	2,843	1,270	0	1,270
TOTAL FINANCIAL LIABILITIES	1,389,210	553,164	836,046	1,461,260	598,509	862,751

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 2022. 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):

	31/12/2022	31/12/2021
Trade accounts payable	359,824	345,642
Other liabilities	38,597	27,973
Employee benefits payable	39,005	41,746
Payable to associates	944	204
TOTAL	438,370	415,565

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.

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Bank borrowings

There were no significant movements in the Group's non-current bank borrowings in 2022 with respect to year-end 2021:

The Parent (Ebro Foods, S.A.) continues to recognise four loans in a total amount of 350 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.U. 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, 2022, the Group had drawn down 27 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%.

The Group's Italian subsidiary, Garofalo, has a number of non-current bank loans totalling 31.5 million euros, which mature between 2024 and year-end 2030 and bear interest at an average rate of 0.7%.

The Group's French subsidiary, Ebro Premium Food, has non-current bank loans totalling 69.5 million euros, which mature between 2024 and year-end 2028 and bear interest at an average rate of EURIBOR plus 0.35%.

As for current borrowings, the most significant development in 2022 was 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 2021, and the same can be said of the collateral and covenant requirements. The spreads applied to benchmark rates were slightly higher than in 2021.

The breakdown of the Group's bank borrowings by business segment or company and the corresponding maturities (in thousands of euros):

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Breakdown of bank borrowings by segment or company	31-12-21	31-12-21	2024	2025	2026	2027	Beyond
- Of Ebro Foods, S.A	349,805	349,872	349,872	0	0	0	0
- Of Herba Group	30,787	20,902	9,915	9,783	636	444	124
- Of Ebro Group France	87,500	69,500	14,900	14,900	13,900	12,900	12,900
- Of Garofalo Group (Italy)	55,371	31,445	10,057	7,828	6,725	4,179	2,656
- Of Arotz Foods, S.A.	0	0					
Non-current bank borrowings	523,463	471,719	384,744	32,511	21,261	17,523	15,680
- Of Ebro Foods, S.A	25,139	14,453					
- Of Herba Group	184,196	113,129					
- Of Ebro Group France	20,973	21,122					
- Of Garofalo Group (Italy)	26,637	41,895					
- Of Tilda Group (UK)	2	6					
Current bank borrowings	256,947	190,605					
Total bank borrowings	780,410	662,324					

The breakdown of the above borrowings by currency of denomination is as follows (thousands of euros):

CURRENCY	31-12-21	31-12-22
EUR	696,683	592,638
USD	37,708	21,104
GBP (UK)	32,333	40,070
INR (India)	13,059	187
THB (Thailand)	1	6,984
ARS	0	0
MAD (Morocco)	0	1,340
DKK (Denmark)	626	1
Total	780,410	662,324

As for the rest of the Group's bank borrowings, at year-end 2022, the various companies had arranged unsecured credit facilities with an aggregate limit of 432 million euros (year-end 2021: 460 million euros), of which 184 million euros (257 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):

At December 31, 2022	Amount drawn	Amount undrawn	Total limit
CREDIT FACILITIES ARRANGED			
Reverse factoring, receivable discounting and trade finance	0	93,595	93,595
Bank guarantee lines (Note 22)	66,371	72,311	138,682
Consolidated Group total	66,371	165,906	232,277

At December 31, 2021	Amount drawn	Amount undrawn	Total limit
CREDIT FACILITIES ARRANGED			
Reverse factoring, receivable discounting and trade finance	9,083	82,246	91,329
Bank guarantee lines	66,740	67,285	134,025
Consolidated Group total	75,823	149,531	225,354

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Some of 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 a prepayment requirement. The Group was compliant with those covenants at both year-ends.

Lease liabilities

This heading recognises 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, 2022, the Group recognized 213,177 thousand euros of financial liabilities structured as options over non-controlling interests (year-end 2021: 196,802 thousand euros) broken down as follows (refer to Note 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 2022 and 2021 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 those 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 2022.

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).

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Financial liabilities										
Reconciliation of flows 2022	31/12/2021	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassific. current/non-curr.	31/12/2022
Current borrowings	256,947	-126,385		-1,295				4,520	56,818	190,605
Non-current borrowings	523,463	5,007						67	-56,818	471,719
Lease liabilities	64,148	-11,826	-464	1,363		6,042		1,766		61,029
Dividend payable	0									0
Derivatives	1,270	-4,087		-355	6,015					2,843
Guarantees and deposits received	84	948		-356						676
Other financial liabilities	199,783	7,684			16,375			126		223,968
Total liabilities arising from financing activities	1,045,695	-128,659	-464	-643	22,390	6,042	0	6,479	0	950,840

Financial liabilities										
Reconciliation of flows 2021	31/12/2020	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassific. current/non-curr.	31/12/2021
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
Derivatives	2,732	-618			-844					1,270
Guarantees and deposits received	782	-698								84
Other financial liabilities	196,730	-851	-1,974		5,878					199,783
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

Below is a schedule of the maturities of all of these financial liabilities including all expected actual cash flows, estimated as of December 31, 2022 (thousands of euros):

	Statement of financial position 31-12-22
- Bank borrowings	662,324
- Borrowings from other entities	10,791
- Lease liabilities	61,029
- Deposits and guarantees	676
- Financial liabilities under vendor call options	213,177
- Derivatives	2,843
TOTAL FINANCIAL LIABILITIES	950,840
Estimated expected future flows:	
2023	400,303
2024	416,982
2025	41,051
2026	29,065
2027	25,857
Other	50,607
TOTAL FUTURE FLOWS	963,865

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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 factors in 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 Group is subject to capital requirements under certain long-term loan agreements and that it is in compliance with these covenants.

In recent years, the Group has been concentrating its activities in its key businesses by means of strategic acquisitions, while keeping leverage low.

NET DEBT (Thousands of euros)	2020	2021	2021/2020	2022	2022/2021
Equity	1,927,351	2,101,627	9.0%	2,164,438	3.0%
Net debt	950,870	504,723	-46.9%	762,635	51.1%
Average net debt	917,574	865,418	-5.7%	645,809	-25.4%
Leverage	49.3%	24.0%	-51.3%	35.2%	46.7%
Leverage (average net debt) (1)	47.6%	41.2%	-13.5%	29.8%	-27.5%
EBITDA-A	305,132	301,860	-1.1%	334,622	10.9%
Coverage	3.12	1.67		2.28	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The accompanying management report provides the definition and reconciliation of the alternative performance measures shown in this table (net debt and average net debt).

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Leverage (net debt over equity attributable to equity holders of the parent) decreased in 2021 but increased again in 2022. The movements in Group leverage are attributable to its exit from the dry pasta business, a process which concluded in 2021, on the one hand, and a sharp increase in its working capital requirement in 2022 induced by the spike in inflation (as described in further detail in the accompanying management report), on the other.

The recent disposals led to a reduction in borrowings of close to 50% and left a reasonable debt coverage ratio of well under 2 times EBITDA-A (refer to the consolidated management report). The Group expects gradual normalisation of raw material prices and logistics operations to unlock deleveraging.

Financial risk management and use of financial instruments

The main financial instruments used by the Group are bank loans, credit facilities, 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.

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The Board of Directors and 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, Control and Sustainability Committee and the Risk Committee.

Cash flow interest rate risk

This is the risk arising from borrowings, loans extended and cash and cash equivalent balances denominated in euros and/or foreign currencies and arranged at floating rates of interest, specifically the risk that the cash flows associated with interest payments/receipts will fluctuate because of changes in market interest rates.

The Group manages this risk by keeping a balanced portfolio of fixed and variable rate borrowings. The Group's policy is to minimize exposure to this risk, to which end it continually monitors market conditions with the support of external experts in order to arrange new instruments or change the terms of existing instruments in order to minimize exposure to variability in the cash flows or fair value of its financial instruments.

Management has performed sensitivity analysis with respect to the impact of 50 basis point fluctuations in interest rates on the Group's rate-sensitive financial assets and liabilities with an impact on earnings: the estimated impact on 2022 profit of such a change would be 2.7 million euros (4 million euros in 2021). The lower impact in 2022 is attributable to the reduction in the Group's average debt balance as a result of the disposals concluded towards at the end of 2021, more than offsetting the increase in interest rates on its bank borrowings, in line with the increase in market rates.

The main assumptions used to perform this sensitivity analysis are as follows:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of upward or downward movements in interest rates.
- The only input varied is the rate of interest, with all other variables held constant in the model.

Effect of changes in interest rates

	2022				2021			
	-0.50%	-0.25%	0.25%	0.50%	-0.50%	-0.25%	0.25%	0.50%
Income/(Expense)								
Profit before tax	2,736	1,368	-1,368	-2,736	4,014	2,007	-2,007	-4,014

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 and UK, the carrying amounts of the Group's assets and liabilities are significantly exposed to changes in the USD / EUR and GBP / EUR exchange rates.

The Group is somewhat exposed to the commodity markets and its ability to pass price changes on to its customers. It is also exposed to fluctuations in exchange rates, particularly the US dollar (the benchmark currency for a significant portion of its

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business), and to movements in interest rates. The Group regularly reassesses its exposure to these risks and their potential impact on its key earnings and financial position indicators and strategy.

The US dollar appreciated by a significant 6.19% against the euro in 2022, albeit with a relatively moderate impact on the consolidated financial statements via unhedged assets and business transactions, specifically generating exchange gains of around 56 million euros.

In addition, the Group has investments in the UK which could be impacted in the medium term by that country's exit from the European Union, depending on the terms of the negotiations between the two parties. The UK subsidiary's and the Group's risk committees are monitoring this situation continually, trying to minimize the potential impact of movements in the exchange rate by arranging an appropriate hedging strategy for its business transactions. In 2022, the pound sterling devalued against the euro by 5.26%, generating exchange losses of around 18 million euros.

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 applicable 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 dissipating 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.

Nevertheless, the Group does not expect any potential future disputes to have a material impact on its financial statements as its most significant activity in the UK market is the sale of rice and related products that are considered staples; it therefore believes that even if new tariffs are imposed on the UK by the European Union, it will be possible to source rice from other markets in which the Group has a presence; moreover, much of the rice sold in the UK market is basmati and long-grain rice sourced from India/Pakistan and the US, respectively.

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The Group's non-current assets in the UK (including its manufacturing facilities) account for 12.53% (2021: 15.8%) of the total, while the revenue generated in the UK market in 2022 represented around 12.18% (2021: 12.5%) of the 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, Ebro 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)	
	2022	2021
USD	143,855	69,516
EUR	12,656	27,483
THB	14,052	155,000
GBP	94	13,016
AUD	-	167

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 profit and loss, with respect to the Group's key exposures to exchange rate risk by currency and type of instrument. The instruments grouped under "Other financial instruments" are loans or cash positions denominated in the currency referenced that do not qualify as accounting hedges.

The sensitivity analysis provided below should be understood as the Group's maximum exposure at a given point in time; in reality, the Group always hedges business transactions denominated in a currency to which management wants to mitigate exposure; however, those transactions do not qualify 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.

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- 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

Due to derivatives:

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(Expense)								
Profit before tax	-511	-245	277	580	-461	-240	255	538

Effect of changes in the sterling relative to the euro

Due to derivatives:

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(Expense)								
Profit before tax	907	476	-476	-907	1,050	567	-567	-1,050

Due to other financial instruments:

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(Expense)								
Profit before tax	3,813	1,906	-1,906	-3,813	2,516	1,258	-1,258	-2,516

Effect of changes in the dollar relative to the euro, sterling and Baht

Due to derivatives:

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(Expense)								
Profit before tax	-2,518	-1,278	1,302	2,428	1,666	1,217	-1,192	-2,449

Due to other financial instruments:

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(Expense)								
Profit before tax	1,097	549	-549	-1,097	2,006	1,003	-1,003	-2,006

In addition to the exposure measured in terms of the impact on profit or loss, the next table illustrates the impact of movements in the EUR/USD exchange rate on the Group's net debt (excluding the derivatives shown in the table above). Until year-end a significant percentage of Group borrowings was denominated in US dollars; following the sale of the US dry pasta business, however, the dollar-denominated borrowings and liabilities have been restructured and were negligible at year-end, having presented a net cash position in US dollars.

Impact on borrowings

Changes in the USD

	2022				2021			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
+ Borrowings / (- Borrowings)								
Borrowings as per statement of financial position	4,628	2,314	-2,314	-4,628	17,282	8,641	-8,641	-17,282

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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 analyses the Group's borrowings at year-end 2022 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.

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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 analyses expected credit risk as a function of counterparty credit scores, as required under 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, 2022 (in thousands of euros) other than its accounts payable and receivable and its cash and cash equivalents, whose carrying amounts are deemed an approximation of their fair value (in the case of financial assets, their fair value coincides with their carrying amount).

Financial assets	31/12/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
- Loans to associates	1,122	1,122	1,122	1,122
- Loans to third parties	930	930	3,543	3,543
- Deposits and guarantees	2,908	2,908	3,323	3,323
- Shares in non-group companies	1,142	1,142	1,151	1,151
- Derivatives	1,457	1,457	527	527
	7,559	7,559	9,666	9,666

Financial liabilities	31/12/2022		31/12/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
- Borrowings	673,115	653,258	783,391	786,785
- Lease liabilities	61,029	61,029	64,148	64,148
- Deposits and guarantees	676	676	84	84
- Financial liabilities under vendor call options	213,177	213,177	196,802	196,802
- Derivatives	2,843	2,843	1,270	1,270
	950,840	930,983	1,045,695	1,049,089

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

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	<u>31/12/2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Equity instruments	1,142	-	1,142	-
Derivatives	1,457	-	1,457	-
Financial liabilities				
Other financial liabilities	213,177	-	-	213,177
Derivatives	2,843	-	2,843	-

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 2022 and 2021 (in thousands of euros):

ITEM	31-12-22	31-12-21
Cash on hand and at banks	140,548	414,448
Short-term deposits and cash equivalents	44,402	124,791
TOTAL	184,950	539,239

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 184,950 thousand euros at December 31, 2022 (539,239 thousand euros at year-end 2021).

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 1.1% in 2022 (2021: 0.20%).

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14. INVESTMENTS IN ASSOCIATES

The movements under this heading in 2022 and 2021 (in thousands of euros) are shown below:

Associate	Balance at 31/12/2021	Additions due to investments	Decreases due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2022
Riso Scotti, S.p.a.	35,186			(1,000)	557	0	0	34,743
Associates of Riviana Foods Inc.	7,811			(1,187)	1,382	481	0	8,487
Other companies	5	0	0	0	0	0	0	5
	43,002	0	0	(2,187)	1,939	481	0	43,235

Associate	Balance at 31/12/2020	Additions due to acquisitions	Decreases due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2021
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

There were no significant movements under this heading in 2022 or 2021.

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, 2022, are as follows (in thousands of euros):

Thousands of euros	31/12/2021	31/12/2022
Trademarks, other intangible assets and goodwill	54,489	53,126
Property, plant and equipment	59,067	54,280
Other non-current assets	13,195	14,201
Current assets	80,449	107,354
Cash	36,482	14,959
Non-current, non-financial liabilities	-20,345	-20,426
Financial liabilities	-73,105	-76,930
Current, non-financial liabilities	-61,863	-59,367
Non-controlling interests	-403	-339
	87,966	86,858
Ownership interest acquired	40%	40%
	35,186	34,743
Revenue	256,600	310,500
Profit for the year	2,680	1,393
No. of employees	332	285

15. GOODWILL

The movements under goodwill in 2022 and 2021 (in thousands of euros) are shown below:

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Segment	CGU or groups of CGUs	31/12/2021	Additions	Decreases & other	Impairment losses	Translation differences	31/12/2022
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,336				(131)	1,205
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)	84,964				(4,473)	80,491
Rice	Riviana Group (US)	281,794				17,437	299,231
Pasta	Ebro Group France	152,791		(15,120)			137,671
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
RoW	Harinas Santa Rita (Spain)	6,051					6,051
		809,359	0	(15,120)	0	12,833	807,072

Total gross carrying amount	866,294	0	(15,120)		12,833	864,007
Accumulated impairment losses	(56,935)					(56,935)

Segment	CGU or groups of CGUs	31/12/2020	Additions	Decreases & other	Impairment losses	Translation differences	31/12/2021
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
RoW	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)

The decreases in 2022 and 2021 correspond to the sales of Roland Monterrat and of the French Dry Pasta business, respectively (Note 5). Other significant movements in both reporting periods include changes due to exchange differences on the goodwill allocated to the Group's US and UK subsidiaries, mainly.

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".

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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 2022 and 2021 (by an independent expert, Kroll); 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 each CGU's management, 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 2022 (2021) were:

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Segment	CGU	Pre-tax rate		Post-tax rate		Growth rate "g"	
		2022	2021	2022	2021	2022	2021
Rice	Frozen Foods (Germany and Denmark)	8.13%	5.40%	6.38%	4.50%	2.45%	2.00%
Rice	UK Business	10.13%	6.80%	7.75%	5.30%	2.55%	2.00%
Rice	Ingredients (Belgium and Netherlands)	7.75%	5.40%	6.38%	4.50%	2.40%	2.00%
Rice	SOS Business (Spain)	9.63%	6.80%	7.75%	5.50%	2.40%	2.00%
Rice	Geovita (Italy and France)	10.13%	7.20%	8.13%	5.80%	2.35%	1.90%
Rice	Transimpex (Germany)	8.13%	5.40%	6.38%	4.50%	2.45%	2.00%
Rice	Riviana Group (US)	9.25%	6.60%	7.50%	5.50%	2.50%	2.20%
Rice	Tilda Group (UK)	9.63%	6.40%	7.75%	5.30%	2.55%	2.00%
Pasta	Ebro Group France	7.75%	6.00%	6.38%	5.00%	2.40%	2.00%
Pasta	Garofalo (Italy and international)	10.63%	7.60%	8.25%	6.00%	2.35%	1.90%
Pasta	Bertagni (Italy)	10.25%	7.20%	8.13%	5.80%	2.35%	1.90%
RoW	Harinas Santa Rita (Spain)	9.63%	6.70%	7.75%	5.50%	2.40%	2.00%

The key assumptions used to value each cash-generating unit (CGU) include: (i) the average rate of sales revenue growth modelled 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, modelled as a percentage of projected EBITDA-A; (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 2022 or 2021. Moreover, the results of the impairment tests were satisfactory in both reporting periods.

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	1.0%	-0.5%
Rice	Ingredients (Belgium and Netherlands)	1.5%	-0.5%
Rice	SOS Business (Spain)	1.0%	-0.5%
Rice	Geovita (Italy and France)	0.25%	-0.25%
Rice	Transimpex (Germany)	a)	a)
Rice	Riviana Group (US)	a)	a)
Rice	Tilda Group	0.25%	-0.25%
Pasta	Ebro Group France	a)	a)
Pasta	Garofalo (Italy and international)	1.0%	-0.5%
Pasta	Bertagni (Italy)	1.75%	-0.5%
Other	Harinas Santa Rita (Spain)	a)	a)

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- 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 2022 and 2021 (in thousands of euros):

ITEM	31-12-22	31-12-21
Goods held for resale	23,269	10,982
Raw materials	414,304	323,958
Consumables and replacement parts	17,225	13,978
Containers	43,290	31,728
Work in progress	63,593	47,410
Finished goods	285,352	209,818
By-products and waste	7,174	6,264
Prepayments to suppliers	64,452	67,736
TOTAL GROSS CARRYING AMOUNT OF INVENTORIES	918,659	711,874
Inventory impairment provision	(7,544)	(9,175)
TOTAL CARRYING AMOUNT OF INVENTORIES	911,115	702,699

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 38,988 thousand euros of rice from rice growers and cooperatives at year-end 2022 (38,155 thousand euros at year-end 2021). The Group was also contractually committed to raw material and packaging material purchases in the US, Canada, France, Spain and Italy totalling 114,088 thousand euros (year-end 2021: 174,122 thousand euros).

The net provision for inventory impairment recognized in 2022 was 1,870 thousand euros (2021: 4,567 thousand euros), while 3,155 thousand euros of previously recognized provisions were utilized (2021: 2,324 thousand euros); 571 thousand euros (2021: 882 thousand euros) were derecognized due to business disposals; and exchange losses on inventories amounted to 225 thousand euros (2021: losses of 208 thousand euros).

17. SHARE CAPITAL, RESERVES, EARNINGS PER SHARE AND DIVIDENDS

17.1 Capital and reserves

Share 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.

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Ebro Foods, S.A. gathers 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 are as follows:

Significant shareholder	2022					2021				
	% 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.	14.522	0.000	14.522	0.000	14.522	14.443	0.000	14.443	0.000	14.443
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
Hercalanz Investing Group, S.L.	9.000	0.000	9.000	0.000	9.000	8.621	0.000	8.621	0.000	8.621
Grupo Tradifin, S.L.	7.961	0.000	7.961	0.000	7.961	7.961	0.000	7.961	0.000	7.961
Empresas Comerciales e Industriales Valencianas, S.L.	7.827	0.000	7.827	0.000	7.827	7.827	0.000	7.827	0.000	7.827
José Ignacio Comenge Sánchez-Real (via Mendibea 2002, S.L.)	0.002	5.362	5.364	0.000	5.364	0.002	5.199	5.201	0.000	5.201
Artemis Investment Management, LLP	0.000	3.160	3.160	0.000	3.160	0.000	3.650	3.650	0.000	3.650

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.

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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 24.8 million euros (21.2 million euros at year-end 2021) 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 2021: 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 recognise the exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to recognise hedges of net investments in these entities. The breakdown of translation differences at year-end by company (in thousands of euros) is provided below:

	31-12-22	31-12-21
Herba companies	(12,462)	(6,821)
RIVIANA Group (US)	145,048	88,918
Ebro Alimentación Mexico	(163)	(176)
Garofalo Group (Italy) - International business	(7)	(33)
Ebro Group France - International business	223	107
Tilda Group (UK and UAE)	5,007	22,998
TOTAL	137,646	104,993

Own shares

In 2022, 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).

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In 2022, under the scope of the employee share plan, it bought back 42,500 shares, sold 852 and delivered 41,648 own shares to employees. The Company did not hold any own shares at December 31, 2022.

In 2021, the Parent was empowered 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.

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:

	31/12/2022	31/12/2021
Profit from continuing operations attributable to ordinary equity holders of the parent	122,976	133,602
Profit from discontinued operations attributable to ordinary equity holders of the parent	(917)	105,027
Profit attributable to ordinary equity holders of the parent	122,059	238,629
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)	122,059	238,629

	2022	2021
	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.

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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 June 29, 2022 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2021 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2022, for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share on April 1, June 30, and October 3, 2022.

Dividends declared, paid and proposed:	2022	2021
	Thousands of euros	
Dividends paid:		
Ordinary final dividend paid in 2022: 0.57 euros (2021: 0.57 euros)	87,703	87,703
Extraordinary dividend paid in 2022: xero (2021: 0.57 euros)	0	87,703
	87,703	175,406
Proposed dividend subject to approval at the Annual General Meeting (not recognized as a liability at year-end)		
Dividend payable in 2023: 0.57 euros (2022: 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 2022 and 2021 (thousands of euros):

	Government grants		Other deferred income		TOTAL	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
Opening balance	10,306	11,437	20	0	10,326	11,437
Grants received	1,026	1,591	0	0	1,026	1,591
Additions due to GHG allowances	0	0	0	0	0	0
Other increases/decreases	(384)	(2,215)	646	20	262	(2,195)
Translation differences	(2)	4	0	0	(2)	4
Reclassified to profit or loss from continuing operations	(497)	(511)	(195)	0	(692)	(511)
Closing balance	10,448	10,306	471	20	10,919	10,326

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 increases in 2022 relate to grants awarded to Mundirriso in Italy and in 2021, to grants awarded to Garofalo, also in Italy, to help fund factory expansion work.

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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	451	1,704	8,293	10,448

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:

	31-12-22 Total	31-12-21 Total
Opening balance	35,088	56,466
Translation differences	360	1,408
Disposals	(538)	(14,441)
Amounts utilized and paid	(11,160)	(12,270)
Amounts transferred to other accounts	(642)	(59)
Surplus provisions and employee departures	(142)	0
Amount provided for in the year for actuarial changes	(10,456)	(10,077)
Amount provided for in the year for unwind of discount	1,076	615
Amount provided for in the year for employee benefits expense	11,601	11,674
Amount provided for in the year for other operating expenses	0	30
Amount provided for in the year in respect of discontinued operations	0	1,742
Closing balance	25,187	35,088

The breakdown by type of post-employment commitment (in thousands of euros):

	31-12-22	31-12-21
Defined benefit obligations	10,417	18,146
Retirement bonuses and similar obligations	8,957	10,918
Senior management bonus schemes (Note 23)	5,813	6,024
TOTAL	25,187	35,088

The types of commitments extended by company/CGU are summarised below:

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	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 Foods, GmbH (Germany)		Yes (a)		Yes (a)		
Euryza (Herba) (Germany)		Yes (a)				
Transimpex (Herba) (Germany)		Yes (a)				
Grupo Ebro Neth. (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):

	31-12-22	31-12-21
Ebro Group France	3,728	5,014
Herba Rice Group (Herba)	2,190	2,663
Garofalo (Italy)	367	433
Riviana American Group (Riviana)	2,431	2,594
Ebro Foods, S.A.	238	200
Other minor obligations	3	14
TOTAL	8,957	10,918

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19.1.1 Ebro Foods, S.A.

The balance at year-end 2022 in respect of Ebro Foods, S.A. totals 238 thousand euros (year-end 2021: 200 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 externalise this obligation. The expense recognized in this respect was 38 thousand euros in 2022 (2021: 2 thousand euros).

19.1.2 Ebro France Group companies

The Ebro Group France companies have obligations to their employees, mainly in respect of (i) retirement bonuses (provisions of 3,574 and 4,789 thousand euros at year-end 2022 and 2021, respectively); and (ii) long-service bonuses (154 and 255 thousand euros at year-end 2022 and 2021, respectively).

Those provisions were recognized based on actuarial calculations performed internally. The related net expenditure recognized in 2022 amounted to 1,116 thousands euros (2021: 2,818 thousand euros); note that 829 thousand euros was charged directly in equity as actuarial losses (2021: 123 thousand euros credited in equity as actuarial gains), with nothing (2021: 1,537 thousand euros) charged against earnings from discontinued activities.

These provisions are funded in-house, albeit not by specific assets. The interest rate applied in 2022 was 3.77% (0.75% in 2021).

19.1.3 Herba Group companies

The collective bargaining agreements applicable at the subsidiaries in Italy, Belgium, Thailand and India include termination benefit obligations (voluntary or otherwise) for their employees. Those provisions were recognized based on actuarial calculations performed internally in some instances and externally in others.

The related provision at year-end 2022 amounted to 2,193 thousand euros (2,648 thousand euros at year-end 2021). Expenditure in 2022 was 463 thousand euros (2021: 516 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 2022 was 2,214 thousand euros (2021: 2,223 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 2022 stood at zero (15 thousand euros at year-end 2021). Net expenditure in 2022 was 82 thousand euros (2021: 53 thousand euros).

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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 externalisation continues to be recognized through settlement. The provision is updated annually on the basis of external actuarial calculations. The related provision at year-end 2022 amounted to 367 thousand euros (433 thousand euros at year-end 2021). The discounting of this provision implied a finance cost of 2 thousand euros in 2022 (2021: 2 thousand euros), actuarial gains credited directly to equity of 70 thousand euros (losses of 10 thousand euros charged in 2021) and payments totalling 17 thousand euros (2021: 41 thousand euros). The expense recognized in 2022 in respect of the obligation externalized since 2008 amounted to 554 thousand euros (2021: 476 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 2,476 thousand euros in 2022 (2021: 3,235 thousand euros).

19.2 Pension and other defined benefit obligations

The breakdown by company:

Defined benefit Thousands of euros	31/12/2022			31/12/2021		
	Pension commitments	Other commitments	Total	Pension commitments	Other commitments	Total
Riviana Group (US & Canada)	4,241	-4,517	-276	8,508	-3,880	4,628
Boost (Herba) (Belgium)	198		198	143		143
S&B Group (Herba) (UK)	2,808		2,808	4,654		4,654
Ebro Germany (Germany)	1,891		1,891	1,891		1,891
Euryza (Herba) (Germany)	4,689		4,689	4,820		4,820
Transimpex (Germany)	1,107		1,107	2,010		2,010
	14,934	-4,517	10,417	22,026	-3,880	18,146

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 2022 and 2021:

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Thousands of euros	TOTAL		Europe		US & Canada	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
Provisions for pensions - obligations						
Opening balance	80,264	81,135	28,370	30,122	51,894	51,013
Charge for the year	3,773	3,151	648	445	3,125	2,706
Actuarial changes	-21,301	-4,106	-7,816	-2,680	-13,485	-1,426
Benefits paid	-9,976	-5,462	-2,067	-881	-7,909	-4,581
Transfers between plans	1,803	0	0	0	1,803	0
Reclassification to liabilities of non-current assets held	0	0	0	0	0	0
Translation differences	2,279	5,546	-922	1,364	3,201	4,182
Closing balance	56,842	80,264	18,213	28,370	38,629	51,894
Provisions for pensions - plan assets						
Opening balance	-62,118	-54,824	-14,852	-12,781	-47,266	-42,043
Return on plan assets	-1,212	-876	-251	-157	-961	-719
Contributions by employer	-1,383	-1,875	-707	-827	-676	-1,048
Actuarial changes	12,335	-5,802	5,534	-1,149	6,801	-4,653
Benefits paid	9,976	5,463	2,067	881	7,909	4,582
Transfers between plans	-1,803	0	0	0	-1,803	0
Translation differences	-2,220	-4,204	689	-819	-2,909	-3,385
Closing balance	-46,425	-62,118	-7,520	-14,852	-38,905	-47,266
Closing balance - benefit asset	10,417	18,146	10,693	13,518	-276	4,628

	TOTAL		Europe		US & Canada	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
Net annual cost by component						
Current service cost	1,842	1,730	209	116	1,633	1,614
Borrowing costs	1,929	1,423	439	330	1,490	1,093
Expected return on plan assets	-1,212	-876	-251	-157	-961	-719
	2,559	2,277	397	289	2,162	1,988
Actuarial changes recognised directly in consolidated equity: (gains)/losses	-8,967	-9,909	-2,282	-3,829	-6,685	-6,080

Actuarial assumptions	31-12-22	31-12-21	31-12-22	31-12-21
	Discount rate	1.50% - 4.90%	0.55% - 1.90%	4.89% - 5.46%
Future salary increases	1.50% - 3.10%	1.50% - 3.20%	2.50% - 3.00%	2.50% - 3.00%
Expected return on plan assets	1.50% - 4.90%	0.55% - 1.90%	4.89% - 5.46%	2.51% - 3.07%

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.

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20. OTHER PROVISIONS

The movements under this heading in 2022 and 2021 (in thousands of euros) are shown below:

Movements under other provisions	31-12-22	31-12-21
	Total	Total
Opening balance	15,538	14,089
Translation differences	(85)	43
Other transfers	(304)	845
Amounts utilized and payments	(1,605)	(1,596)
Additions with a charge to profit or loss	2,235	3,082
Unused amounts reversed with a credit to profit or loss	(238)	(460)
Business sales/exits	(35)	(465)
Closing balance	15,506	15,538

An analysis by underlying concept and company/business (in thousands of euros):

Breakdown of other provisions by concept	31-12-22	31-12-21
Lawsuits and disputes	14,655	14,744
Modernization and restructuring plan	655	102
Misc. other contingencies of insignificant amount	196	692
	15,506	15,538

	31-12-22	31-12-21
Ebro Foods, S.A.	11,240	11,240
Ebro Group France	550	495
Herba Group	2,165	2,551
Riviana Group	655	102
Garofalo Group	767	1,071
Ebro Group Germany	50	0
Other	79	79
	15,506	15,538

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 recognise a provision in respect of certain of these cases in light of the probable outflow of resources in the future.

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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 2022.

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 2022, the Group had recognized provisions for other lawsuits and disputes in the amount of 4,266 thousand euros (year-end 2021: 4,298 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):

	31-12-22	31-12-21
Tax and customs assessments signed under protest	1,748	2,131
Judicial review contingencies	12,436	12,031
Other lawsuits	1,646	1,749
	15,830	15,911

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21. TAXES

Year-end balances receivable from and payable to the tax authorities (in thousands of euros):

	Receivable		Payable	
	31-12-22	31-12-21	31-12-22	31-12-21
VAT and personal income tax	33,945	27,748	(9,990)	(15,992)
Social security	33	44	(3,513)	(3,364)
Grants pending collection	5,770	3,963		
Other tax authorities	26,728	3,710	(1,242)	(410)
Total taxes receivable/payable	66,476	35,465	(14,745)	(19,766)
Income tax - tax payable/refundable	19,414	23,097	(14,364)	(37,454)

The balance receivable from other tax authorities of 26,728 thousand euros includes 25,295 thousand euros due from the French tax authorities related with payments on account made in 2022 as a result of the sale of the Panzani business in 2021 (Note 5). That balance was collected in full on March 1, 2023.

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: 25.83% (28.41% in 2021); the US: 24%; Germany: 30%; the Netherlands: 25.5%; Italy: 28%; Argentina: 30%; and the UK: 19% (set to increase to 23% from April 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, 2022 was 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 2022 was 27.04% (26.93% in 2020).

The breakdown of the tax expense accrued by the Group in 2022 and 2021 (in thousands of euros) is provided below:

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	31/12/2022		31/12/2021	
	Accounting	Tax	Accounting	Tax
Accounting profit before tax from continuing operations	185,807	185,807	198,731	198,731
Profit before tax from discontinued operations	(1,019)	(1,019)	140,360	140,360
Profit/(loss) before tax recognized in equity	10,456	10,456	10,077	10,077
	195,244	195,244	349,168	349,168
Permanent differences	19,249	19,249	(650)	(650)
Tax losses generated during the year	4,855	4,855	4,262	4,262
Utilization of individual tax losses	(10,242)	(10,242)	(31,557)	(31,557)
Accounting profit adjusted for permanent differences	209,106	209,106	321,223	321,223
Temporary differences		(14,014)		123,949
Tax losses generated during the year		7,988		0
Utilization of tax losses		(2,997)		(11,045)
Adjusted taxable profit	209,106	200,083	321,223	434,127
Impact of differing tax rates (taxable income)	(19,534)	(19,970)	(14,399)	(13,820)
Taxable income of the Group	189,572	180,113	306,824	420,307
Tax calculated at statutory rate of 25%	47,393	45,028	76,706	105,077
Tax credits utilized	0	0	(6,997)	(7,078)
Tax payable	47,393	45,028	69,709	97,999
Adjustments in respect of prior-year's income tax	(830)		2,299	
Restatement of net deferred taxes due to changes in tax rates	(2,471)		9,063	
Restatement of net deferred taxes	5,295		2,670	
Inspection assessments and fines	(356)	(336)	(3,341)	581
Equivalent tax charges	3,671	5,239	10,775	11,151
Adjustment in respect of prior year's tax payable		(541)		3,316
Total tax expense	52,702	49,390	91,175	113,047
Tax expense, continuing operations	50,242		53,512	
Tax expense, discontinued operations	(102)		35,333	
Tax expense, recognized directly in equity	2,562		2,330	
	52,702		91,175	

STATEMENT OF PROFIT OR LOSS - INCOME TAX	31/12/2022	31/12/2021
Current tax expense, continuing operations	45,130	42,348
Current tax expense, sale of discontinued operations	(102)	55,651
Total deferred tax expense	(271)	(30,254)
Tax expense deferred in equity	2,636	1,964
Restatement of prior-year's income tax	(830)	2,299
Restatement of net deferred taxes	2,824	11,733
Equivalent tax charges	3,671	10,775
Inspection assessments and fines	(356)	(3,341)
	52,702	91,175

Tax expense, recognized directly in equity	31/12/2022	31/12/2021
Change in fair value of financial assets	0	0
Change due to actuarial gains/(losses)	2,562	2,330
	2,562	2,330

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.

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The most significant temporary differences in 2022 and 2021:

- A decrease of 10,544 thousand euros in 2022 (2021: decrease of 8,776 thousand euros) due to the tax effect of actuarial losses/gains on pension commitments, recognized directly in equity.
- In 2021 (no effect in 2022), an increase of 62,614 thousand euros due to the effects of the sale that year of the assets and liabilities of the dry pasta business in the US and Canada.
- A decrease of 11,299 thousand euros (2021: 20,738 thousand euros) due to the amortization for tax purposes of the goodwill arising on the acquisition of foreign companies.
- In 2021 (no effect in 2022), 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.
- A decrease of 3,465 thousand euros (42,762 thousand euros in 2021) 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.
- A decrease of 3,479 thousand euros (2021: 1,310 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 Italy and the US and the recognition in different periods for accounting versus tax purposes of items in provision accounts.
- A decrease of 1,560 thousand euros (increase of 19,673 thousand euros in 2021) 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, in 2021, the carve-out of assets prior to the sale of Panzani, SAS.
- An increase of 3,575 thousand euros (decrease of 11,503 thousand euros in 2021) in consolidation adjustments due to different accounting criteria applied in preparing the separate versus the consolidated annual financial statements.
- An increase of 2,014 thousand euros (2021: increase of 4,040 thousand euros), mainly in relation to other companies, due to the origination and/or utilization for tax purposes of provisions recognized and/or reversed during the year, the recognition and/or reversal of 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 2022: an increase of 19,244 thousand euros due to the loss generated on the sale of Roland Monterrat, which is not deductible for tax purposes (Note 5).
- In 2021: an increase of 37,753 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.

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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).

- The remaining 5 thousand euro net increase in 2022 (2021: net decrease of 18,416 thousand euros) relates to amounts equivalent to tax that do not compute for income tax calculation purposes, the effect of expenses that are not deductible in determining tax profit, the deductibility for tax purposes of losses on non-current financial assets and the reversal of certain provisions that were not deductible for tax purposes when they were recognized in prior years.

The Group did not apply unused tax credits in 2022 due to the lack of sufficient taxable income (2021: 6,997 thousand euros). The tax credits utilized in 2021 derived mainly from new product development efforts, charitable donation deductions, deductions under double taxation treaties and tax relief on the reinvestment of gains generated by asset sales (still-unused credits generated prior to 2014).

Until and including 2014, it was possible in Spain to certify deductions in respect of reinvestments; those deductions were eliminated in 2015. Between 2013 and 2006, both inclusive, the Spanish tax group reinvested qualifying proceeds 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:

	31/12/2022			31/12/2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Opening balance: continuing operations	46,270	(222,220)	(175,950)	61,996	(242,916)	(180,920)
Opening balance: discontinued operations	0	0	0	608	(14,982)	(14,374)
Transfers	512	(373)	139	378	(218)	160
Translation differences	1,249	(3,503)	(2,254)	1,995	(9,940)	(7,945)
Business combinations	0	0	0	0	(927)	(927)
Disposals / derecognitions	(550)	3,022	2,472	(7,091)	13,204	6,113
Charged / credited in statement of profit or loss	1,983	(1,707)	276	(4,872)	35,129	30,257
Charged / credited to equity	(1,728)	(646)	(2,374)	(1,020)	(879)	(1,899)
Restatements	1,058	(1,863)	(805)	(5,724)	(691)	(6,415)
Reclassification to assets and liabilities held for sale	0	0	0	0	0	0
Closing balance	48,794	(227,290)	(178,496)	46,270	(222,220)	(175,950)

The breakdown of deferred taxes into their most significant components at year-end is provided in the next table:

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	31/12/2022		31/12/2021	
	Deferred tax		Deferred tax	
	assets	liabilities	assets	liabilities
Property, plant and equipment	216	(59,677)	135	(61,633)
Investment properties	9,133	(25)	7,255	(50)
Goodwill	2,688	(82,746)	2,774	(76,558)
Other intangible assets	4,726	(76,253)	4,334	(76,525)
Inventories	8,881	(269)	7,478	(198)
Receivables and accruals (assets)	3,142	(1,392)	2,245	(1,135)
Pensions and similar obligations	6,276	(926)	7,167	(450)
Other non-current provisions	409	(630)	1,090	(493)
Payables and accruals (liabilities)	7,813	(156)	10,113	0
Unused tax credits and tax losses	5,510	0	3,679	0
Tax assessments	0	(2,972)	0	(2,972)
Accrual of tax credits	0	(2,244)	0	(2,206)
TOTAL	48,794	(227,290)	46,270	(222,220)

At year-end 2022, the Group companies had around 65 million euros of unused tax losses (43 million euros at year-end 2021), 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 corporate income tax and from 2019 in respect of all other 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 2018 or 2019.

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 being contested (albeit not the related fines). The assessments signed under protest have been appealed.

As for 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.

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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 four of the seven lawsuits comprising this part of the assessments in 2021 and 2022 (friendly agreements between Spain and other countries in order to avoid double taxation) which have not given rise to significant outflows of resources for the Ebro Group.

There were no new significant developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2021 or 2022.

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 one 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:

	31/12/2022	31/12/2021
Within one year	1,052	338
After one year but not more than five years	70	174
More than five years	65	0
Total	1,187	512

Capital commitments

Capital expenditure contracted for (machinery purchases and upgrades) at the end of the reporting period but not yet incurred totalled 54,423 thousand euros (31,296 thousand euros at year-end 2021).

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.

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Guarantees

The guarantees provided in the form of bank guarantees at the end of each reporting period (in thousands of euros):

	31/12/2022	31/12/2021
Bank guarantees: Provided to courts and other bodies in relation to claims and tax deferrals (notes 20 & 21)	19,450	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	46,921	45,590
Other bank guarantees:	0	943
TOTAL	66,371	66,740

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 will be 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 will be calculated on the basis of average earnings over a series of years. The accounting policy applied by the Group to recognise 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:

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- 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, GmbH., the Ebro Group acquired 55% of Germany's Transimpex, mbH., also committing to acquire the outstanding 45%.

The total investment for 100% of Transimpex amounted to 23,622 thousand euros, of which 9,361 thousand euros was paid for in 2017. The Group committed to paying the outstanding 14,261 thousand euros three years from the close, by September 30, 2020, from which date (and with no time limit but with a notice requirement of 12 months) 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 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 current financial liability (measured in accordance with the method described in Note 2 of the table above).

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- Santa Rita Harinas - The Ebro Group acquired 52% of Santa Rita Harinas, S.L. for 4,778 thousand euros in July 2016. The Group took effective control of Santa Rita Harinas, S.L. on July 13, 2016, which was also the date of its first-time consolidation.

In addition, the Group 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 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 provided a put option over 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 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 totalled 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 current financial liability (measured in accordance with the method described in "Note 2" at the start of this Note 22).

The Group's investment commitments with respect to these companies and the expected timeline of the potential future payments are summarised below:

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Thousands of euros		Group	Group
	Total	1	2
Commitments at January 1, 2022	196,802	19,342	177,460
- Dividends paid in 2022	-7,072	-1,700	-5,372
- Share of profit/(loss) in 2022 (a)	8,578		8,578
- Share of other income and expenses recognized in equity	292		292
- Expenses/losses related to derivatives and financial instruments (note 7.3)	3,010	3,010	
- Settlement (payment) of options	0	0	0
- Change in fair value in 2022 (a)	11,567		11,567
Commitments at December 31, 2022	213,177	20,652	192,525
Estimated payment timeline			
- Potential payments in 2023	192,525		
- Potential payments in 2024	20,652		
	213,177		

- 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 2022.

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):

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Significant shareholder (and its related party)	Relationship between the shareholder and its related party	Ebro Group company	Type of transaction	2022 Amount	2021 Amount
Sociedad Anónima Damm (Estrella de Levante, S.A.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1,796	1,397
Sociedad Anónima Damm (Cía Cervecera Damm, SA.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	6,697	5,262
Sociedad Anónima Damm (Alfil Logistics, S.A.)	Company	Herba Ricemills, SLU	Purchase of services	0	7

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	2022 Amount	2021 Amount
Antonio Hernández Callejas (Luis Hernández González)	Relative	Ebro Foods, S.A.	Lease (expense)	45	42
Antonio Hernández Callejas (Hacienda las Casetas, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	12	0
Demetrio Carceller Arce (Disa Energy, S.L.U.)	Company	Herba Ricemills, S.L.U.	Purchase of services	7,263	0
Grupo Tradifin S.L. and Heralianz 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)	9	4
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arotz Foods, S.A.	Sale of goods (finished and in-progress)	0	1
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	1	150
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	943	474
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	330	529
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	32	303

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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	2022 Amount	2021 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	65	13
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	65	13
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	R&D transfers and licence agreements	219	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	107
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	19	187
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	0	7
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	35	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	0	7
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Provision of services	14	7
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	La Loma Alimentos, S.A.	Purchase of goods (finished and in-progress)	126	0
Grupo Tradifin S.L. and Heralianz 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)	219	388
Grupo Tradifin S.L. and Heralianz 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)	29	194
Grupo Tradifin S.L. and Heralianz 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)	65	20

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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	2022 Amount	2021 Amount
Grupo Tradifin S.L. and Heralianz 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)	65	20
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	35	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	1	8
Grupo Tradifin S.L. and Heralianz 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)	0	16
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	13	7
Grupo Tradifin S.L. and Heralianz 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)	86	79
Grupo Tradifin S.L. and Heralianz 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)	10	108
Grupo Tradifin S.L. and Heralianz 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)	101	70
Grupo Tradifin S.L. and Heralianz 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)	10	108
Grupo Tradifin S.L. and Heralianz 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)	0	10
Grupo Tradifin S.L. and Heralianz 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)	37	7
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	17	9
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	1	2

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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	2022 Amount	2021 Amount
Grupo Tradifin S.L. and Heralianz 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)	687	6,024
Grupo Tradifin S.L. and Heralianz 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)	42	95
Grupo Tradifin S.L. and Heralianz 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)	65	82
Grupo Tradifin S.L. and Heralianz 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)	65	82
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	35	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	23	49
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	20	31
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	13	9
Grupo Tradifin S.L. and Heralianz 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)	692	523
Grupo Tradifin S.L. and Heralianz 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)	68	73
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	10	99
Grupo Tradifin S.L. and Heralianz 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)	80	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	10	99

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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	2022 Amount	2021 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	0	3
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	35	7
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Provision of services	16	9
Grupo Tradifin S.L. and Heralianz 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)	11	65
Grupo Tradifin S.L. and Heralianz 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)	65	99
Grupo Tradifin S.L. and Heralianz 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)	65	99
Grupo Tradifin S.L. and Heralianz 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)	29	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	35	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	1	10
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	13	9
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	441	261
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	33	30
Grupo Tradifin S.L. and Heralianz 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)	627	489

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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	2022 Amount	2021 Amount
Grupo Tradifin S.L. and Heralianz 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)	0	2
Grupo Tradifin S.L. and Heralianz 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)	76	14
Grupo Tradifin S.L. and Heralianz 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)	302	240
Grupo Tradifin S.L. and Heralianz 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)	123	181
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispagrains Agro SL)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	4,825	0
Grupo Tradifin, S.L. (Cabher 96, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	0	28
Grupo Tradifin, S.L. (Cabher 96, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	1	0

23.3 Other transactions with significant shareholders and directors/executives: dividends received from Ebro Foods, S.A.

Framed by Ebro Foods, S.A.'s general dividend policy, the following amounts were paid in 2022 (2021) (expressed in thousands of euros):

- Dividends paid to significant shareholders (those that were directors as at December 31, 2022): 22,186 (24,837)
- Dividends paid to directors (and persons related thereto) and officers: 40,350 (97,915)

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.

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23.5 Transactions with other related parties

The note summarizes the transactions performed in 2022 and 2021 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	2022 Amount	2021 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.	Provision of services	4	4
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A.)	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	1	0
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A.)	Herba Ricemills, S.L.U.	Purchase of services	319	300

Note that one of the directors of Hernández Barrera Servicios, S.A. is Félix Hernández Callejas, who is the natural person who represents Herculanz 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 by Ebro Foods, S.A. and its Group companies with Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2022 and 2021 (amounts in thousands of euros):

Ebro Group company with which the transaction was performed	Type of transaction	2022 Amount	2021 Amount
Ebro Foods, S.A.	Services rendered (income)	4	0
Ebro Foods, S.A.	Dividends received	1,000	1,000
Arotz Foods, S.A.	Purchase of goods (finished and in-progress)	83	34
Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	444	389
Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	8,329	6,054

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Ebro Group company with which the transaction was performed	Type of transaction	2022 Amount	2021 Amount
Herba Ricemills, S.L.U.	Sale of PP&E, intangible and other assets	121	0
Herba Ricemills, S.L.U.	Other expenses	5	0
Herba Ricemills, S.L.U.	Finance income	25	12
Mundiriso, S.R.L.	Purchase of goods (finished and in-progress)	1,423	842
Mundiriso, S.R.L.	Sale of goods (finished and in-progress)	2,681	1,180
Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	139	122
Geovita Functional Ingredients, S.R.L.	Purchase of goods (finished and in-progress)	134	224
Geovita Functional Ingredients, S.R.L.	Sale of goods (finished and in-progress)	307	613
Herba Bangkok, S.L.	Sale of goods (finished and in-progress)	1,756	704
Herba Ingredients group	Sale of goods (finished and in-progress)	243	110
Ebro Ingredients, BV	Purchase of goods (finished and in-progress)	63	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 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 of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Cabher 96, S.L. through her 33.25% direct shareholding in Grupo Tradifín, S.L., an entity of which she is the chief executive. She does not hold any positions or duties at Instituto Hispánico del Arroz, S.A. or Cabher 96, S.L.

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- 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 earned by the members of the Board of Directors of Ebro Foods, S.A. totalled 7,249 thousand euros in 2022 (2021: 7,169 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2022	2021
TYPE OF REMUNERATION		
Attendance fees	333	323
Fixed remuneration received in their capacity as directors	2,850	2,850
Total director remuneration	3,183	3,173
Wages, salaries and professional fees	4,066	3,996
Termination and other benefits		0
Total executive director remuneration	4,066	3,996
TOTAL REMUNERATION	7,249	7,169
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

Article 22 of the Company's Articles of Association 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.

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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 27, 2023, 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 2022 at the upcoming 2023 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 2022 (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	393	29	1,508	2,558	4,483
Carceller Arce, Demetrio	366	30	0	0	396
Alimentos y Aceites, S.A. (Director until March 29, 2022)	20	3	0	0	23
Barreiro Pérez-Pardo, Belén	154	23	0	0	177
Carceller Arce, María	122	18	0	0	140
Castelló Clemente, Fernando	192	29	0	0	221
Comenge Sánchez-Real, José Ignacio	149	20	0	0	169
Corporación Financiera Alba, S.A.	122	18	0	0	140
Costa García, Mercedes	191	29	0	0	220
Empresas Comerciales e Industriales Valencianas, S.L.	122	18	0	0	140
Fernández Alonso, Javier	303	30	0	0	333
Grupo Tradifín, S.L.	186	29	0	0	215
Hercalanz Investing Group, S.L. (*)	149	20	0	0	169
Murtra Millar, Marc Thomas (Director since January 31, 2022)	276	25	0	0	301
Xuclà Costa, Jordi (Director since March 30, 2022)	101	14	0	0	115
TOTAL	2,846	335	1,508	2,558	7,247 (**)

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- (*) Heralianz 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.
- (**) Total director remuneration in 2022 amounted to 7,249,201 euros, before tax, which, rounded to thousands of euros comes out at 7,249 thousand euros. 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 2022, 1,058 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2020, a figure representing 25% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2020 financial statements and paid in 2022.
- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2022, the 2022 financial statements recognise a provision of 1,125 thousand euros in respect of the provisional estimate of the amount corresponding to 2022 under the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Plan, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2024.

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 2022 (year-end 2021: 10); in 2022 those executives accrued total remuneration (fixed wages and salaries, annual bonuses and, as applicable, deferred annual bonuses) of 2,582 thousand euros (2021: 2,400 thousand euros).

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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 2022 (also five at year-end 2021). Their total aggregate pre-tax remuneration in 2022 was 1,884 thousand euros, 705 thousand US dollars and 358 thousand Canadian dollars (1,876 thousand euros, 677 thousand US dollars and 534 thousand Canadian dollars in 2021), corresponding to fixed wages and salaries and annual bonuses.

Nine 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, 2022 (9 at year-end 2021). Total aggregate remuneration effectively collected under that scheme in 2022 (corresponding to that accrued by nine executives in 2020) amounted to 883 thousand euros and 195 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 2020 financial statements.

In addition, the financial statements for the year ended December 31, 2022 recognize a provision of 726 thousand euros and 210 thousand US dollars by way of provisional estimate of the amount that will be accrued by the 10 officers covered by the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Strategic Plan (excluding the Chairman of the Board of Directors). The amounts provided for, which represent up to 25% of the Deferred Annual Bonus Scheme for 2022-2024, will be paid, in keeping with the plan rules, in 2024.

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 193 thousand euros in 2022 (192 thousand euros in 2021), are effective until April 30, 2023 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, optimise 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 implementing in-house management systems and monitoring prevailing legislation in this arena.

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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 categorised 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 claims

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.

Environmental assessment and certification processes

One of the Ebro Group's top environmental management priorities is stringent compliance with the regulations applicable to its business activities. Indeed, all of the Ebro Group's facilities operate under the certifications, specifications and permits pertinent to their respective geographic markets and they manage their environmental impacts accordingly.

Moreover, the following workplaces have certified their environmental management systems under the UNE-EN-ISO 14001 standard:

1. San Juan de Aznalfarache (Herba Ricemills)
2. Coria del Rio (Herba Ricemills)
3. Los Palacios (Herba Ricemills)
4. La Rinconada (Herba Ricemills)
5. Isla Mayor (Herba Ricemills)
6. Gagnano (Garofalo)

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.

Framed by the commitment assumed under our Global Sustainability Plan - HEADING FOR 2030 - of making all our packaging fully recyclable, the dry rice products sold under the Arroz SOS, La Fallera, Sabroz and La Cigala brands in Spain, the Risella trademark in Finland, and one of the Group's best-selling formats, the Brillante rice pots, are already 100% recyclable.

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In addition, the Group worked on another three important packaging recyclability projects in 2022.

1. For our SOS speciality rice brand, sold in flexible, non-recyclable containers (PE/PP), we analysed the possibility of switching to recycled paper containers. However, as that option's shelf life was not sufficient and it was not economically viable, in the end it was decided to use a mono-material polyethylene (PE) that is 100% recyclable.
2. In terms of the mono-material polypropylene (PP) stand-up pouches or *doypacks*, the tests performed by Herba and Tilda were not satisfactory. The introduction of a mono-material polypropylene base to replace the two triplex bases currently in use (polyester/polyamide/polypropylene (PET/PA/PP) and polyester/high barrier polyester/polypropylene (PET/PET HB/PP)) did not yield a sufficient shelf life or oxygen barrier to keep the food's organoleptic properties intact. We continue to search for feasible alternatives that guarantee our products' current conservation properties.
3. Extension of the number of lines across the various Group factories configured to make the compact 1 kg and 0.5 kg formats in paper to replace polypropylene packaging.
 - a. In Antwerp (Ebro Foods Belgium), with the aim of working with paper laminate (the same laminate being used in the Silla factory for the La Fallera brand), the Group invested in the filling unit's tube and neck shaper to make the production line compatible with the use of paper.
 - b. Tests are likewise underway at the 1 kg and 0.5 kg line in Vercelli (Mundiriso) with a view to potentially having paper replace polypropylene.

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.

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.

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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 2023-2024 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 Global Sustainability Plan, HEADING FOR 2030. Those initiatives are:

- Energy efficiency programmes
- Procurement of renewable energy
- Waste recovery
- Management of GHG impacts
- Technology and R&D capabilities

One of the main thrusts of the Scope 1 and Scope 2 emissions abatement effort has involved investment by several Group companies - Arotz, Bertagni, Ebro Frost Germany, Ebro India, Herba Ricemills, Garofalo, Geovita, Mundiriso and Transimpex - in photovoltaic power generation facilities at their factories. Likewise, Bertagni, Geovita, Garofalo and Ebro Frost Germany are using CHP in their energy mixes, while Ebro Frost Denmark, Herba Ricemills, Mundiriso and Ebro India are using biomass. In 2022, thanks to the purchase of certified green electricity, self-generation using PV power and the use of fuels made from renewable sources of energy, the Group forwent the emission of 9,346 MT of CO₂e.

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, in 2022, we finalised the plan for the reduction of those emissions by 20% in five years. Having defined the base year as 2019 and the key performance indicator as total MT of CO₂e/MT of products transported for sale, the progress has been very remarkable:

- ✚ 2020: reduction of 6.06%.
- ✚ 2021: reduction of 17.60%.
- ✚ 2022: carbon footprint measurement in progress.

In shipping, meanwhile, the firm EccoFreight handled approximately 17% of the ships used by the entire rice division, implying a boarded weight of 190,643 MT in total and GHG emissions of 46,235 MT of CO₂e. Thanks to the choice of more environmentally-efficient routes over alternative routes with higher carbon footprints, we forewent the emission of 21,675 MT of CO₂e, implying a decrease in our Scope 3 emissions with EccoFreight of 32%.

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 the effects of climate change.

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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 2022:

- Thailand: Sustainable Aromatic Rice Initiative - Thailand (SARI-T):

This initiative is carried out in partnership with Mars Food, GIZ and the Thai Rice Department with the aim of 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. Those farmers' standard of living improves as a result of using environmentally-friendly farming best practices. It also verifies the crop for SRP purposes. The project completed its fifth year producing rice in 2022 and is likely to continue going forward.

- Spain: "Oryzonte" programme

This programme is being carried out in the marshlands of the Guadalquivir River in Seville in partnership with Mars Food and Danone.

Started up in 2018, it aims to make rice-growing in the province of Seville, Spain's largest rice-growing region, more sustainable by focusing on three core aspects: water, greenhouse emissions and biodiversity.

- As for the GHG emissions aspect, the measurements taken at the test site are substantially lower than those reported in other Spanish regions, possibly due to the relatively high content of clay and sulphates in the soil in Seville. Elsewhere, the work done confirmed that the use 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 the Seville paddies. Indeed, the use of AWD techniques yielded a 60% reduction in GHG emissions and a noteworthy 63% reduction in methane emissions by comparison with traditional farming practices.

Likewise, the emissions measurements revealed that the elimination of the winter flooding practice reduces GHG emissions significantly by comparison with traditional practices which leave the rice fields flooded from harvesting until mid-January.

In all instances, other greenhouse gas (mainly nitrous oxide) emissions were not significant. Elsewhere, the impact of global warming is mitigated significantly by the use of AWD techniques and elimination of winter flooding.

In 2022, the AWD technique was implemented across 255 hectares and work continues with rice growers in the region to encourage the adoption of this practice in their estates. We are working with Sustain Cert. to be able to certify these results.

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- As for the water aspect of the programme, the project is working with the CSIC (Upper Council of Scientific Research) to develop a water and salt model to improve and monitor water usage practices. A core objective of that effort is to determine the trade-off between performance and salinity in the Seville paddies.
 - Biodiversity. The Group's ongoing biodiversity initiatives include the installation of perches and nests for bats and special-interest birds of prey, such as the common owl 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.
- India: programmes

Ebro India continued to work on a number of sustainable farming projects, some of which have been underway for several years, including EKTA, Organic Farming and Control Farming and, since 2021, a new project focused on water and emissions reduction.

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, in close collaboration with Indian farmers, is working 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.

The new project started up last year with the aim of reducing the use of water in rice-growing and the emissions generated is targeted at the same group of farmers as the Control Farming project. In 2022, over 500 farmers, with the equivalent of 3,000 hectares of rice plantations, applied the alternate wetting and drying (AWD) method, so reducing their water consumption and methane emissions. In parallel, biological pest control methods (spider bundles and pheromone traps) were used to reduce the use of pesticides. Another noteworthy aspect of the programme was the use of *Pseudomonas* by some farmers to inhibit pathogens, stimulate synthesis of growth hormones and render rice plants more resistant to illness, so reducing the volume of pesticides needed to fight off pests. All of these initiatives have been warmly welcomed by the participating farmers.

Elsewhere, the EKTA programme, underway since 2015, lends continuous support to more than 6,000 farmers throughout the entire rice growing process, from seed treatment to post-harvest work. EKTA organises schools in villages to teach good farming practices with a focus on water savings and the use of biological pest control methods. Experts come in to answer the farmers' specific questions.

Lastly, the Organic Farming programme is a joint platform made up of around 400 farmers who grow organic basmati rice certified under the Fair Trade standard.

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- Other programmes addressing sustainable raw material farming

A number of Group companies worked throughout the year to implement rice crop verification programmes aligned with the SAI Platform's Farm Sustainability Assessment (FSA) standard. Specifically, those companies - Mundiriso, Riviana Foods and Ebrosur - have implemented the FSA standard at producers in Italy, the US and Argentina, respectively.

In Italy, Garofalo embarked on a sustainable hard durum programme in 2022 with a view to rationalising the use of fertilisers, pesticides and water.

In Spain, Herba Ricemills pursued another important initiative on the climate change front. Specifically, it radically changed how it manages its waste, thanks to which in 2022, 99% of the waste generated was managed via recovery routes.

Unquestionably, stringent regulatory requirements in the short and medium term, as embodied by i) Law 7/2021 on Climate Change and Energy Transition in Spain; ii) the new Corporate Sustainability Reporting Directive (CSRD); and iii) the Commission's proposal for a Corporate Sustainability Due Diligence Directive (CSDDD) will provide impetus to the Group's efforts and targets around climate change between now and 2025, deepening analysis of the Group's physical and transition risks and driving the design of a plan aligned with the Paris Agreement to ensure that the Group's business model and strategy are compatible with the transition towards a sustainable economy.

To tackle those challenges 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.

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 recognise 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 itemised 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.

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25. NON-CURRENT ASSETS HELD FOR SALE AND PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS

The Group had no assets classified as held for sale or discontinued operations at December 31, 2022.

However, in the consolidated statement of profit or loss for the year ended December 31, 2021, the income and expenses of the businesses sold in 2021 (the dry pasta businesses in France, US and Canada; refer to the 2021 consolidated financial statements) were classified within 'Profit after tax from discontinued operations'.

The breakdown of the corresponding income and expenses:

Discontinued operations Thousands of euros	31/12/2022	31/12/2021		
	Panzani Pasta	TOTAL	ENA Pasta (a) Months	Panzani Pasta 12 months
- Revenue		504,992	54,628	450,364
- Change in inventories		5,674	0	5,674
- Own work capitalized		428	0	428
- Other operating income		1,382	494	888
	0	512,476	55,122	457,354
- Raw materials and consumables used and other expenses		(279,918)	(15,001)	(264,917)
- Employee benefits expense		(75,638)	(19,626)	(56,012)
- Depreciation and amortization		(22,636)	(3,697)	(18,939)
- External services		(94,063)	(14,068)	(79,995)
- Other operating expenses		(10,431)	(937)	(9,494)
	0	(482,686)	(53,329)	(429,357)
Operating profit	0	29,790	1,793	27,997
Finance income and costs		(1,453)	(53)	(1,400)
Profit before tax	0	28,337	1,740	26,597
Income tax		(7,048)	(430)	(6,618)
Profit after tax from discontinued operations	0	21,289	1,310	19,979
- Pre-tax loss on the sale of the businesses	(1,019)	112,023	51,349	60,674
- Income tax effect of the gains generated by the sales	102	(28,285)	(16,093)	(12,192)
Total profit after tax from discontinued operations	(917)	105,027	36,566	68,461

The 2022 balances related to the restatement of the gain from the sale of the Panzani business.

- (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 2022 and 2021 were as follows (in thousands of euros):

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- The fees corresponding to auditing services provided in 2022 amounted to 2,089 (2021: 2,188) thousand euros; those corresponding to other assurance services amounted to 92 thousand euros (2021: 83 thousand euros).
- The fees for other services totalled 254 thousand euros (2021: 265 thousand euros).

27. OTHER DISCLOSURES

Disclosures required under article 42 bis of Regulation 1065/2007 of July 27, 2017

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

Disclosures for Ebro Foods, S.A.:

COMPANY	A/C ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT 31 DEC. 2022 (€)	AVERAGE BALANCE 4Q22 (€)	% INTEREST	CURR.
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Rome	Italy	April-13	247,704.84	1,453,762.18	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	August-06	16,092.81	21,640.19	100%	USD
Ebro Riviana Guatemala SL	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	March-21	702,150.91	343,232.08	100%	GTQ
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	13,923.86	15,151.66	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	908.01	1,002.13	100%	USD
Mundiriz	Other	BMCEMAMCXXX	011735000012100060709.11	BMCE Bank	Larache	Morocco	2001	1,353,031.57	1,272,100.72	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	211,032.83	109,742.52	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	27.70	27.70	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	204,670.56	199,581.66	100%	EUR
	Other	CDMAMAMCXXX	021 735 000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	March-18	159,507.54	116,710.27	100%	MAD
	Other	CAIXAMAMCXXX	003 640 6400000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	September-21	6,407.58	6,412.51	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	011735000012100006819.79	BANK OF AFRICA	Larache	Morocco	2007	23,187.87	26,692.47	100%	MAD
	Other	CDMAMAMCXXX	021 735 000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	October-21	8,929.67	8,929.67	100%	MAD
	Other	CAIXAMAMCXXX	003 640 6400000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	September-21	-1,344,774.05	-1,345,715.52	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	011735000012100060728.51	BMCE Bank	Larache	Morocco	2002	1,761.57	172.50	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	February-17	70,015.72	70,921.52	100%	MAD

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 32.7 days in 2022 and 27.3 days in 2021. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

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2022		
Payments made (€000)		501,532.5
	<u>% of total</u>	
Payments made within deadline (€000)	97%	488,681
No. of invoices settled within deadline	96%	37,537
Average payment period	Days	32.7
Paid transactions ratio	Days	32.7
Outstanding transactions ratio	Days	39.7

2021		
Payments made (€000)		400,672.9
	<u>% of total</u>	
Payments made within deadline (€000)	98%	390,820
No. of invoices settled within deadline	94%	34,462
Average payment period	Days	27.3
Paid transactions ratio	Days	29.0
Outstanding transactions ratio	Days	13.8

28. EVENTS AFTER THE REPORTING PERIOD

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

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APPENDIX: DISCLOSURES REQUIRED UNDER ARTICLE 42 BIS OF REGULATION
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(extension of Note 27)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2022 (€)	AVERAGE BALANCE LAST QUARTER (€)	% INT.	CURR.
Herba Ricemills, S.L.U.	IBAN	CITIGB2L	GB42 CITI 1850 0811 2932 65	CITIBANK NA	London	UK	12/05/2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB20 CITI 1850 0811 2932 73	CITIBANK NA	London	UK	12/05/2006	0.00	0.00	100%	USD
Herba Foods	IBAN	CITIGB2L	GB26 CITI 1850 0811 2301 15	CITIBANK NA	London	UK	18/05/2006	-7,556,793.55	-3,824,317.09	100%	GBP
	IBAN	CITIGB2L	GB04 CITI 1850 0811 2301 23	CITIBANK NA	London	UK	18/05/2006	9,121,133.91	5,396,872.10	100%	USD
Agromeruan	IBAN	CITIGB2L	GB48 CITI 1850 0811 2301 07	CITIBANK NA	London	UK	18/05/2006	-1,241,825.66	496,699.47	100%	EUR
	IBAN	BMCEMAMC	01173500001210006819.79	BMCE	Larache	Morocco	06/2005	23,187.87	26,692.47	100%	MAD
	IBAN	CDMAMAMC	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	01/10/2021	8,929.67	8,929.67	100%	MAD
Anglo Australian Rice LTD	IBAN	CAIXAMAMC	003 640 6400000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	01/09/2021	-1,344,774.05	-1,345,715.52	100%	MAD
	IBAN	BARCB22	GB93BARC20510130115193	BARCLAYS BANK	Liverpool	UK	01/11/1986	14,420.00	14,420.00	100%	GBP
Arrozearas Mundiarroz, S.A.	IBAN	BARCB22	GB54BARC20510159121999	BARCLAYS BANK	Liverpool	UK	01/08/2001	0.00	0.00	100%	EUR
	IBAN	CITIPXPX	PT50016900010003181600936	CITIBANK Internacional, plc	Lisbon	Portugal	24/07/2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500811257226	CITIBANK NA	London	UK	26/07/2006	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB40CITI18500811247905	CITIBANK NA	London	UK	26/07/2006	0.00	0.00	100%	EUR
	IBAN	BESCP2PL	PT50000702450011754000839	NovoBanco	Coruche	Portugal	14/02/1994	20,909.01	136,091.80	100%	EUR
Bertolini, GMBH	IBAN	BESCP2PL	PT50000702450011754110158	NovoBanco	Coruche	Portugal	15/12/1997	0.00	0.00	100%	USD
	IBAN	BBVAPTPL	PT5000190000020004690004	BBVA	Lisbon	Portugal	18/02/1992	846.66	960.69	100%	EUR
	IBAN	BBVAPTPL	PT5000190000024000185188	BBVA	Lisbon	Portugal	08/02/1994	0.00	0.00	100%	USD
	IBAN	COBADEFF	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	01/01/2013	45,210.30	157,538.22	100%	EUR
Boost Nutrition, N.V.	IBAN	CITIBEXX	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
Ebro Foods GmbH	IBAN	GKCCBE88	BE73552273580060	Belfius Bank	Antwerp	Belgium	02/05/1996	904,917.99	382,991.12	100%	EUR
	IBAN	GKCCBE88	BE73552273580060 USD	Belfius Bank	Antwerp	Belgium	02/05/1996	0.00	0.00	100%	USD
Ebro Rice Handling, BVBA (formerly, Danrice)	IBAN	COBADEFF	DE05200400000623709300	Commerzbank	Hamburg	Germany	01/07/2011	14,873.83	28,920.39	100%	EUR
EF Alimentación, SRL de CV	IBAN	CITIBEXX	BE75570130425551	CITIBANK NA	Brussels	Belgium	14/04/2008	0.00	0.00	100%	EUR
	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	07/08/2011	13,923.86	15,151.66	100%	MXP
Ebrofrost Denmark A/S (formerly, Danrice)	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	07/08/2011	908.01	1,002.13	100%	USD
	IBAN	CITIGB2L	GB79CITI18500811230034	CITIBANK NA	London	UK	26/07/2006	-3,010,078.47	-3,000,000.00	100%	EUR
	IBAN	CITIGB2L	GB79CITI185008113428915	CITIBANK NA	London	UK	23/04/2013	45,430.81	41,000.00	100%	USD
Ebrofrost Germany, GmbH	IBAN	JYBADKXX	DK5650600001063204	Jyske Bank A/S	Odense	Denmark	01/01/2014	316,039.92	-2,500,000.00	100%	DKK
	IBAN	JYBADKXX	DK3450600001063212	Jyske Bank A/S	Odense	Denmark	01/01/2014	155,963.90	750,000.00	100%	EUR
Ebrofrost Holding GmbH	IBAN	BYLADEM1GZK	DE83720518400000161315	Sparkasse Günzburg/Krumbach	Günzburg	Germany	01/06/2023	1,510,266.58	1,795,607.22	100%	EUR
Ebrofrost UK Limited	IBAN	BYLADEM1GZK	DE49720518400040319345	Sparkasse Günzburg/Krumbach	Günzburg	Germany	01/06/2013	1,239,128.32	1,428,067.24	100%	EUR
	IBAN	BYLADEM1GZK	DE27720518400040428187	Sparkasse Günzburg/Krumbach	Günzburg	Germany	16/10/2015	287,094.20	332,429.38	100%	EUR
Ebro Foods Nederl. Brands, B.V.	IBAN	CITINL2X	NL37CITI0266064566	Citibank	Amsterdam	Netherlands	18/01/2012	-7,071.45	-4,966.00	100%	EUR
	IBAN	CITIGB2L	GB83CITI18500814059840	Citibank	London	UK	31/12/2014	0.00	0.00	100%	USD
Ebro India Private Limited	IBAN	RABONL2U	NL25RABO0310990335	Rabobank	Utrecht	Netherlands	11/07/2016	816.57	435.65	100%	USD
	IBAN	HDFCINBB	50200001041939	HDFC Bank Ltd	TARAORI	India	24/05/2013	381,895.63	1,280,236.40	100%	INR
	IBAN	CITINBXX	521059001	Citibank	New Delhi	India	18/09/2013	27,302.07	85,136.08	100%	INR
	IBAN	BOFAOND6216	24871013	Bank of America	New Delhi	India	24/08/2014	150,729.70	4,329,585.97	100%	INR
	IBAN	BOFAOND6216	Loan	Bank of America	New Delhi	India	24/08/2014	19,831.82	0.00	100%	INR
	IBAN	BNPAINBBDEL	0906511493200162	BNP PARIBAS	New Delhi	India	28/10/2015	0.00	0.00	100%	INR
	IBAN	BNPAINBBDEL	refer PCFC Loan Sheet	BNP PARIBAS	New Delhi	India	28/10/2015	0.00	0.00	100%	INR
	IBAN	INDBO00073	259996544504	Indusind Bank	Karnal	India	14/03/2017	307.58	922.80	100%	INR
	IBAN	UCBA0002323	23230210001110	UCO Bank	Karnal	India	06/05/2017	202.66	631.97	100%	INR
	IBAN	HSBC0110005	054708284001	HSBC	New Delhi	India	20/11/2018	4,021,188.43	5,126,210.52	100%	INR
	Other	HSBC0110005	Loan	HSBC	New Delhi	India	20/11/2018	41.00	0.00	100%	INR
	Other	CRLYO000002	02006017100000	Credit Agricole	New Delhi	India	21/12/2019	18,511.08	86,191.33	100%	INR
	Other	CHASINBX02	5622411725	JP Morgan	New Delhi	India	26/06/2020	804,107.14	1,350,851.80	100%	INR
	Other	CRLYO000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/01/2020	2,801.47	0.00	100%	INR
	Other	CRLYO000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/11/2020	93,701.06	0.00	100%	INR
	Other	CHASINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	23/07/2020	76,671.18	0.00	100%	INR
	Other	CHASINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	29/07/2020	10,791.39	0.00	100%	INR
	Other	CHASINBX02	Refer WCDC Sheet	JP Morgan	New Delhi	India	26/11/2020	0.00	0.00	100%	INR
	Other	BNPA0009065	Refer WCDC Sheet	BNP PARIBAS	New Delhi	India	28/10/2015	0.00	0.00	100%	INR
	Other	BOFAOND6216	Refer WCDC Sheet	Bank of America	New Delhi	India	28/08/2014	0.00	0.00	100%	INR
	Other	CHASINBX02	Refer WCDC Sheet	JP Morgan	New Delhi	India	26/11/2020	0.00	0.00	100%	INR
	Other	BOFAOND6216	refer PCFC Loan Sheet	Bank of America	New Delhi	India	24/08/2014	140,996.19	0.00	100%	INR
	Other	HSBC0110005	refer PCFC Loan Sheet	HSBC	New Delhi	India	20/11/2018	44,232.23	0.00	100%	INR
Other	HSBC0110005	refer PCFC Loan Sheet	HSBC	New Delhi	India	20/11/2018	6,927.99	0.00	100%	INR	
Other	CRLYO000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/11/2020	32,082.08	0.00	100%	INR	
Other	CHASINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	29/07/2020	10,140.61	0.00	100%	INR	

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COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2022 (€)	AVERAGE BALANCE LAST QUARTER (€)	% INT.	CURR.
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	COBADEHXXX	DE0420040000621702000	Commerzbank AG	Hamburg	Germany	2000	-5,878.80	13,351.22	100%	EUR
	IBAN	CITIDFFXXX	DE83502109000214587009	Citigroup	Frankfurt	Germany	01/02/2007	0.00	0.00	100%	EUR
Euro Rice Flour, B.V.	IBAN	ABNANL2A	NL15ABNA0240369394	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	102,513.02	16,297.76	100%	EUR
Fentus 61 GmbH	IBAN	COBADEHXXX	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	4,196.48		100%	GBP
Gourmet Foods and Bever. Ltd.	Other	400106	02602865	HSBC	UK	UK	11/02/2015			100%	GBP
Herba Bangkok, S.L.	Other	CITITHBX	5-126385-015	CITIBANK NA	Bangkok	Thailand	11/06/2008	2,630,427.47	55,996,328.60	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	3,949,339.64	2,563,655.78	100%	USD
	Other	CITITHBX	N/A	CITIBANK NA	Bangkok	Thailand	11/06/2008	77,000,000.00	25,666,666.67	100%	THB
	Other	BNPATHBK	00010 000632 040 83	BNP Paribas Bank	Bangkok	Thailand	02/10/2006	7,784,564.66	42,753,689.12	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	545,221.86	110,389,454.28	100%	THB
	Other	BOFATH2X	33243 025 USD	Bank of America	Bangkok	Thailand	03/08/2016	5,802,766.16	3,218,057.49	100%	USD
	Other	BOFATH2X	N/A	Bank of America	Bangkok	Thailand	03/08/2016	180,200,000.00	60,066,666.67	100%	THB
	Other	KRTHTHBK	092-0-03203-6	Krungthai Bank PCL	MEA Ploenchit	Thailand	25/08/2006	2,533,797.50	2,319,736.54	100%	THB
	Herba Cambodia Co, Ltd	Other	ABAAKHPP	000206556	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	11/07/2016	68,288.70	51,333.61	100%
Other		ABAAKHPP	373587	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	02/02/2018	2,340,586.06	2,346,085.11	100%	KMR
Herba Germany GMBH	IBAN	COBADEHXXX	DE96 2004 0000 0622 0057 00	Commerzbank AG	Hamburg	Germany	2005	-17.85	-17.16	100%	EUR
	IBAN	CITIDFFXXX	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	1,606,788.55	222,519.48	100%	EUR
Herba Ingredients Belgium C, BV	IBAN	KREDBEBB	BE11 7380 1830 6548	KBC Bank NV	Brussels	Belgium	30/06/2006	14,413.62	32,508.39	100%	EUR
Herba Ingredients Belgium F, BV	IBAN	KREDBEBB	BE55736064832844	KBC Bank NV	Brussels	Belgium	02/12/2019	278,709.24	71,296.10	100%	EUR
Herba Ingredients, B.V.	IBAN	CITINL2X	NL08CITI026059171	CITIBANK NA	Amsterdam	Netherlands	10/01/2013	0.00	-297,460.44	100%	EUR
	IBAN	CITIBG2L	GB84CITI18500813594416	CITIBANK NA	London	UK	10/01/2013	0.00	-20,045.39	100%	USD
	IBAN	CITIBG2L	GB82CITI18500810232335	CITIBANK NA	London	UK	13/12/2018	0.00	0.00	100%	GBP
	IBAN	KREDBEBB	BE19731041645812	KBC Bank NV	Brussels	Belgium	22/01/2016	14,112.07	16,227.84	100%	EUR
	IBAN	KREDBEBB	BE05676528001375	Degroef Petercam	Brussels	Belgium	11/05/2021	0.00	0.00	100%	EUR
	IBAN	DEGRBEBB	BE56 7380 0432 3188	KBC Bank NV	Brussels	Belgium	19/10/2001	39,928.95	56,490.09	100%	EUR
Herba Ingredients Netherl., BV	IBAN	CITINL2X	NL45CITI026065295	Citibank	Amsterdam	Netherlands	14/02/2012	0.00	0.00	100%	EUR
Indo European Foods Limited	Other	203909	44044299	Barclays Bank	Leicestershire	UK	12/08/2021	0.00	0.00	100%	EUR
Indo European Foods Limited	IBAN	203909	GB42BARC20390965944844	Barclays Bank	Leicestershire	UK	31/05/2019	235,422.82	0.00	100%	EUR
Indo European Foods Limited	IBAN	203909	GB19BARC20390943390527	Barclays Bank	Leicestershire	UK	22/02/2017	579,736.11		100%	GBP
Indo European Foods Limited	Other	203909	60710946	Barclays Bank	Leicestershire	UK	20/08/2019	167,380.80	0.00	100%	GBP
Indo European Foods Limited	Other	203909	80119482	Barclays Bank	Leicestershire	UK	12/08/2021	1,344,646.94		100%	GBP
Indo European Foods Limited	Other	203909	43804211	Barclays Bank	Leicestershire	UK	20/08/2019	1,898.65	0.00	100%	USD
Indo European Foods Limited	IBAN	203909	GB94BARC20390988126644	Barclays Bank	Leicestershire	UK	31/05/2019	149,917.15	0.00	100%	USD
International Pulse Ingredients Company, BV	IBAN	ABNANL2A	NL37ABNA0240369386	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	25,597.86	7,266.80	100%	EUR
Joseph Heap Property	IBAN	BARCGB22	GB52BARC20510170619930	BARCLAYS BANK	Liverpool	UK	01/02/2004	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB41BARC20510170416428	BARCLAYS BANK	Liverpool	UK	01/11/1986	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB70BARC20510187433877	BARCLAYS BANK	Liverpool	UK	01/05/2000	0.00	0.00	100%	EUR
Katania Magrheb, SARL	IBAN	BMCEMAMC	011 73500001210001356226	BMCE Bank	Larache	Morocco	10/02/2017	70,015.72	70,921.52	100%	MAD
	CBU	SCBLUS33XXX	000 - 000336637	Banco Santander Rio SA	Buenos Aires	Argentina	23/07/2013	4,650.69	3,567.51	100%	ARG
	CBU	BSCHARBA	000-00035161/0	Banco Santander Rio SA	Buenos Aires	Argentina	20/01/2017	65.05	87.20	100%	ARG
	CBU	BSCHARBA	000-036430/6	Banco Santander Rio SA	Buenos Aires	Argentina	03/5/2018	0.00	0.00	100%	USD
	CBU	BSCHARBA	000-036429/0	Banco Santander Rio SA	Buenos Aires	Argentina	03/05/2018	0.00	0.00	100%	USD
	CBU	BERAARBAXXX	42006614643	Nuevo Banco de Entre Rios	Entre Rios	Argentina	22/5/2002	6,640.94	7,415.75	100%	ARG
	CBU	BFRPARBAXXX	068-000848/6	BBVA Banco Francés S.A.	Buenos Aires	Argentina	24/10/2018	1,609.09	1,733.95	100%	USD
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S.A.	Buenos Aires	Argentina	24/10/2018	289,211.22	159,400.94	100%	ARG
	CBU	BFRPARBAXXX	068/314545/6	BBVA Banco Francés S.A.	Buenos Aires	Argentina	24/10/2018	0.99	1.13	100%	ARG
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S.A.	Buenos Aires	Argentina	24/10/2018	0.00	0.00	100%	EUR
La Loma Alimentos, S.A.	IBAN	BBVAESMM	ES3801826204582012463035	BANCO FRANCES - Spanish A/C	Seville (SUC 6204)	Spain	13/11/2019	151,166.44	445,840.07	100%	USD
	IBAN	BBVAESMM	ES2801826204520201545968	BANCO FRANCES - Spanish A/C	Seville (SUC 6204)	Spain	18/11/2019	0.00	0.00	100%	EUR
	Securities deposit	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	25,450.47	23,120.48	100%	ARG
	CBU	BFRPARBAXXX	068/000003/6	BBVA Banco Francés S.A.	Buenos Aires	Argentina	24/10/2018	0.00	0.00	100%	EUR
	PRE-FINANCING	BBVAESMM	ES3801826204582012463035	BBVA Spain	Spain	Spain	13/11/2019	-6,532,405.18	-6,409,082.91	100%	USD

EBRO FOODS GROUP
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
2022
(THOUSANDS OF EUROS)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2022 (€)	AVERAGE BALANCE LAST QUARTER (€)	% INT.	CURR.
Mediterranean Food Labels, BV	IBAN	CITINL2X	NL59CITI0266064558	Citibank	Amsterdam	Netherlands	17/01/2012	0.00	0.00	100%	EUR
	IBAN	CITITMXX	IT12D035660160000122474011	CITIBANK NA	Milan	Italy	27/06/2006	0.00	0.00	100%	EUR
Mundi Riso, S.R.L.	IBAN	CITIGB2L	GB22CITI18500811252750	CITIBANK NA	London	UK	14/06/2006	0.00	0.00	100%	USD
	IBAN	BAPFIT21I87	IT32Q050341000000000005783	BANCA POPOLAE DI NOVARA	Vercelli	Italy	27/03/1996	239,408.28	136,081.32	100%	EUR
Mundi Riz, S.A.	IBAN	BAPFIT21I87	IT76U0503410000USD100003375	BANCO BPM S.P.A.	Vercelli	Italy	26/01/2017	62.58	74.67	100%	USD
	IBAN	BMCEMAMC	0117350000012100060709.11	BMCE	Larache	Morocco	01/06/2005	1,353,031.57	1,272,100.72	100%	MAD
	IBAN	CAIXAMAMC	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	01/09/2021	6,407.58	6,412.51	100%	MAD
	IBAN	BMCEMAMC	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	June-05	211,032.83	109,742.52	100%	MAD
	IBAN	BMCEMAMC	011 735 0000 01 66600 60709 27	BMCE	Larache	Morocco	July-05	27.70	27.70	100%	MAD
	IBAN	BMCEMAMC	011 735 000 501 66500 12519 30	BMCE	Larache	Morocco	July-05	204,670.56	199,581.66	100%	EUR
	IBAN	CDMAMAMC	021 735 0000 080 030 167465 07	CDM	Larache	Morocco	01/03/2018	159,507.54	116,710.27	100%	MAD
Neofarms Bio, S.A.	CBU	BFRPARBAXX	017006882600000084796	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	26.54	26.54	60%	USD
	CBU	BFRPARBAXX	0170068820000031454182	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	120,791.74	161,358.96	60%	ARG
	CBU	BFRPARBAXX	0170068820000031454250	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	2.11	2.42	60%	ARG
	CBU	BFRPARBAXX	017006882100000000296	BBVA Banco Francés S.A.	Concordia	Argentina	14/01/2019	1,321.30	1,369.84	60%	EUR
	CBU	BFRPARBAXX	0170068820000031454182	BBVA Banco Francés S. A. - Valores a depositar	Concordia	Argentina	24 Oct. 2018	3,469.79	2,696.46	60%	ARG
	IBAN	BBVAESMM	ES5701826204542012468030	BANCO FRANCES - Spanish A/C	Seville (SUC 6204)	Spain	24/03/2020	45,097.74	495,689.59	60%	USD
	PRE-FINANCING	BBVAESMM	ES5701826204542012468030	BBVA Banco Francés S.A.	Concordia	Argentina	24/03/2020	-9,111,416.58	-9,376,393.10	60%	USD
	IBAN	GKCCBE8B	BE49552273940071	Belfius Bank	Antwerp	Belgium	02/05/1996	1,267,910.48	1,203,767.46	100%	EUR
	IBAN	GKCCBE8B	BE12055950094292	Belfius Bank	Antwerp	Belgium	02/05/1996	0.00	0.00	100%	EUR
	Reiskontor Handels, GMBH	IBAN	COBADEFFXX	DE70200400000621701200	Commerzbank AG	Hamburg	Germany	2001	24,669.30	24,046.02	100%
Rice&Cereals Consultancy, BV	IBAN	KREDEBEB	BE28 7381 0728 1820	KBC	Sint Kruis	Belgium		70 014.49	58,625.77	100%	EUR
Riceland Magyarorszag	IBAN	CITIHUHX	HU96 10800007 54873009	Citibank	Budapest	Hungary	13/04/2006	127,970.10	175,041.80	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	0117350000012100060728.51	BMCE Bank	Larache	Morocco	01/06/2005	1,761.57	172.50	100%	MAD
SBS Commodities, BV	IBAN	ABNANL2A	NL34ABNA0240369440	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	29,756.07	6,071.08	100%	EUR
Suntra Rice BV	IBAN	ABNANL2A	NL56ABNA0240369432	ABN AMRO Bank NV	Amsterdam	The Netherlands	11/03/2010	29,647.65	6,299.77	100%	EUR
S&B Herba Foods, Ltd.	IBAN	CITIGB2L	GB04CITI18500811230026	CITIBANK NA	London	UK	06/02/2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB06CITI18500811229990	CITIBANK NA	London	UK	06/06/2012	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB18CITI18500811247913	CITIBANK NA	London	UK	06/02/2006	0.00	0.00	100%	USD
	IBAN	BARCB22	GB66BARC20000021018044	BARCLAYS BANK	London	UK	01/04/1992	9,459.00	11,244.00	100%	GBP
	IBAN	BARCB22	GB42BARC20000085332255	BARCLAYS BANK	London	UK	01/10/1998	0.00	0.00	100%	EUR
	IBAN	BARCB22	GB85BARC20000055842899	BARCLAYS BANK	London	UK	01/12/1992	0.00	0.00	100%	USD
	IBAN	BARCB22	GB19BARC20000086447199	BARCLAYS BANK	London	UK	01/04/1992	0.00	0.00	100%	USD
TAG Nahrungsmittel, GMBH	IBAN	COBADEFFXX	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	Netherlands	11/03/2010	1,573.61	1,599.85	100%	EUR
	IBAN	ABNANL2A	NL59ABNA0240369378	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	3,694.16	3,783.71	100%	EUR
	IBAN	ABNANL2A	NL11ABNA0242125360	ABN AMRO Bank NV	Amsterdam	Netherlands	01/04/2011	5,749.84	5,749.84	100%	USD
	IBAN	CITINL2X	NL62CITI0266064698	CITIBANK NA	Amsterdam	Netherlands	21/02/2012	0.00	-18,282.06	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500813090817	CITIBANK NA	London	UK	21/02/2012	0.00	0.00	100%	USD
Transimpex Warenhandels-gesell-Schaft, GmbH	IBAN	COBADEFFXX	DE70 5454 0033 0703 0075 00	Commerzbank AG	Ludwigshafen	Germany	01/10/2017	2,616,907.19	2,284,514.46	100%	EUR
	IBAN	SOLDAE51HDB	DE47 6725 0020 0009 1217 22	Sparkasse	Heidelberg	Germany	01/07/2008	1,259,118.88	558,931.32	100%	EUR
	IBAN	COBADEFF545	DE14 5454 0033 0209 9901 00	Commerzbank AG	Ludwigshafen	Germany	01/03/2006	310,610.44	196,291.22	100%	EUR
	IBAN	GENODE61MA2	DE11 6709 0000 0015 1800 05	VR Bank Rhein-Neckar eG	Mannheim	Germany	01/03/1996	33,180.92	34,999.65	100%	EUR
	IBAN	HYVEDEMM489	DE40 6702 0190 0007 0683 28	Hypo Vereinsbank	Mannheim	Germany	01/06/1999	1,239,850.90	1,190,433.47	100%	EUR
	IBAN	HYVEDEMMXXX	DE03 7002 0270 0874 3304 42	Hypo Vereinsbank	Mannheim	Germany	01/10/1999	752,216.94	392,065.26	100%	USD
	IBAN	HYVEDEMM489	DE90 6702 0190 0030215605	Hypo Vereinsbank	Mannheim	Germany	01/04/2021	2,906.51	2,906.51	100%	GBP
Vogan, LTD	IBAN	BARCB22	GB23BARC20748190929786	BARCLAYS BANK	Sandy	UK	01/06/1987	0.00	0.00	100%	GBP
	IBAN	BARCB22	GB87BARC20748172495433	BARCLAYS BANK	St Neots	UK	01/01/2001	0.00	0.00	100%	EUR
Lassie Ingredients, B.V.	IBAN	CITINL2X	NL45CITI0266065295	Citibank	Amsterdam	Netherlands	14/02/2012	0.00	0.00	100%	EUR
Herba Egypt Ricemills, LTD	IBAN	CITIEGXC	EG24004300020000000101445127	CITIBANK	Cairo	Egypt	02/10/2012	18,494.94	20,939.02	0%	EGP
	IBAN	CITIEGXC	EG46004300020000000101445119	CITIBANK	Cairo	Egypt	02/10/2012	0.00	0.00	0%	EUR
	IBAN	CITIEGXC	EG74004300020000000101445003	CITIBANK	Cairo	Egypt	02/10/2012	0.00	0.00	0%	USD

EBRO FOODS, S.A. GROUP

2022 MANAGEMENT REPORT (figures in thousands of euros)

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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 more than 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 Food 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.

EBRO FOODS, S.A. GROUP

2022 MANAGEMENT REPORT (figures in thousands of euros)

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-eaten 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. and Neofarms Bio, S.A. in Argentina, acquisitions designed to reduce seasonality in the procurement of certain varieties and generate a significant source of organic rice.

Premium 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).

The raw materials are purchased 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 81 brands which it sells in 61 countries. It has a manufacturing and sales presence in 16 of those markets. In the remaining 45 it has a sales presence only. Its manufacturing operations encompass a total of 78 facilities, including factories, offices and warehouses.

EBRO FOODS, S.A. GROUP

2022 MANAGEMENT REPORT (figures in thousands of euros)

List of countries with a sales and manufacturing presence

Germany	Argentina
Belgium	France
Cambodia	Netherlands
Canada	India
Denmark	Italy
Spain	Morocco
US	Portugal
Thailand	UK

List of countries with a sales presence only

Angola	Costa Rica	Ireland	Lithuania	South Africa
Saudi Arabia	Curacao	Iceland	Mozambique	Sweden
Algeria	Egypt	US Virgin Islands	Oman	Switzerland
Austria	United Arab Emirates	Israel	Panama	Tunisia
Bahamas	Estonia	Jamaica	Peru	Yemen
Bahrain	Finland	Japan	Puerto Rico	
Bermuda	Ghana	Jordan	Qatar	
Brazil	Greece	Kuwait	Czech Republic	
Chile	Haiti	Lebanon	Romania	
Colombia	Hungary	Libya	Saint Martin	

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 sees 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.

2022 MANAGEMENT REPORT (figures in thousands of euros)

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 legal, 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 tenets 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. Searching for organic and M&A-led growth in markets with high consumption levels and/or high growth potential.

2022 MANAGEMENT REPORT (figures in thousands of euros)

- Identifying and developing new markets and product categories with a strategic focus on new fresh products and new and more value-added ingredient ranges.
 - Developing products that offer a fuller culinary experience by adding new formats, flavours and meal solutions.
 - Leading in mature markets by focusing strategically on product quality-based differentiation. Expanding and spearheading the premium category by leveraging the huge potential implicit in our flagship brands.
 - Expanding our geographic footprint and rounding out of the product/country matrix:
 - Searching 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).
 - Expanding its 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) 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:

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- **People.** Development of plans and measures that improve our professionals' well-being 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 well-being.** 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

2022 was a particularly turbulent year. The Russian Federation's invasion of Ukraine on February 24, unleashed a succession of waves of inflation which engulfed the prices of multiple commodities, including energy products. That supply shock came on the heels of recovery from the COVID-19 pandemic, which had already tightened several commodity markets and transportation. The result was double-digit inflation in many developed economies.

Global growth in 2022 is estimated at 2.9%, with the US growing by 1.9% compared to 5.9% in 2021 and the European Union registering growth of 3.3%, down from 5.3% in 2021. The economic slowdown was ushered in by the rollback of expansionary monetary policies as the authorities moved to mop up liquidity and increase the cost of money, eroding consumer confidence.

The pace of rate tightening across the main economies varied depending on the central banks' room for manoeuvre in tackling inflation. In the US, strong employment figures and a lower dependence on imported energy enabled more restrictive monetary policy, while the European Central Bank reacted to international events as they unfolded.

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Growth is expected to hit its lowest level in three decades in 2023, with only the 2009 (financial crisis) and 2020 (pandemic) levels lower. Nevertheless, the most recent growth, inflation, employment and housing sales reports provide some grounds for optimism with most of the world's economies now expected to side step a technical recession.

Consumer trends

From the consumption standpoint, the pandemic can be considered a thing of the past. Some of the consumer trends that came along with the pandemic are here to stay but the pace of change is slowing and moving back to the level seen before 2020.

Growth in e-commerce is easing and neighbourhood supermarkets have come to dominate bricks-and-mortar retailing. Inflation and signs of crisis have given the hard discounters a bigger share of the retail pie, marked by a growing number of sales outlets.

Elsewhere, hospitality consumption has fully recovered. Despite rampant inflation, it seems as if post-pandemic habits are enduring, with the need to socialise winning out over the need to tighten budgets.

The general trends pivot around:

Personalisation of the consumer experience, sustainability, health, pleasure and price

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. Inflation is only driving the private-label brands' share higher.

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 different aspirations and needs (exercise and health) from those traditionally associated with this age group.

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- 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.).

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.

The technological revolution, coupled with the fact that the digital natives are now a target audience, has radically changed how brands are communicated. From the message to the medium. The emergence of influencers as a channel and of recommendations as a strategy have also changed how brands are managed. Advertising budgets are moving online, which 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.

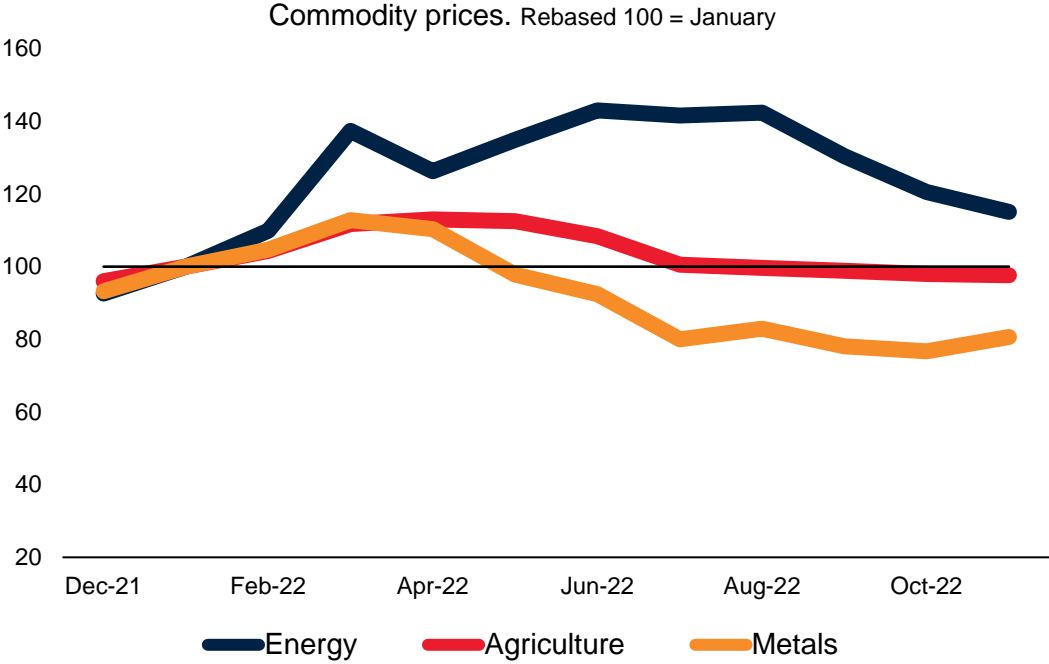
Lastly, the commitment to end-to-end sustainability is fundamental: Convenience + Health + Sustainability are the drivers of innovation.

Commodity markets and transportation

The upward trend in the prices of the Group's key raw materials observed at the end of 2021 continued throughout the first half of 2022. Weak global demand as a result of softer growth and fresh Covid restrictions in China (affecting demand in the world's largest commodity consumer) kept a lid on prices during the second half of the year.

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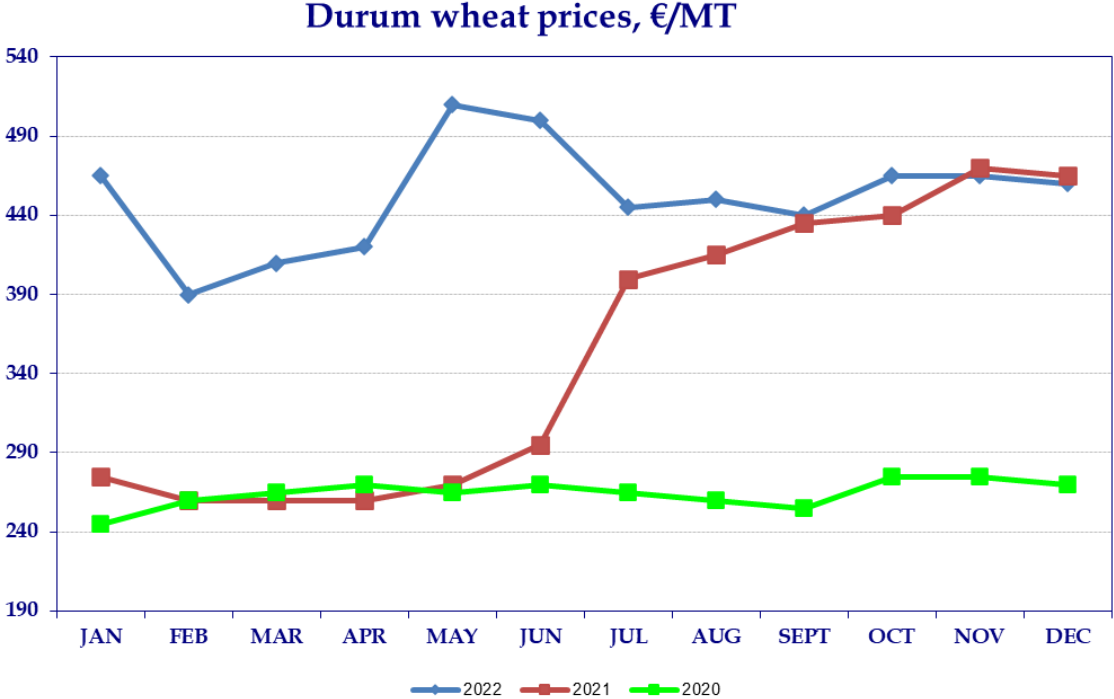
Source: World Bank

Fuelled by instability and restrictions on Russian exports, Brent oil prices surged to US\$ 129/barrel in June, then dipping to end the year at US\$ 80 (fairly flat year-on-year). Gas prices in the European Union likewise reached record levels during the summer before gradually easing throughout the rest of the year.

As for agricultural commodities, prices continued to rise during the first half of the year, with tension increasing further in the wake of the conflict in Ukraine. After the summer, the trend changed as common wheat and oil seed prices eased (thanks to an agreement to allow exports from Ukraine), the shipping panorama improved and harvests came in stronger than expected.

After extraordinary price increases in 2021, durum wheat prices were expected to come down in 2022 due to the prospect of more abundant harvests. The onset of war tightened prices for durum wheat, however, out of fear that the war and blockade of the Black Sea ports would hit the region’s common wheat output. The market has been stable since the summer, with prices above the average of recent years. The 2022/23 harvest in the US and Canada is looking good, offsetting the weak outlook for the rest of producers. However, total output is still expected to come in below the trailing five-year average, with carryover stocks well below historical averages.

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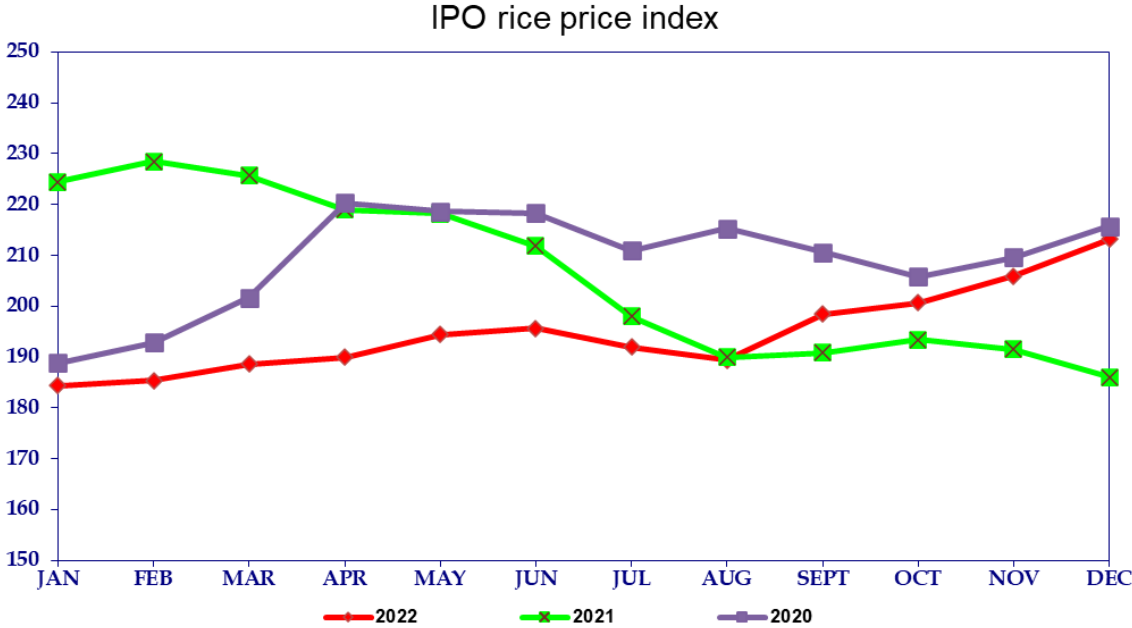
Source: Terre.net and Ebro data

The 2021/22 rice harvest was again strong. According to data published by the Food and Agriculture Organisation (FAO), production was an estimated 526 million tonnes of white rice equivalent, above the previous harvest. The outlook is for a slightly smaller 2022/23 harvest of around 512 million tonnes, virtually identical to that of 2020/21.

It is worth highlighting two factors of particular importance to the Ebro Group: (i) the reduced size of the rice harvest in the US in the last two years; and (ii) the ongoing reduction in the size of the sown area in Spain due to the lack of water for irrigation.

The chart below depicts the trend in the IPO international farmgate rice price index for the last three years, showing an average for the most popular varieties of this grain.

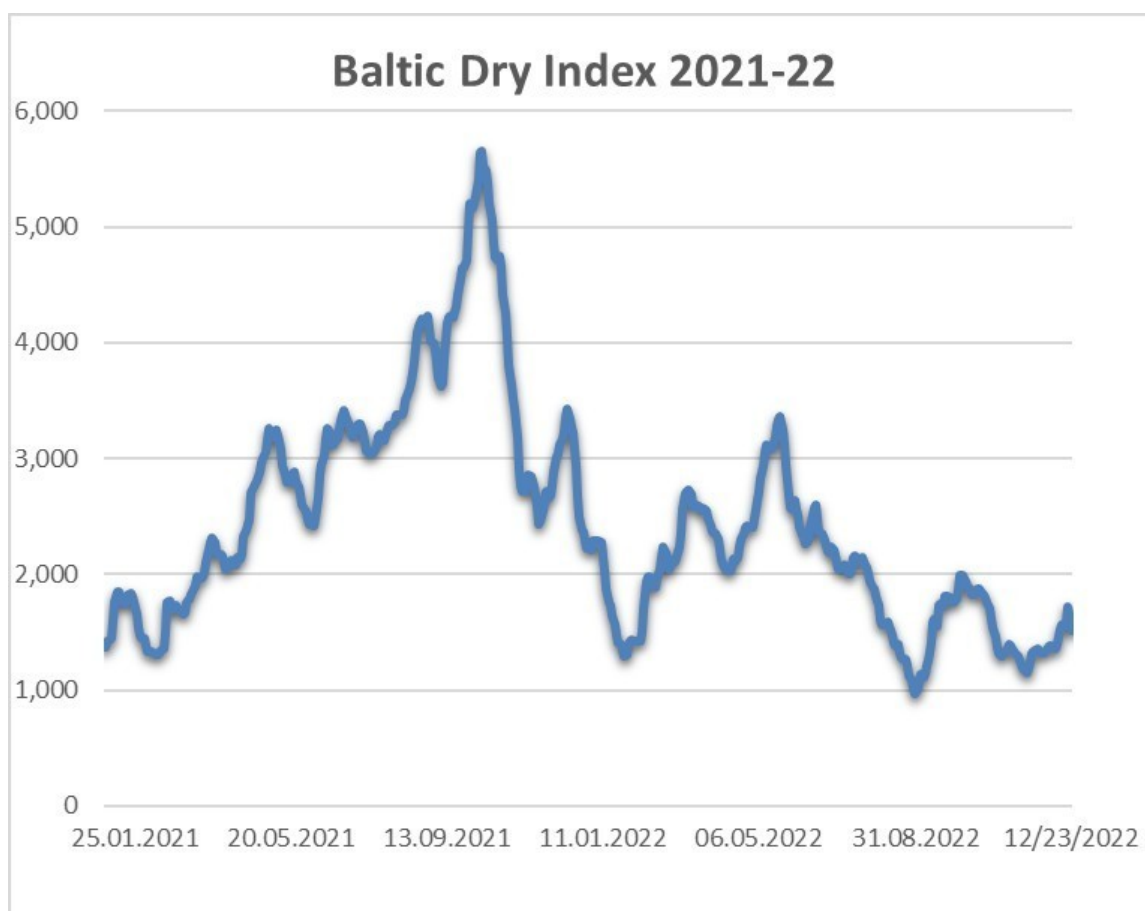
2022 MANAGEMENT REPORT (figures in thousands of euros)



Source: Infoarroz

The price stability observed at the start of the year gradually gave way to a run-up in farmgate prices shaped by: (i) the flooding in Pakistan; (ii) protectionist measures introduced in several producing countries to contain prices in the midst of the inflationary spiral; (iii) the surge in oil and oil derivative prices; and (iv) the prospect of a smaller harvest.

Lastly, shipping prices, which have a significant impact on the cost of rice sourced in Southeast Asia, eased. Despite the peaks caused by the geopolitical uncertainty and the death throes of the pandemic, both supply and prices have improved, as shown in the following index tracking shipping prices during the last two years. Nevertheless, average prices remained clearly above those of previous years.



Source: Baltic Dry Index

The pandemic and the war in Ukraine

As outlined in the section addressing the economic environment, the global economy continues to recover from the pandemic. After successive waves and variants between March 2020 and well into 2022, it is safe to say that by the end of 2022 things were virtually back to the way they were before it all started.

The war in Ukraine, following military invasion by the Russian Federation on February 24, 2022, has created significant global uncertainty. The international community reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The difficulty in predicting how the conflict will end 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 could have on the Group's businesses. The situation is affecting the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), energy prices and exchange rates. All of which has unleashed a bout of high inflation in nearly every country in Europe and the Americas, prompting the modification of monetary and fiscal policies in those countries. However, it is hard to estimate how these variables will evolve in the coming months.

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It is worth pointing out that the Ebro Group has proven particularly resilient in the face of such dramatic events. Thanks to the characteristics of the products it makes and sells and its geographic footprint, neither the value of its assets nor its ability to generate free cash flow have suffered a material impact beyond the effects of the general economic situation.

Group earnings performance

The Group's key financial indicators are presented below:

PROFIT AND LOSS	2020	2021	2021/2020	2022	2022/2021	CAGR 2020-2022
Revenue	2,430,310	2,427,068	-0.1%	2,967,672	22.3%	10.5%
Advertising	(67,408)	(75,474)	-12.0%	(77,161)	2.2%	7.0%
As a % of revenue	-2.8%	-3.1%	-12.0%	-2.6%		
EBITDA-A	305,132	301,860	-1.1%	334,622	10.9%	4.7%
As a % of revenue	12.6%	12.4%		11.3%		
EBIT-A	211,711	207,295	-2.1%	233,599	12.7%	5.0%
As a % of revenue	8.7%	8.5%		7.9%		
Profit before tax	159,869	198,731	24.3%	185,807	-6.5%	7.8%
As a % of revenue	6.6%	8.2%		6.3%		
Income tax	(42,642)	(53,512)	-25.5%	(50,242)	-6.1%	8.5%
As a % of revenue	-1.8%	-2.2%		-1.7%		
Profit for the year from continuing operations	117,227	145,219	23.9%	135,565	-6.6%	7.5%
As a % of revenue	4.8%	6.0%		4.6%		
Profit after tax for from discontinued operations	89,424	105,027	17.4%	(917)	-100.9%	#NUM!
As a % of revenue	3.7%	4.3%		0.0%		
Profit attributable to equity holders of parent	192,415	238,629	24.0%	122,059	-48.8%	-20.4%
As a % of revenue	7.9%	9.8%		4.1%		

STATEMENT OF FINANCIAL POSITION	31.12.20	31.12.21	2021/2020	31.12.22	2022/2021
Equity	1,927,351	2,101,627	9.0%	2,164,438	3.0%
Net debt	950,870	504,723	46.9%	762,635	-51.1%
Average net debt	917,574	865,418	5.7%	645,809	25.4%
Leverage (3)	47.6%	41.2%		29.8%	
Total assets	4,035,662	3,938,622	-2.4%	3,900,216	-1.0%

	31.12.20	31.12.21	2021/2020	31.12.22	2022/2021
Average working capital	642,535	662,058	-3.0%	925,501	-39.8%
Average capital employed	2,183,209	2,060,319	5.6%	2,228,932	-8.2%
ROCE (1)	9.7	10.1		10.5	
Capex (2)	117,602	120,035	2.1%	118,808	-1.0%
Average headcount	7,664	6,440	-16.0%	6,293	-2.3%

(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, of which 18 (2020) and 11 (2021) million correspond to discontinued operations

(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

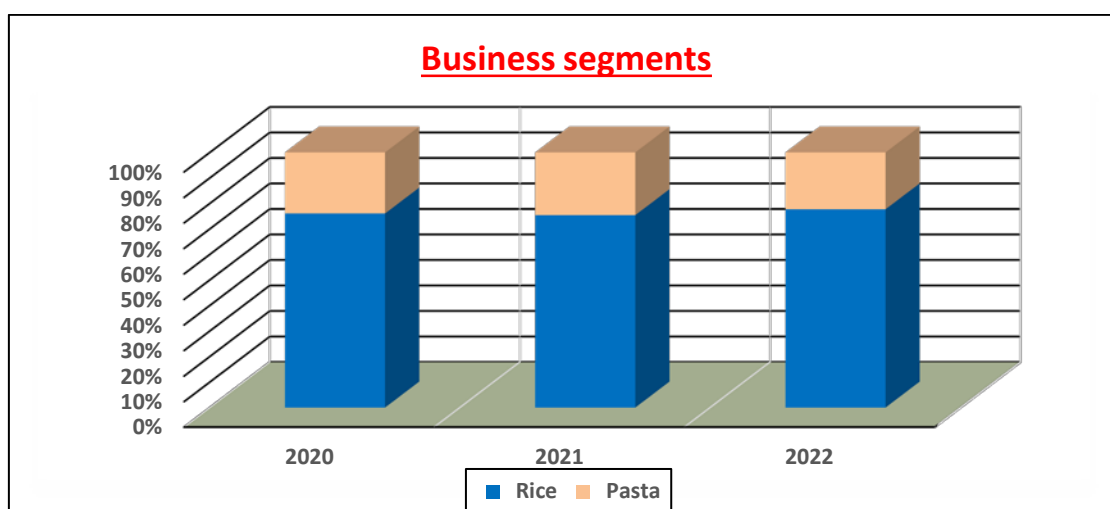
In keeping with the International Financial Reporting Standards, the results of the dry pasta businesses in North America and France until their sales closed in 2020 and 2021 and the net gain recognized on those disposals were presented within discontinued activities on the consolidated statement of profit or loss for those and the prior reporting periods. The information provided in this management report reflects that circumstance, unless expressly stated otherwise.

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Group **revenue** increased by 22.3% from 2022, implying average annual growth over the last three years of 10.5%. That growth was attributable to: (i) the trend in the US\$ exchange rate, which accounts for approximately 15% of the total increase; (ii) the growth in prices derived from inflation across the main raw materials, auxiliary materials and energy products, which accounts for over 50% of the change; and (iii) volume growth, particularly in the US and UK. M&A activity had no major impact as the first-time consolidation of the business associated with the InHarvest brand offset the deconsolidation of Roland Monterrat (Note 5 of the accompanying financial statements).

The breakdown of revenue and the year-on-year trend by business line is as follows:



The weight of the rice business neared 75% of the total (like-for-like, reclassifying the North American and French dry pasta businesses as discontinued operations in all periods). By destination, approximately 35% of sales were generated in North America with the UK and Italy commanding growing shares thanks to momentum around the Tilda (rice) and Garofalo (pasta) brands.

EBITDA-A increased by 10.9% in 2022 (accumulated annual average growth remains at 4.7%), while the margin declined slightly year-on-year due to the impact of higher prices, which made it impossible to defend unit margins. EBITDA-A includes 13.6 million euros of positive exchange rate effects.

Earnings momentum was very positive across all line items, clearly outperforming recent years despite the tremendous market turbulence induced by widespread inflation.

The Group's continued earnings momentum was underpinned by: (i) astute supply chain management marked by the search for alternative sources of supply and transport; and (ii) the leadership commanded by its brands, which enabled management of the commercial problems posed by the widespread increase in prices (in many instances, product prices had to be increased twice during the year).

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Profit before tax decreased by 6.5% due to the impact of the sale of Roland Monserrat (Note 5 of the accompanying financial statements) and the impact of currency market volatility. However, the compound average growth rate between 2020 and 2022 remains a healthy 7.8%.

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, as explained in the accompanying consolidated financial statements.

The Group's **ROCE-A** (not restated) improved by comparison with recent years thanks to earnings growth, which more than offset the impact of the higher working capital requirement caused by raw material and auxiliary material friction and inflation.

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 impact of the trend in the USD-EUR exchange rate on the balances of the subsidiaries denominated in that currency. Year-on-year growth in total assets at year-end 2022.
- b. The significant increase in the working capital requirement in the past two years on account of rampant inflation and shipping friction.
- c. The sale of the dry pasta businesses in North America and France in 2020 and 2021, respectively, and the payment of an extraordinary dividend those years.

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 cyclicity 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.

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Rice business

PROFIT AND LOSS	2020	2021	2021/2020	2022	2022/2021	CAGR 2020-2022
Revenue (*)	1,893,924	1,858,919	-1.8%	2,329,486	25.3%	10.9%
Advertising (*)	(43,120)	(43,789)	-1.6%	(53,898)	23.1%	11.8%
	<i>As a % of revenue</i>	<i>As a % of revenue</i>		<i>As a % of revenue</i>		
EBITDA-A (*)	252,614	247,680	-2.0%	289,830	17.0%	7.1%
	<i>As a % of revenue</i>	<i>As a % of revenue</i>		<i>As a % of revenue</i>		
EBIT-A (*)	195,210	189,087	-3.1%	222,664	17.8%	6.8%
	<i>As a % of revenue</i>	<i>As a % of revenue</i>		<i>As a % of revenue</i>		
Capex (*)	69,345	74,246	7.1%	71,152	-4.2%	1.3%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered.

The global harvest was abundant, with the harvests in India and Thailand standing out. However, farmgate prices tightened during the year on account of certain events: (i) restrictions on the export of certain rice varieties in India to ensure internal supplies; (ii) flooding in Pakistan, affecting that country's harvest; (iii) a scant short-grain rice harvest in Italy; (iv) continued restrictions on rice planting in southern Spain due to the shortage of water; and (v) a below-average harvest in North America by comparison with recent years.

In the US, prices continued their upward trajectory 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.

US harvest prices (source: USDA)

August-July

\$/cwt	22/23 (*)	21/22	20/21	19/20	18/19
Average price	19.2	16.1	14.4	13.6	12.6
Long grain	16.7	13.6	12.6	12	10.8
Medium grain	29.2	24.8	20.1	17.8	18.5

(*) Estimate

Revenue registered double-digit growth (+25.0%), thanks largely to higher prices. The inflation sustained since the second half of 2021 across all raw materials and auxiliary materials, transport and energy forced successive price increases in all products, rice products being no exception.

The volume trend was very positive in branded products and also in sales of rice for industrial uses. A significant portion of the growth eked out is attributable to good logistics and industrial management, which unlocked source availability and excellent service standards at the times of greatest difficulty (lack of containers, shortage of transport and strikes). All of the value-added rice varieties performed particularly well, as did the instant, ready-to-serve and aromatic rice products.

The InHarvest assets contributed 38.9 million euros of revenue since their consolidation in April 2022. The InHarvest business is focused on the sale of premium rice and grains in the US.

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The new San José de la Rinconada factory gradually increased its capacity to cater to growing demand for higher value-added rice, with further capacity additions in the pipeline in that market as a result.

EBITDA-A increased by 17% from 2021, a little less than the topline growth, including positive exchange rate effects of 13.7 million euros. Profitability was hurt by the impossibility of defending unit margins in the midst of rampant inflation. In absolute terms, however, profits were driven by the growth in sales volumes and a more favourable sales mix.

Investment in advertising recovered in tandem with the market rebound, although the equilibrium between spending on channel marketing and promotions was constantly fine-tuned in response to the impact of prices on consumers.

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 to using renewable sources of energy (new photovoltaic plants) and alternative sources of supply (expansion of the Argentine facilities).

Pasta business

PROFIT AND LOSS		2020	2021	2021/2020	2022	2022/2021	CAGR 2020-2022
Revenue (*)		581,460	590,781	1.6%	651,545	10.3%	5.9%
Advertising (*)		(25,648)	(33,181)	-29.4%	(24,904)	-24.9%	-1.5%
	<i>As a % of revenue</i>	-4.4%	-5.6%		-3.8%		
EBITDA-A (*)		66,811	68,825	3.0%	58,478	-15.0%	-6.4%
	<i>As a % of revenue</i>	11.5%	11.6%		9.0%		
EBIT-A (*)		32,312	34,447	6.6%	26,330	-23.6%	-9.7%
	<i>As a % of revenue</i>	5.6%	5.8%		4.0%		
Capex (*)		47,474	45,266	-4.7%	46,222	2.1%	-1.3%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered for enhanced comparability.

Durum wheat prices started the year lower, underpinned by the prospect of a better harvest than the year before (which was particularly poor). However, the war in Ukraine tightened prices, which headed rapidly back to year-end 2021 levels. Since the summer, farmgate prices have been steady at over 400 euros per tonne. The 2022/23 harvest in the US and Canada is expected to be better, offsetting the poor outlook for the rest of producers. However, total output is still expected to be below the trailing five-year average, with carryover stocks well below historical averages.

2022 **Revenue** increased by 10.3%, driven by higher prices and volume growth in the premium pasta segment. In general, the fresh pasta businesses experienced a tough year as this segment is more price sensitive than the Group's other products.

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By market:

- a. In France, the fresh pasta market contracted by 3.1% by volume but grew by 2.3% by value. The Group's brands increased their market share to 48.8% by volume (Nielsen 52-week tracker). The pan-fry gnocchi range, in which the Group commands a clear leadership position, remains the key market growth driver.
- b. Growth at Bertagni continued (revenue: +18%); volumes rose despite the difficulties faced by the sector. In Spain, the Group launched the sale of a high-quality Garofalo-branded fresh pasta range made by Bertagni.
- c. In Canada, the market grew by 16% by volume and by 21.2% by value. Olivieri expanded its leadership grip with a share of 65% by value (Nielsen 52-week tracker). The ongoing success of the pan-fry gnocchi ranges (volumes have tripled in four years) has led to plans to add capacity.
- d. The Italian dry pasta market was totally flat in volume terms in 2022, expanding by 21.6% by value on the pack of price increases. The Garofalo brand performed excellently: it increased its share (by volume) of the Italian premium pasta segment to 6.6% from 6.1% (Nielsen 52-week tracker). In Spain, it cemented its position as the leading Italian pasta brand and a benchmark in the premium segment.

EBITDA-A decreased by 15%. That weaker performance is mainly attributable to the fresh pasta business due to the increased cost of wheat, transport, energy and, ultimately, all of the products used to fill the pasta (meat, mozzarella, etc.). Garofalo improved its offering and was able to pass the initial durum wheat price shock through thanks to its leadership in the premium segment.

As already noted, price elasticity is higher in the fresh pasta products and the characteristics of the products (shorter shelf life and need for refrigeration) make it harder to eke out supply chain savings, leaving it more exposed to budget tightening in response to higher prices.

One of the Group's biggest transactions last year was the sale of the French subsidiary, Roland Monerrat, for 22 million euros, generating a loss at the consolidated level of 23.3 million euros in 2022 (of which 3.7 million was recognized as an operating loss and the remaining 19.6 million euros as a non-recurring loss). Roland Monerrat, specialized in the production and sale of sandwiches, *pate en croute* and *croque-monsieur*, has not added value to the Group since its acquisition in 2015. In May 2021, the Ebro Group presented a claim for damages before the subsidiary's former shareholders (i.e., the vendors). At the date of publishing this Management Report it is impossible to say with reasonable certainty when that case will be settled or how much the Group can expect to receive. Nevertheless, the Ebro Group believes it has strong chances of being handed a favourable ruling that will enable it to receive a sum close to the amount invested in this business.

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Capex (not restated, with 48 and 11 million euros corresponding to discontinued operations in 2020 and 2021, respectively) was relatively stable, with the investment thrust concentrated on the expansion of capacity at the gnocchi 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

M&A activity

In 2022, the Ebro Group: (i) acquired the assets associated with the InHarvest brand for 50 million US dollars; and (ii) sold Roland Monterrat for 22 million euros.

The Group closed significant disposals in 2020 and 2021, specifically, its dry pasta and associated 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 Panzani's dry pasta, semolina, couscous and sauce business in France was sold for 550 million euros.

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 productive capacity in the following segments: (i) ready-to-serve rice (pots and pouches); (ii) filled fresh pasta; and (iii) pan-fry gnocchi. Capex (cash outflows) during the past three years:

Year	Amount (Thousands of euros)
2020	117,600
2021	120,035
2022	118,808

Of the total, 48 million euros and 11 million euros in 2020 and 2021, respectively, correspond to discontinued operations. Growth in capex on like-for-like terms has been in the double digits.

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Financial position

Group borrowings increased in 2022 after two years of deleveraging on the back of strategic disposals. The reason for the shift lies with the high prevailing level of inflation and the associated supply chain friction, which have translated into a considerable increase in the Group's working capital requirement, particularly in the rice business.

NET DEBT (Thousands of euros)	2020	2021	2021/2020	2022	2022/2021
Equity	1,927,351	2,101,627	9.0%	2,164,438	3.0%
Net debt	950,870	504,723	-46.9%	762,635	51.1%
Average net debt	917,574	865,418	-5.7%	645,809	-25.4%
Leverage	49.3%	24.0%	-51.3%	35.2%	46.7%
Leverage (average net debt) (1)	47.6%	41.2%	-13.5%	29.8%	-27.5%
EBITDA-A	305,132	301,860	-1.1%	334,622	10.9%
Coverage	3.12	1.67		2.28	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

Note that 213 million euros of borrowings at December 31, 2022 (197 million euros at year-end 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 main 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 (Thousands of euros)	2020	2021	2021/2020	2022	2022/2021
Cash from operating activities	369,863	17,483	-95.3%	(14,017)	-180.2%
Cash from/(used in) investing activities	104,998	609,712	480.7%	(139,600)	-122.9%
Cash used in share-based transactions	(398,019)	(186,337)	-53.2%	(97,180)	-47.8%
Free cash flow	76,842	440,858		(250,797)	

The Group recorded a net outflow of cash from operations in 2022 due to the increased working capital requirement (mainly inventories) caused by the incessant increases in raw material and auxiliary material prices.

The other major movements correspond to:

- Investing activities. The movement in capex (as already outlined above). In 2020 and 2021, the Group collected the proceeds from the sale of its dry pasta businesses in North America and France, respectively. In, 2022 it collected the proceeds from the sale of Roland Monterrat and paid for the InHarvest assets, all in the amount detailed above.
- Share-based transactions. Distribution of dividends, including that paid to minority shareholders. In 2020 and 2021, this heading includes the payment of two extraordinary dividends in the amounts of 298.5 million euros and 87.7 million euros, respectively. The Group did not pay any extraordinary dividends in 2022.

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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 categorised 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 2022, the Group focused on all aspects related with the supply chain, raw material and energy inflation and food safety matters. The following were deemed relevant risk factors in 2022: aspects related with climate change, sources of green energy and/or alternative and growing regulation around these matters.

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.

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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 are certified 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. The Group also has 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.

Those controls must encompass the entire supply chain, so that the prevention effort extends back to the point of origin and means of transportation thanks to meticulous selection of suppliers and service providers in third countries, framed by the Group's internal food safety protocols.

- 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 its 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 auxiliary materials, transport and energy.

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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 through to the end consumer.

Management of this risk factor proved extremely complex in 2022 and much of the Group's success last year is attributable to that effort, having struck long-term agreements, built up supply buffers and searched for transportation alternatives when needed.

- 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 defines a strategy for enforcing these thresholds. These levels in turn reflect the 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.

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- 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.).

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. Climate change encompasses several risks with increasing impacts over the short, medium and longer term that could have a direct impact on the Group's business activities. Those risks, which are cross-cutting in nature, have already been largely built into the Ebro Group's risk matrix. Climate change risks encompass (i) physical risks derived from the increase in extreme climate events worldwide and chronic changes in the environment; and (ii) transition risks as the world transitions to a decarbonised economic model, a thrust that implies legislative changes and changes in economic agents' behaviour, the development of energy-efficient alternative technologies, shifts in market preferences and reputational risks associated with the more exposed activities.

Against that backdrop, in 2020, the Group, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), identified the potential risks, impacts and opportunities climate change could have for the organisation, assigning opportune mitigation and/or adaptation measures to each risk. The vast majority of those risks are addressed in the Group's sustainability plan, **HEADING FOR 2030** (more efficient use of water and energy in order to reduce Scope 1 and 2 emissions; increased use of green energy; reduced waste generation and increased waste recovery; packaging recyclability; reduced GHG emissions in logistics, and implementation of sustainable farming practices).

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In light of increasingly stringent regulatory requirements at the national and European levels over the past year, coupled with growing pressure from ESG investors and analysts, the Group plans to deepen its analysis of climate risks over the next two years, paying particular attention to its transition risks, designing a climate action plan aligned with the Paris Agreement targets to ensure compliance with applicable legislation and compatibility of the Group's business model and strategy with the transition towards a sustainable economy. By the same token, framed by Spanish Law 7/2021 on Climate Change and Energy Transition, another aspect the Group plans to tackle is quantification of the financial impact on the Group of the risks associated with climate change using the metrics to be specified in the implementing regulations which are expected to be enacted by May 2023.

- **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 in 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 intellectual and industrial property protection considerations converge.

- **Shifting lifestyles.** New diets such as low-carb diets and other food habits could change how consumers perceive our products.

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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.

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- 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's Spanish companies have a crime prevention model which is monitored and controlled by the Compliance Department. That Department likewise monitors the compliance models in place at other overseas subsidiaries, which are tailored for local legislation.

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 and Risk Committee, 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. For example, in 2022, the Group rolled out a contingency plan in Spain to address the consequences of the new tax on plastic.

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

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

As already noted in the section on the general economic environment, the outlook for the global economy in 2023 is for very weak growth. The impact of inflation is expected to gradually wane as interest rates continue to be tightened throughout the year, at paces calibrated for each country's specific circumstances. In other words, a generally more restrictive situation, bordering on recession, which, at least for now, is not having a significant impact on the labour market.

The run-up in prices, the slump in growth and the increase in interest rates are combining to erode household purchasing power, a phenomenon already on display during the last four months of 2022. The value and number of shops can be expected to decline and the make-up of the average shopping basket is likely to shift in favour of discounted and private-label products.

Rice prices remain above the average for the last two years. The FAO price index stabilised in February 2023 but remained 22% higher year-on-year. Prices remain high as the markets watch the new harvests and restrictions in the supply of short-grain rice grown in Italy, Spain and California and long-grain American rice.

As for durum wheat, the outlook is brighter thanks to the new American harvest; however, the unpredictable shape of the war in Ukraine and its impact on oil and fertiliser prices suggest that meaningful price corrections are still unlikely.

▪ **Rice business**

The rice business continues to grow. The demographic and food habit trends are propitious and the number of consumers is growing. The Group's strategy is to spearhead that growth by identifying its brands with health, well-being and convenience values.

Inflation is a challenge. Its management implies a risk that some consumers could switch to classic or even hard discount private-label brands. In response to that situation, the Group is working to provide value for its customers/consumers by means of service excellence, product quality and innovation, combined with nimble management of promotions and channel marketing to address the price factor.

Elsewhere, in 2023, the Ebro Group plans to continue to work hard to lead the premium categories: aromatic varieties, ingredients and ready-to-serve products. The Group is strategically committed to: (i) creating a centre of excellence in the production of plant-protein based ingredients in Benelux; (ii) further developing the Tilda brand as the international benchmark in aromatic and exotic rice varieties; and (iii) adding production capacity in ready-to-serve products in the US, leveraging the experience built at the San José de la Rinconada factory.

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▪ **Pasta business**

The traditional pasta market is a mature one. However, the Group is present in the categories that continue to grow: fresh pasta and premium dry pasta.

However, growth in those segments is currently threatened by the current economic weakness as these products are more price-sensitive than other products. The Group's key lines of initiative in 2023 entail:

- Lifting profitability. Absorbing the successive increases in raw material and other ingredient prices and maintaining growth by continuing to calibrate product assortment for demand.
- Building the Garofalo brand into a benchmark in Italian premium dry pasta so that it transcends dry pasta labelling. Expanding product ranges and reach.

Furthering the successes reaped by the pan-fry gnocchi ranges. Deepening the product base through innovation and capacity additions and expanding the concept to new markets.

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 2022.

In total, R&D expenditure in continuing operations totalled 3.4 million euros in 2022 (1.8 million euros of which funded internally and 1.6 million euros, externally).

Investment in R&D totalled 15.9 million in 2022 and mostly corresponded to payments made during the year to automate the packaging lines at a factory in the US, complete the new microwaveable cup factory in San José de Rinconada and 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 2022 were:

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1. The R&D centre located in Lyon. Research focused on the development of fresh pasta, gnocchi, rice, pulse and other grain categories. In 2022 it worked on (i) new production processes and product quality improvements; (ii) productivity gains; and (iii) range extensions, with a focus on new filled gnocchi formats and flavours.
2. Bertagni R&D Center in Arcugnano. Work continued in 2022 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 and enhance productivity.
3. United States. The US Research Department focuses on developing new (and adapting existing) products, processes and technologies in the US. In 2022, 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 and new food products for consumers and the food industry; (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 2022, 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 2022, under the scope of the employee share plan, it bought back 42,500 shares, sold 852 and delivered 41,648 own shares to employees. The Company did not hold any own shares at December 31, 2022.

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 32.7 days in 2022 and 27.3 in 2021. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

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2022			2021		
Payments made (€000)		501,532.5	Payments made (€000)		400,672.9
Payments made within deadline (€000)	% of total	488,681	Payments made within deadline (€000)	% of total	390,820
No. of invoices settled within deadline	96%	37,537	No. of invoices settled within deadline	94%	34,462
Average payment period	Days	32.7	Average payment period	Days	27.3
Paid transactions ratio	Days	32.7	Paid transactions ratio	Days	29.0
Outstanding transactions ratio	Days	39.7	Outstanding transactions ratio	Days	13.8

Share price performance

In 2022, the Parent's share price corrected slightly, in line with the rest of its peers and the main stock market indices. Share prices were affected by the slowdown in economic activity in the second half of the year and the prospect of widespread margin erosion across the listed companies. Ebro Foods is generally considered a defensive stock with below-average volatility.

Dividends

At the Annual General Meeting held on June 29, 2022, the Company's shareholders ratified the motion to pay a cash dividend against 2021 profits and unrestricted reserves of 0.57 euros per share (before withholding tax), payable in the course of 2022 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 withholding tax) on April 1, June 30 and October 3, 2022.

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:

	2020	2021	2021/2020	2022	2022/2021
EBITDA-A	305,132	301,860	(3,272)	334,622	32,762
Depreciation and amortization	(93,421)	(94,565)	(1,144)	(101,023)	(6,458)
EBIT-A	211,711	207,295	(4,416)	233,599	26,304
Non-recurring income	4,746	9,454	4,708	1,807	(7,647)
Non-recurring expenses	(10,924)	(13,691)	(2,767)	(32,835)	(19,144)
OPERATING PROFIT	205,533	203,058	(2,475)	202,571	(487)

EBIT-A. Adjusted EBIT, calculated by subtracting depreciation and amortization from EBITDA-A.

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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.

	31.12.20	31.12.21	31.12.22
(+) Non-current financial liabilities	570,267	598,509	553,164
(-) Other current financial liabilities	591,759	445,916	394,833
(+) Available-for-sale financial liabilities	113	0	0
(+) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Deposits payable	(782)	(84)	(676)
(-) Cash and cash equivalents	(210,486)	(539,239)	(184,950)
(-) Derivatives – assets	(1,611)	(527)	(1,457)
(+) Derivatives – liabilities	2,732	1,270	2,843
TOTAL NET DEBT	950,870	504,723	762,635

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 items 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 accordingly 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.

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Non-Financial Statement

NON-FINANCIAL STATEMENT

Ebro

2022

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ANNEXES

Annex 1

List of subsidiaries, industrial facilities and offices of the Ebro Group

Annex 2

List of Food Safety and Quality certifications of the companies in the Ebro Group

Annex 3

Calorific power of fuels, emission factors and water stress classification

Annex 4

Index of contents required by Act 11/2018 of 28 December

1. 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

2022

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).

The energy consumption of five of the ten offices leased by the Ebro Group are also excluded, as we do not have consistent quantitative data and because their emissions correspond to Scope 3. Those offices are leased by Ebro Foods, S.A. in Spain (three offices in Madrid, Granada and Barcelona), Riceland in Hungary and Euryza in Germany (commercial office).

Changes in the reporting perimeter

During 2022, the Group completed two corporate investment and divestment operations:

1. On 25 February 2022, through the US subsidiary Riviana Foods, the Group reached a binding agreement to purchase the assets of InHarvest, Inc., a US company with a major presence in the industrial business (B2B), Food Service and Private Label for premium specialties of rice, quinoa and grains in the United States.
The operation was completed on 1 April 2022 for a sum of USD 48.75 million and the company has been integrated within the perimeter of Riviana Foods USA.
2. In June 2022, Ebro sold the French company Roland Monterrat, selling sandwiches and fresh ready-to-serve meals, for EUR 22 million.

For the purpose of this Report and with a view to facilitating comparison of the information in the Non-Financial Statements, all the non-financial indicators referring to the divested business of Roland Monterrat have been excluded from the 2021 data and those corresponding to the business of InHarvest have been incorporated in 2022.

Contact point for issues regarding the report or its contents

Ebro Foods, S.A.

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2. BUSINESS MODEL

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. Fresh and premium pasta: This includes the production and marketing of premium dry pasta and fresh pasta. The fresh pasta business is conducted through the Ebro Premium Foods 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 81 brands in 61 countries, with industrial and commercial facilities in 16 of them. In the remaining 45 countries, we only engage in commercial activity. Our industrial park comprises some 78 sites, including production plants, offices and warehouses.

List of countries with commercial and industrial presence

Argentina	Italy
Belgium	Morocco
Cambodia	Netherlands
Canada	Portugal
Denmark	Spain
France	Thailand
Germany	United Kingdom
India	United States

List of countries with only commercial presence

Algeria	Colombia	Hungary	Libya	Saint Martin
Angola	Costa Rica	Iceland	Lithuania	Saudi Arabia
Austria	Curaçao	Ireland	Mozambique	South Africa
Bahamas	Egypt	Israel	Oman	Sweden
Bahrain	Estonia	Jamaica	Panama	Switzerland
Bermuda	Finland	Japan	Peru	Tunisia
Brazil	Ghana	Jordan	Puerto Rico	United Arab Emirates
Chile	Greece	Kuwait	Qatar	US Virgin Islands
Czech Republic	Haiti	Lebanon	Romania	Yemen

Financial metrics

In 2022, the Group's net turnover was EUR 2,967.6 million up 22.3% on 2021. Our Adjusted EBITDA was EUR 334.6 million, a 10.9% year-on-year growth. Net profit on a like-for-like basis (i.e. excluding the contribution by the divested dry pasta businesses) was down 6.6% to EUR 135.6 million, while net debt stood at EUR 762.6 million, EUR 257.9 million more than at year-end 2021.

The company had a market capitalisation at 31 December 2022 of EUR 2,255.6 million.

Environment and trends

2022 was especially turbulent. The invasion of Ukraine by the Russian Federation on 24 February unleashed a succession of inflationary surges in the prices of numerous raw materials and energy. This supply "shock" coincided with the tail end of the COVID-19 pandemic, which had already put pressure on the markets of several materials and transport. As a result, many developed countries have experienced annual inflation rates close to two-digit figures.

The global GDP was estimated to have risen by 2.9% in 2022, with a growth of 1.9% in the United States contrasting with the 5.9% recorded in 2021, and 3.3% in the European Union (5.3% in 2021). The economic slowdown commenced as the monetary authorities adjusted their expansion policies from previous years, draining the system of liquidity, and imposed tougher financial conditions, causing a decline in consumer confidence.

The rate at which interest rates rose in the principal economies varied according to the margins their central banks had to act against inflation. The United States, with good employment figures and a smaller energy dependence, was able to apply a more restrictive monetary policy, while the European Central Bank followed the international situation.

The third lowest economic growth in the past three decades is expected in 2023, below only 2009 and 2020 (financial crisis and pandemic). In spite of this, the latest figures on growth, inflation, employment and housing sales allowed certain optimism and forecasts suggest that most of the world economies will avoid a technical recession.

From the point of view of consumption, the pandemic can be considered over. Some consumption patterns that emerged during the pandemic are here to stay, but the pace of change is easing and is now similar to the situation prior to 2020.

The growth of e-commerce has slowed and local supermarkets have taken centre stage in traditional commerce. Owing to inflation and the crisis indicators, hard discount is gaining weight within distribution, with growing numbers of outlets and market shares.

Meanwhile, business in the hospitality sector has fully recovered. Despite inflation, post-covid habits seem to be holding their ground and people's need to socialise is stronger than their budget restrictions.

The general trends are towards:

Increased personal consumer experience, sustainability, health, pleasure and price

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 and that meet their desires.

This is associated with:

- a. Demand for quality products that are easy to prepare and immediately satisfy their wish to buy.
- 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 are sustainable and 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. Thanks to inflation, private label brands become more prominent in the shopping basket.

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.).

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.

The technological revolution, plus the fact that digital natives are now a sales target, has brought radical change in how brands communicate. From the message to the media. The appearance of influencers as a channel and recommendation as a strategy have also changed how brands act. Investments in advertising are shifting towards digital media, which currently account for over 50% of the Group's publicity actions. These actions are characterised by their agility, including permanent listening to consumers up to the launching of products, which shortens times and enables us to react more 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 and minimising 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:

1. 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.
2. 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.
3. 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, we endeavour 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).
4. 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 respect for human rights in our business transactions and the well-being of our professionals at work, promoting continuous training and professional development to retain talent, seeking formulas to enhance their work-life balance, equality and diversity, and health and safety at work, while driving 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, fosters energy efficiency measures and the use of green energies, 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.

3. 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.
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).

Double materiality assessment

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

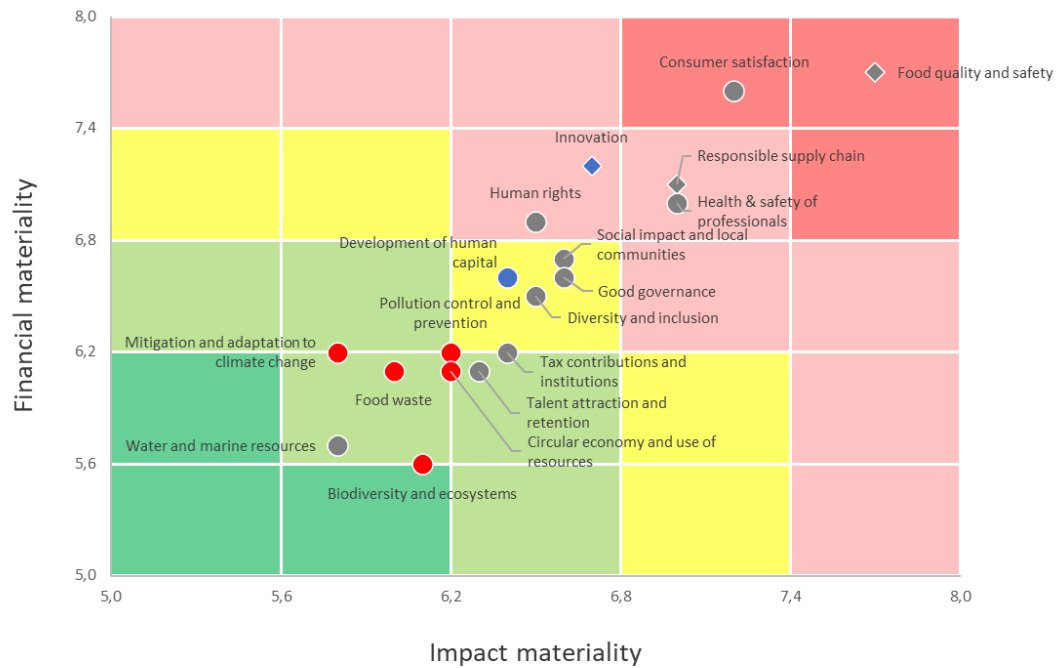
Four variables were analysed:

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:



● Priority areas for improvement ● Rather important areas for improvement ● Non-priority areas for improvement ◆ Topics considered most important

PRINCIPAL TOPICS TO BE MANAGED

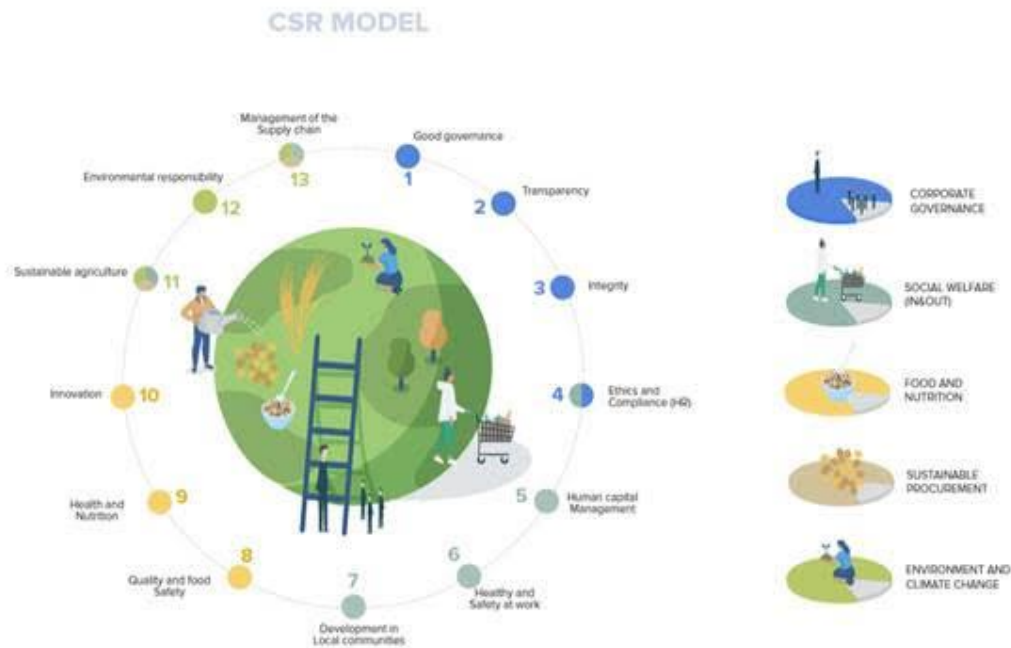
The principal topics to be managed by Ebro Foods, on the grounds that they are financially important, materially important or both, are, from a global, aggregated perspective:

- 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.



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.

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:



Signatory of the United Nations Global Compact

www.pactomundial.org



Member of the Spanish Commercial Coding Association (AECOC) project against food waste
"Don't waste food, use it"

<http://www.alimentacionsindesperdicio.com/>



Member of the SERES Foundation

<http://www.fundacionseres.org/Paginas/Inicio.aspx>



Member of Forética

<http://www.foretica.org/>



Sustainable Agriculture Initiative (SAI) Platform

<http://www.saiplatform.org/>



Sustainable Rice Platform (SRP)

<http://www.sustainablerice.org/>

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. Gaia ESG Rating

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:

2022	2023
January	January
Obligation to disclose <u>taxonomy-eligible activities</u>	Obligation to disclose <u>taxonomy-aligned activities</u>



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.

4. 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 covers our Spanish companies. Our principal subsidiaries have similar structures, adapted to their respective local laws and regulations. The Compliance Unit monitors and controls them all.

One specific part concerns respect for and compliance with Human Rights in accordance with the ethical standards promoted in the Group's Code of Conduct. To prevent and mitigate this risk, the Group has different SMETA audits made every year on its supply chain and implements internal awareness and training plans. In accordance with the EU 'Proposal for a Directive on corporate sustainability due diligence' published on 23 February 2022, the company has set itself the goal for 2023 and 2024 of making an exhaustive analysis to identify any risks of adverse human rights impacts both inside and outside the consolidated Group and develop a Due Diligence System.

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: an 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. Climate change encompasses several risks with growing impact in the short, medium and long term, which might directly affect the development of our business activities and which, owing to their cross-cutting nature, are already largely included in the risk matrix of the Ebro Group. These risks include, on the one hand, the physical risks deriving from the increase in extreme climate events throughout the world, as well as chronic changes in the environment and, on the other hand, those deriving from the transition towards a decarbonised economic model, including changes to the law or in the behaviour of economic operators, the development of energy efficient alternative technologies, changes in market preferences or reputational factors associated with the activities having a greater impact.

Accordingly, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in 2020 the Group made an analysis to identify the potential risks, impacts and opportunities that climate change may have in our Organisation, establishing appropriate mitigation and/or adaptation measures for each one, the vast majority of them contemplated in our sustainability plan **HEADING FOR 2030**: (i) make a more efficient consumption of water and energy to reduce Scope 1 and 2 emissions; (ii) increase the use of green energies, re-use and reduce waste; (iii) use recyclable packaging; (iv) reduce GHG emissions in logistics; (v) implement sustainable agriculture models.

Types of risk	Risks	Impacts	Measures
Financial Operational Strategic	Extreme climate events: droughts, torrential rain, hurricanes...	<ol style="list-style-type: none"> 1. Changes in the quality and quantity of crops 2. Volatility of raw material prices 3. Production standstill owing to damage to own and/or third-party infrastructures 4. Rise in consumer prices 	<ol style="list-style-type: none"> 1. Geographical diversification of sourcing areas 2. Diversification of product portfolio 3. Anticipation of possible risks of climate-related events when choosing the locations of our workplaces 4. Permanent innovation

Types of risk	Risks	Impacts	Measures
Strategic Operational	Rise in temperatures	<ol style="list-style-type: none"> 1. Drop in consumption of seasonal products 2. Changes in consumer habits 3. Greater energy consumption 4. Changes in crop yield 	<ol style="list-style-type: none"> 1. Diversification of product portfolio 2. Innovation 3. Improvement of energy efficiency 4. Innovation in agricultural technology, seed varieties 5. Sustainable agriculture
Financial	Raising of taxes and energy, water or transport levies	Lower profitability, new investments to adapt to a changing environment	<ol style="list-style-type: none"> 1. Improvement of energy efficiency 2. Optimisation and sustainability of logistics 3. Promotion of and incentives for sustainability within the company
Financial Compliance	Laws and Regulations imposing limits on emissions and related sanctions	Financial, need to make new investments to adapt to the changing laws	<ol style="list-style-type: none"> 1. Anticipation of new legal requirements, analysing trends, participating in forums, etc. 2. Consistent internal regulatory framework on the matter 3. Promotion of and incentives for sustainability within the company
Reputational Strategic	Negative image due to absence of or failure to meet commitments related with climate change	<ol style="list-style-type: none"> 1. Brand image, reputation 2. Loss of business 	<ol style="list-style-type: none"> 1. Publication of the company's good environmental practices 2. Participation in sectoral forums and environment-related entities
Reputational Financial	Outflow of investment/shareholders' funds due to not complying with required ESG criteria	<ol style="list-style-type: none"> 1. Image, reputation 2. Stock market instability 	<ol style="list-style-type: none"> 1. Consistent internal regulatory framework on the matter 2. Publication of the company's good practices 3. Proactive communication approach

Faced with the stringent national and European regulatory framework put in place over the past year and the growing pressure from ESG analysts and investors, the Group aims to further analyse climate-related risks in the next two years, paying special attention to the risks of transition and designing a climate action plan in accordance with the Paris Agreements to ensure our compliance with the law and the compatibility of our business model and the company's strategy with the transition towards a sustainable economy. Similarly, in accordance with the Climate Change and Energy Transition Act 7/2021, another task to be undertaken will be to quantify the financial impact on the

Group of climate change-related risks, following the metrics specified in the Royal Decree expected to be passed no later than May 2023.

3. Reputational risk. This risk is associated with possible changes of opinion, giving rise to a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, etc., which could have an adverse effect on the Group's ability to maintain relations (commercial, financial, labour, etc.) with its environment.

To deal with this risk, the Group has approved a Code of Conduct to guarantee ethical, responsible conduct by the organisation, its employees and all persons and institutions with which it interacts in the course of its business activities.

In this context, we have included as a significant risk unfounded negative comments or opinions that can so easily be posted in the social networks, owing to the very limited possibilities of controlling them other than close monitoring and specific communication actions to reverse their impact.

The Group's brands and employees are our most valuable intangible assets, so they are submitted to continuous assessment, considering different aspects, such as management, marketing, health and food safety, compliance and legal defence of intellectual property.

4. Changes in lifestyle. The proliferation of low carbohydrate diets and other food trends can have a bearing on consumers' perception of our products.

These risks can be mitigated by assessing consumption patterns and adapting the offer of products to the alternatives on the market, while participating actively in social forums to encourage healthy habits that are compatible with our products.

NB: Further information on the description of risks and 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.

5. 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's Global Sustainability Working Party with a view to having a final document to be implemented. This process was finally delayed, pending publication of the final text of the *EU Corporate Sustainability Due Diligence Directive* and its transposition into Spanish law.

In this context, in the light of the Proposal for the EU Corporate Sustainability Due Diligence Directive, published on 23 February 2022, and with a view to facilitating the identification of risks within and outside the consolidated group, in 2022 the parent of our Group promoted the launching of a compulsory training course in Human Rights for all the company's professionals. This course will end in 2024 and has the following course plan:

- 1) Spain, commenced
- 2) Rest of Europe, Africa and Asia
- 3) North and South America

This Training Plan, the contents of which have been tailored to the different professional categories, is being followed online through the SAP Litmos e-learning platform by professionals with a corporate e-mail account, and onsite by factory staff.

In addition, specific Human Rights training has been given over 2022 in the following companies:

Company	2022			2021		
	No. employees who received training	No. hours	% total employees	No. employees who received training	No. hours	% total employees
Ebro India	23	204	12.85%	85	170	48.57%
Herba Bangkok	102	306	52.58%	198	594	100.00%
Herba Cambodia	6	18	40.00%	10	30	83.33%
La Loma Alimentos	159	81	100.00%	8	8	5.52%
S&B Herba Foods	17	4	15.18%	---	---	---
Transimpex	85	170	100.00%	75	150	100.00%

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.

Within the framework of the Proposal for a Due Diligence Directive, during 2023 the Group will enable an external complaints channel, in addition to the channel already existing, which will be at the disposal of all our stakeholders and conveniently publicised through all the corporate reporting channels.

Ebro is also in the process of integrating the different complaints channels currently enabled within the Internal Information System under Act 2/2023 of 20 February regulating the protection of individuals who report infringements of laws and regulations and the fight against corruption, transposing the EU Directive 2019/1937 of 23 October 2019 (known as the “Whistleblowing Directive”), which entered into force on 13 March 2023.

Apart from the Confidential Complaints Channel, the Human Resources Departments of the different companies in the Group also have channels enabled to process, investigate and solve any incidents that may arise within their respective companies.

In this context, eleven grievances were reported in 2022 in the Human Resources Departments of the following Group companies. Six of them had been solved by the closing date of this Report:

Company	2022		
	Lodged	Processed	Solved
La Loma Alimentos	1	1	1
Riviana Foods	6	6	1
S&B Herba Foods	2	2	2
Tilda	2	2	2
	11	11	6

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

13 ethics audits were made at Group workplaces during 2022.

Company	Country	Workplace	Date	Type of audit	Auditors
Ebro India	India	Taraori	06/10/2022	SMETA	DNV
Herba Cambodia	Cambodia	Phonm Phen	25/04/2022	SMETA	ELEVATE
Herba Ricemills	Spain	San Juan	21/03/2022	SMETA	Intertek Spain
Pastificio Lucio Garofalo	Italy	Gragnano	05/07/2022	SA8000	DNV
Riviana Foods	United States	Brinkley	01/02/2022	SMETA	Accordia Global Compliance Group
		Memphis	05/05/2022	BSCI	
		Carlisle	02/02/2022	SMETA	
		Clearbrook	18/01/2022	SMETA	
		Alvin	08/03/2022	SMETA	
		Colusa	13/01/2022	SMETA	Control Union
S&B Herba Foods	United Kingdom	Regent mill	12/01/2022	SMETA	Bureau Veritas Certification
			18/05/2022	SMETA	
Herba Bangkok	Thailand	Nong Khae	26/10/2022	SMETA	SGS

Audits made on suppliers

54 SMETA audits were made on suppliers during 2022, 6 of them follow-up audits.

Country	Date of audit	Auditors
Argentina	13/07/2022	Bureau Veritas Certification
	14/07/2022	
	16/07/2022	
Belgium	19/09/2022	Intertek France
	25/01/2022	SGS CBE Belgium
Cambodia	19/08/2022	SGS (Cambodia) Limited
France	05/04/2022	SGS France
	17/05/2022	
	19/10/2022	
	03/02/2022	Bureau Veritas Certification
	21/07/2022	
	27/07/2022	
	15/06/2022	BUREAU VERITAS CPS - EMEA
	01/12/2022	
05/09/2022	DNV	
Germany	21/04/2022	Intertek Germany
	19/04/2022	

Country	Date of audit	Auditors
	05/05/2022	
	12/08/2022	Bureau Veritas Certification
	14/07/2022	TUV NORD CERT GmbH
Greece	07/07/2022	Intertek Bulgaria
	31/05/2022	SGS_UK
Hungary	01/07/2022	Bureau Veritas Certification
	26/05/2022	Bureau Veritas Certification
India	20/07/2022	SGS ASIA
	07/11/2022	
	18/03/2022	Intertek India
	22/06/2022	
	14/04/2022	Intertek Italy
Italy	06/06/2022	
	25/05/2022	SGS Italy
	23/11/2022	BUREAU VERITAS CPS - EMEA
Mexico	08/06/2022	DNV
Netherlands	25/08/2022	Bureau Veritas Certification
	04/10/2022	ALGI Pakistan
Pakistan	29/09/2022	ELEVATE
	16/07/2022	ALGI Pakistan
Peru	10/08/2022	SIPAS CR-PERU
Poland	03/11/2022	SGS Poland
Portugal	14/10/2022	Intertek Portugal
	02/09/2022	
	02/11/2022	
Thailand	17/03/2022	SGS Thailand
	19/09/2022	
	25/05/2022	
	14/02/2022	
Turkey	24/05/2022	Intertek Turkey
	22/02/2022	SGS_UK
	28/09/2022	Verisio
United Kingdom	01/08/2022	Intertek UK
	08/08/2022	
	21/11/2022	Verner Wheelock (incorporating KSSA)
	18/01/2022	Accordia Global Compliance Group (Home Office)
United States	23/02/2022	Intertek Peru

6. ANTI-CORRUPTION AND BRIBERY MEASURES

CORRUPTION AND BRIBERY

The Ebro Group has a global Code of Conduct, known to and binding on not only its workers and professionals, but also its customers, suppliers, shareholders and other stakeholders.

The Code of Conduct establishes the principal values that must underlie the Group's conduct, including those of transparency, honesty and strict compliance with the laws and regulations in place.

The Code of Conduct dedicates a specific section (29) to anti-corruption, bribery, illegal commissions, influence peddling and money laundering. It establishes the following general principles: (i) the obligation undertaken by the Group to eradicate any form of corruption and (ii) the absolute prohibition of any form of corruption or bribery. These principles are accompanied by specific rules of conduct designed to guarantee compliance with them.

All the Group's workers and professionals are informed of and accept the Code of Conduct as mandatory. They receive a copy of it when they join the Group (or after any amendment) and formally acknowledge receipt, knowledge thereof and their obligation to comply. This is backed up with a grievance channel through which any interested person may confidentially inform the parent company of any potential infringement of the Code.

The general regulation set out in the Code of Conduct is supplemented on a corporate level with the Policy against Corruption and Bribery approved by the parent's board of directors in April 2019. All the principles, values and rules for action established in the Code of Conduct for combating corruption and fraud are developed in the specific, verifiable terms of that Policy.

The global regulation of the Code of Conduct and the principles set out in the Policy against Corruption and Bribery are backed up locally in the different regions in which the Group operates.

- In the principal Spanish companies, the Ebro Group also has a crime prevention model that identifies the potential criminal risks deriving from its activities and the mitigation measures established to try to eliminate (or minimise as far as possible) the risk of committing criminal offences, which include corruption and bribery. The crime prevention model identifies the measures implemented to mitigate the risk of committing offences of corruption, bribery, influence peddling and money laundering. Its effectiveness and application are monitored and checked regularly by the Compliance Unit, within the reporting system of the current crime prevention model. During 2020 the Group revised and updated its criminal risk map and crime prevention model, with counselling from external specialists. 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, following 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 "Ethics 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, commenced at the end of 2022 with specialist external counselling and will be completed in 2023.

The following table shows the companies that provided anti-corruption training for their employees in 2022. That ongoing training is included in regular training plans, thus ensuring that employee knowledge on the matter is constantly refreshed.

Company	2022			2021		
	No. employees	No. employees receiving training	% employees receiving training	No. employees	No. employees receiving training	% employees receiving training
Bertagni	417	417	100.00%	---	---	---
Ebro India	179	23	12.85%	175	25	14.29%
Geovita	---	---	---	101	11	10.89%
Harinas Santa Rita	---	---	---	18	18	100.00%
Herba Bangkok	194	195	100.52%	198	198	100.00%
Herba Cambodia	20	9	45.00%	---	---	---

La Loma Alimentos	---	---	---	116	4	3.45%
Ebro Foods Netherlands	---	---	---	80	27	33.75%
Riviana Foods	1043	1043	100.00%	919	919	100.00%
Riviana Foods Canada	237	237	100.00%	223	223	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.

7. VALUE CREATION MODEL

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

SOCIAL CASH FLOW

(EUR thousand)

	2022	2021
Economic value generated		
Net proceeds from operations	419,351	538,897
Sale of assets and businesses	27,411	753,926
Dividends received from third parties	2,319	4,350
	449,081	1,297,173
Economic value distributed	(334,371)	(375,518)
Payments to or on behalf of employees	(90,821)	(136,510)
Corporate income tax	(4,933)	(5,352)
Contribution to not-for-profit entities and support for sustainable agriculture	(5,562)	(8,384)
Interest income/expense	(48,556)	(24,063)
Business acquisitions	(118,808)	(120,035)
CAPEX	(96,528)	(185,719)
Dividends paid	(699,579)	(855,581)
Economic value retained	(250,498)	441,592

(*) 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, regulated in Spain in **Supplementary Provisions 1 and 10 and Transitional Provision Two of the Tax Fraud Prevention Measures Act 36/2006 of 29 November (as amended by Act 11/2021 of 9 July on measures to prevent and combat tax fraud, effective from 11 July 2021)**.

In 2022, the Ebro Group directly paid EUR 97.2 million to the tax authorities in the different countries in which it operates.

Breakdown of tax payments

EUR thousand

Income tax paid

2022	2021
90,821	136,510

Taxes paid by geographic areas

	2022		2021	
	Net IT	Other Taxes	Net IT	Other Taxes
Spain	36,615	613	-1,801	408
Rest Europe	24,426	2,492	54,747	3,275
America	29,067	3,304	82,536	3,161
Asia	170	0	70	0
Africa	543	0	958	0
Total	90,821	6,409	136,510	6,844

Most significant countries

	Net IT	Other Taxes	Net IT	Other Taxes
Spain	36,615	613	-1,801	408
France	6,245	2,226	17,792	1,582
Italy	5,133	208	15,085	149
United States	11,690	3,196	72,422	2,892
United Kingdom	5,879	0	7,114	0

Pre-tax profit, by countries

EUR thousand

	2022	2021
	Pre-tax profit	Pre-tax profit
Spain	-315	29,888
Rest Europe	74,130	88,115
America	89,668	71,204
Asia	18,353	7,278
Africa	3,971	2,246
Total	185,807	198,731

Most significant countries

	2022	2021
	Pre-tax profit	Pre-tax profit
Spain	-315	29,888
France	-3,627	16,215
Italy	28,468	33,120
United States	87,087	72,318
United Kingdom	32,665	20,974

Public grants received

EUR thousand

	2022	2021
Capital grants received	1,026	1,591
Operating grants received	2,509	490

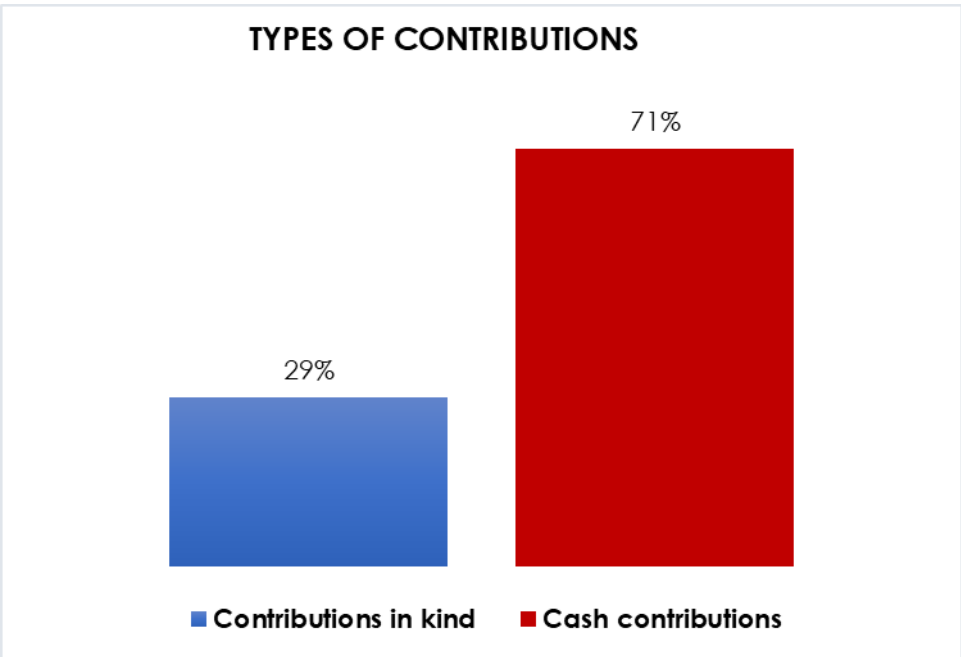
COMMITMENT TO THE DEVELOPMENT OF LOCAL COMMUNITIES

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, as in previous years, the Ebro Foundation and the Group 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 2022 was EUR 4.9 million.

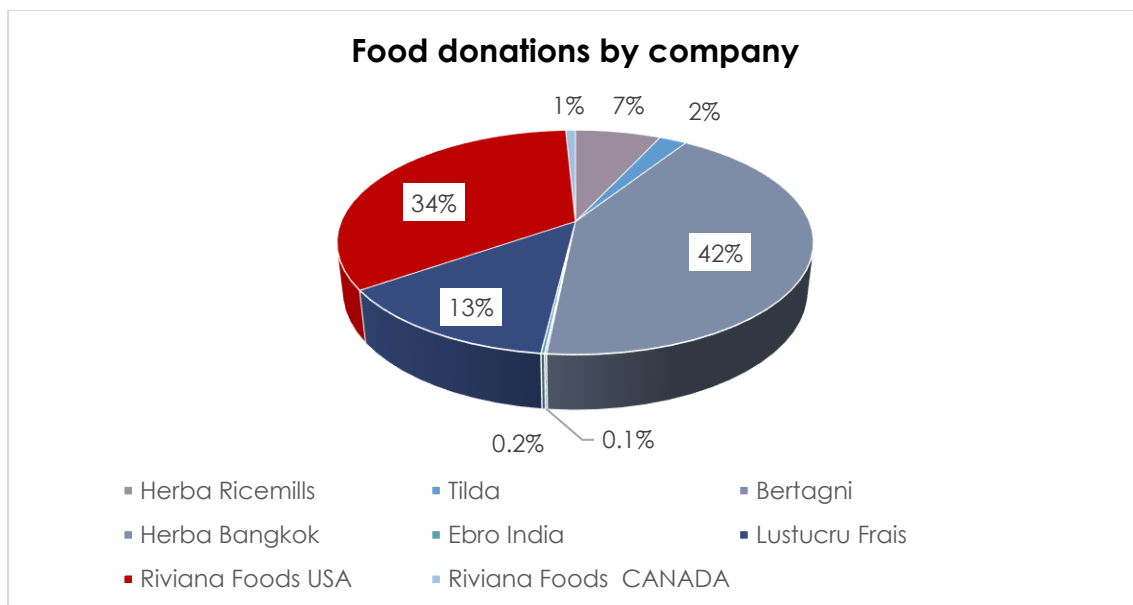
Social Action	Amount (EUR)
Food donations subsidiaries	1,415,232.06
Ebro Foundation activities	601,459.37
Sustainable Agriculture	2,916,070.00
TOTAL	4,932,761.43



Food Donations

During 2022, Group companies in Spain, United Kingdom, Italy, France, Thailand, India, United States and Canada made food donations for an aggregate value of EUR 1.4 million, delivering almost 600 thousand kilogrammes of food.

Company	Amount (EUR)
Herba Ricemills	98,104.62
Tilda	31,552.60
Bertagni	600,732.00
Herba Bangkok	1,493.15
Ebro India	2,832.49
Lustucru	190,379.00
Riviana Foods USA	479,026.95
Riviana Foods Canada	11,111.25
TOTAL	1,415,232.06



Social and Environmental Initiatives

Apart from the food donations and in their determination to contribute to sustainable development of the communities in which we operate, the Ebro Group and the Foundation continued working in 2022 to set up social and environmental initiatives:

The Foundation worked in four major areas during 2022:

1. **Food and health:** Participation in programmes that combine food and health, food and social development, and food and sport.

The total investment made in this area in 2022 was EUR 58,070.57.

2. **Social welfare:** This working area comprises support for education through scholarships, research projects, educational programmes that contribute towards equal

opportunities, training projects for integration into society and employment, entrepreneurship and job promotion initiatives, and community aid programmes that contribute to achieving the full, effective social integration of these individuals and groups at risk of exclusion.

The total investment made in this area in 2022 was EUR 379,011.80.

- 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 promoting and achieving the Group's sustainability goals through the *EBRO FOUNDATION SUSTAINABILITY & ENVIRONMENTAL AWARDS*, which aim to bring out the talent of the Group's professionals in the search for innovative solutions that contribute towards achievement of the goals contemplated in our sustainability plan *HEADING FOR 2030*.

With regard to sustainable agriculture, the Foundation continued in 2022 to promote EKTA, a programme intended to implement crop standards that are sustainable from a social and environmental perspective in India.

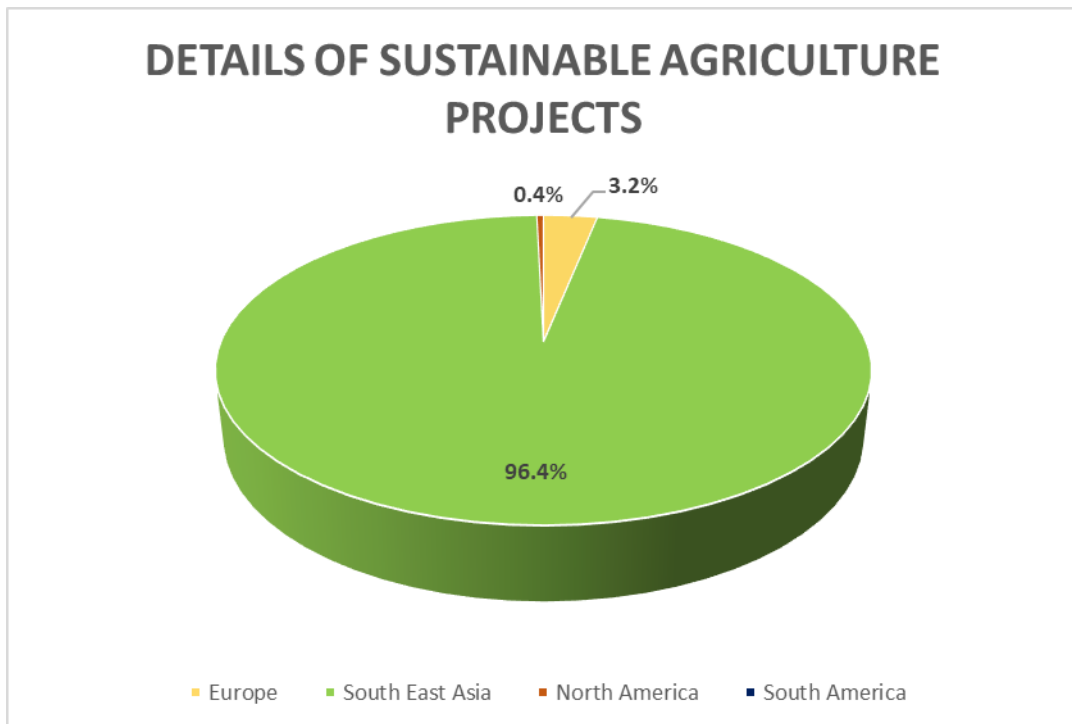
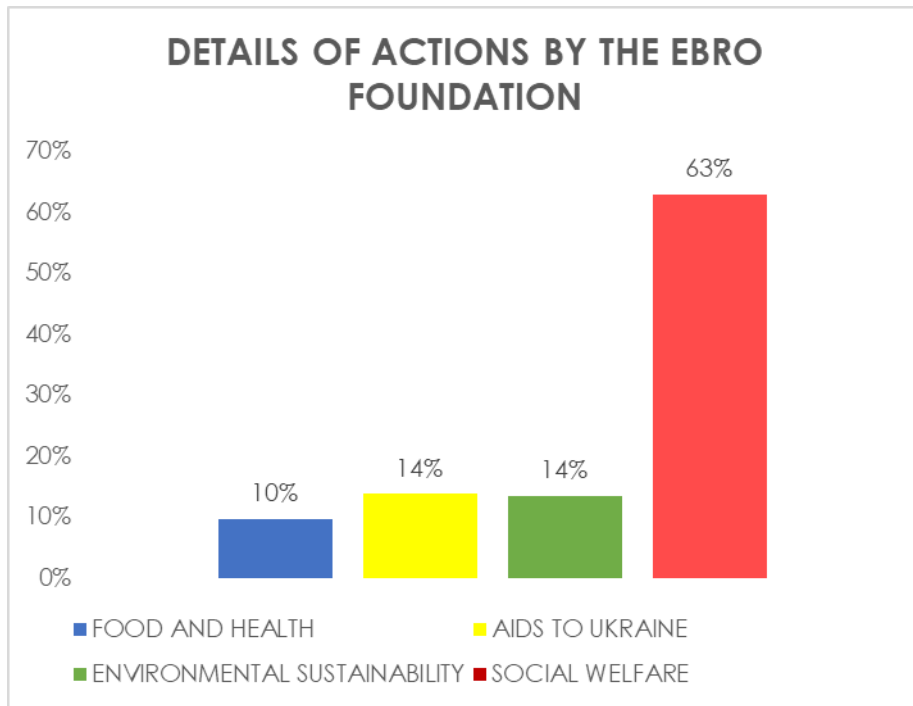
The Foundation invested EUR 81,334 in this area, supplemented by the EUR 2,916,070 invested by several Group companies, both to set up sustainable agriculture programmes in our principal sourcing areas and to pay a fee premium to growers with a view to improving not only their agricultural yields, but also their income.

- 4. Aids to Ukraine:** During 2022, in an effort to alleviate the severe humanitarian crisis in Ukraine since the Russian invasion, the Ebro Foundation joined the wave of solidarity with the Ukrainian people by sending essential goods, donations in kind and financial contributions.

Within food donations and thanks to the support of our Belgian subsidiary Ebro Foods Belgium, the Foundation collaborated with *World Central Kitchen (WCK)*, the NGO of chef José Andrés, sending more than 80,000 kg of rice for the Ukrainian refugees in Lviv (Ukraine). Lorries loaded with rice set off from Ebro Foods Belgium for the Polish border with Ukraine, and once there WCK volunteers crossed the border with the rice and delivered it to Lviv.

Through the association Madrid Futuro, the Foundation also participated financially in the emergency campaign "Cáritas with Ukraine", which had three goals: distribute essential goods, provide transport and safe refuge for the Ukrainians who managed to leave the country and help the refugees who arrived in Spain. Also through Madrid Futuro, the employees at our Madrid office collaborated in the campaign for collecting warm clothes for women and children, baby food, medicines, etc. organised by Madrid City Council.

The aids in this area totalled more than EUR 83,000.



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

To conclude this chapter, it should be mentioned that the Ebro Group has not received any complaints or claims regarding possible adverse impacts on the local communities in the areas in which we operate.

8. OUR PROFESSIONALS

People, their personal well-being and their professional development, are one of the prime targets of the Ebro Group in Social Responsibility.

Scope of the reporting perimeter

As a result of the divestment in Roland Monterrat in the first half of 2022 and in order to enable adequate comparison of the information corresponding to 2021 and 2022, all the 2021 indicators have been recalculated to eliminate the information corresponding to that company. On the other hand, the indicators corresponding to the company InHarvest, acquired in February 2022, were included in 2022.

Management focus

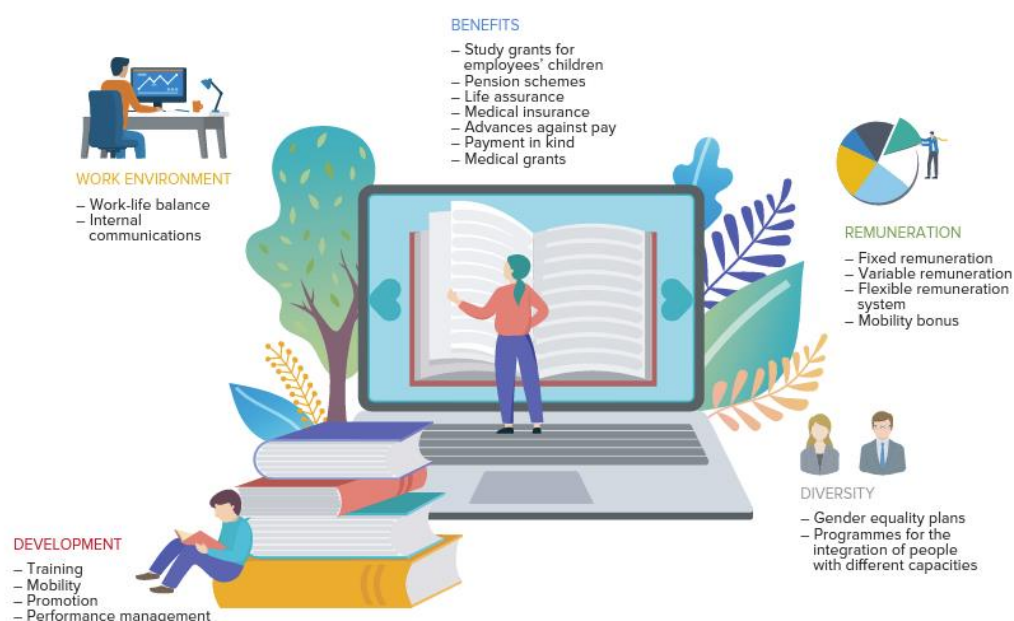
The most valuable asset of the Ebro Group is its **6,414 professionals, of whom 5,412 are employed directly by the company and 1,002 are contracted** through different external agencies. A very close-knit team of professionals with enormous talent potential aligned with the organisation's strategy. Through 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 subsidiaries of the Ebro Group 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.



A. EMPLOYMENT

Total number and distribution of employees by gender

	2022		2021	
	No. employees	% total employees	No. employees	% total employees
Men	3,848	71.10%	3,549	70.99%
Women	1,564	28.90%	1,450	29.01%
Total employees	5,412		4,999	

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 71% of the personnel employed within the Ebro Group overall are men, 78% of whom are factory employees.

Breakdown of employees by age group

Age Group	2022		2021	
	No. employees	% total employees	No. employees	% total employees
<=30	861	15.91%	733	14.66%
30 - 50	2,764	51.07%	2,607	52.15%
>= 50	1,787	33.02%	1,659	33.19%
Total employees	5,412		4,999	

Breakdown of employees by country

Country	2022		2021	
	No. employees	% total employees	No. employees	% total employees
Argentina	170	3.14%	157	3.14%
Belgium	220	4.07%	217	4.34%
Cambodia	15	0.28%	12	0.24%
Canada	237	4.38%	223	4.46%
Denmark	61	1.13%	53	1.06%
France	571	10.55%	522	10.44%
Germany	167	3.09%	161	3.22%
Hungary	5	0.09%	4	0.08%
India	179	3.31%	175	3.50%
Italy	780	14.41%	744	14.88%
Morocco	254	4.69%	209	4.18%
Netherlands	80	1.48%	81	1.62%
Portugal	72	1.33%	69	1.38%
Spain	934	17.26%	864	17.28%
Thailand	194	3.58%	198	3.96%
United Kingdom	430	7.95%	391	7.82%
United States	1,043	19.27%	919	18.38%
Total employees	5,412		4,999	

Breakdown of employees by professional category

Professional category	2022		2021	
	No. employees	% total employees	No. employees	% total employees
Executives	317	5.86%	253	5.06%
Technical staff & middle management	852	15.74%	874	17.48%
Administrative & auxiliary staff	835	15.43%	798	15.96%
Factory employees	3,346	61.83%	3,007	60.15%
Others	62	1.15%	67	1.34%
Total employees	5,412		4,999	

Total number of employment contracts and breakdown by type

This table shows the total number of contracts at 31 December 2022:

Type of contract	2022	2021
Permanent	3,750	3,512
At Will	1,258	1,157
Temporary	356	353
Total number of contracts	5,364	5,022

NB: The At-Will contracts are the form of employment contract most commonly used in the USA, and corresponds to our company Riviana Foods.

Annual average contracts by gender

The At-Will contracts are included in permanent contracts, and the average number of part-time contracts is included in the average number of permanent and temporary contracts.

Average contracts	2022			2021		
	Men	Women	Total	Men	Women	Total
Permanent	3,502	1,439	4,941	3,322	1,339	4,661
Temporary	328	140	468	272	117	389
Part-time	90	107	197	90	101	191

Annual average contracts by age group

The At-Will contracts are included in permanent contracts, and the average number of part-time contracts is included in the average number of permanent and temporary contracts.

Average contracts	2022				2021			
	<= 30	30-50	>= 50	Total	<= 30	30-50	>= 50	Total
Permanent	681	2,549	1,711	4,941	648	2,442	1,571	4,661
Temporary	173	215	80	468	116	188	85	389
Part-time	36	69	92	197	38	46	107	191

Annual average contracts by professional category

The At-Will contracts are included in permanent contracts. This average includes both full-time and part-time permanent contracts.

Professional category	2022	2021
Executives	301	252
Technical staff & middle management	849	864
Administrative & auxiliary staff	803	762
Factory employees	2,934	2,722
Others	54	61
Average permanent contracts	4,941	4,661

This table includes the average full-time and part-time temporary contracts.

Professional category	2022	2021
Executives	14	1
Technical staff & middle management	5	8
Administrative & auxiliary staff	60	58
Factory employees	375	303
Others	14	19
Average temporary contracts	468	389

NB: The increase in temporary contracts in 2022 over 2021 is due to the contracting of more temporary staff by Agromeruan for the agricultural campaign and the hiring of new executive staff in Lustucru Frais after restructuring the workforce following the divestment of Panzani.

The average includes both permanent and temporary part-time contracts.

Professional category	2022	2021
Executives	6	5
Technical staff & middle management	13	22
Administrative & auxiliary staff	70	61
Factory employees	89	85
Others	19	18
Average part-time contracts	197	191

Number of dismissals by gender, age and professional category

Professional category	2022							2021						
	Men			Women			TOTAL	Men			Women			TOTAL
	<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50		<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50	
Executives	1	1	8	3	2	1	16	0	2	4	0	0	0	6
Technical staff & middle management	4	9	9	6	9	8	45	4	5	8	2	3	2	24
Administrative & auxiliary staff	8	3	1	4	3	7	26	4	3	2	1	4	2	16
Factory employees	66	110	34	22	59	21	312	42	64	30	20	33	10	199
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of dismissals	79	123	52	35	73	37	399	50	74	44	23	40	14	245

NB: The higher number of dismissals in 2022 over 2021 corresponds to the greater staff turnover in the United States as a result of the full employment situation in the country and the workforce restructuring in Lustucru Frais following the divestment of Panzani.

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 353,441 hours in 2022, 3.62% more than in the previous year, when absenteeism totalled 341,102 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, study leave, etc.

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

Company	Welfare benefits	Type of employee
	Disability/invalidity cover	
	Medical insurance	Full-time employees
Arrozeiras Mundiarroz	Parental leave	All employees
	Disability/invalidity cover	
	Medical insurance	Full-time employees
Bertagni	Parental leave	All employees
	Disability/invalidity cover	
	Fuel cards	
	Life insurance	
	Medical insurance	
	Shopping vouchers	
Ebro Foods	Parental leave	All employees
	Disability/invalidity cover	
	Education grant for children of working person	
Ebro Foods Belgium	Parental leave	All employees
	Pension fund	
	Life insurance	
	Medical insurance	
Ebro Foods Netherlands	ASR insurance	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	
	UWV	
Ebro India	Parental leave	All employees
	Pension fund	
	Life insurance	

Company	Welfare benefits	Type of employee
	Medical insurance	
Ebro Ingredients	AG Parental leave DKV Pension fund Life insurance Medical insurance	All employees
Garofalo	Parental leave	All employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Geovita	Food Healthcare Fund	All employees
Herba Bangkok	Parental leave	All employees
	Pension fund	Full-time employees
	Disability/invalidity cover	
	Life insurance	
	Medical insurance	
	Social welfare	
Herba Ricemills	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Life insurance	
	Medical insurance	

Company	Welfare benefits	Type of employee
Indo European Foods	Parental leave	All employees
	Medical insurance	
La Loma Alimentos	Shares	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
Lustucru Frais	Parental leave	All employees
	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	Full-time employees
	Medical insurance	
Riviana Foods	Parental leave	Full-time employees
	Disability/invalidity cover	
	Life insurance	

Company	Welfare benefits	Type of employee
	Medical insurance	All employees
	Pension fund	
Riviana Foods Canada	Parental leave	Full-time employees
	Disability/invalidity cover	
	Pension fund	
	Life insurance	
	Medical insurance	
S&B Herba Foods	Parental leave	All employees
	Psychological assistance	
	Disability/invalidity cover	
	Pension fund	Full-time employees
	Life insurance	
	Medical insurance	
Tilda	Annual flu jab	All employees
	Parental leave	
	Meal vouchers	
	Vouchers for eye specialist	
	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 working on the implementation of measures that give our professionals greater flexibility to cope with different times and circumstances in their lives, such as parenthood, childcare, care of elderly relatives, personal concerns related with volunteer activities, furthering their training, etc.

One of the company's most prominent flexibility measures is homeworking, which in some cases follows a regulated procedure and in others it forms part of the flexibility offered by the different companies to work remotely on specific days when the professionals need to be at home. In the same context, most of the businesses have introduced flexi-time to enable their employees to strike a better balance between their personal and professional lives.

Moreover, within its commitment to employees' work-life balance, the parent of the Group has established a protocol for digital disconnection so that its employees do not work outside their stipulated working times. This protocol will be reviewed and updated regularly in the event of any change in the organisation and/or activity of the company and in response to any suggestions or proposals for improvement received from our professionals.

Employees homeworking with a regulated procedure

Professional category	2022			2021		
	Men	Women	Total	Men	Women	Total
Executives	92	68	160	51	28	79
Technical staff & middle management	61	55	116	107	86	193
Administrative & auxiliary staff	46	87	133	88	113	201
Factory employees	2	3	5	2	1	3
Others	1	0	1	0	0	0
Total employees homeworking	202	213	415	248	228	476

Parental leave

Employees who took leave / employees entitled to leave (%)	2022			2021		
	Men	Women	Total	Men	Women	Total
	97.78%	100.00%	98.77%	98.65%	100.00%	99.29%

C. HEALTH AND SAFETY

All the Group companies and their respective production plants have an Occupational Hazard Prevention and Management System in place. This system is implemented using both internal resources and external firms. In addition, 85.83% of the workforce is represented on the Health and Safety Committees in the different companies (87.21% in 2021).

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.

Workplace safety

All our employees are covered for Occupational Hazard Prevention.

The following figures correspond to employees on the Group's payroll:

	2022		2021	
	Men	Women	Men	Women
No. lost-day injuries	137	47	100	19
Frequency rate	21.21	18.05	17.23	9.69
Severity rate	0.88	0.81	0.64	0.52
No. employees with occupational disease	1	2	2	3

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.

One fatal accident occurred in the company La Loma Alimentos (Argentina) during 2022.

There are no jobs within the Group with a high risk of occupational disease.

D. LABOUR RELATIONS

Employees covered by collective bargaining agreements

63.58% 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 62.11% in the previous year.

The remainder are top executives of the Group, the professionals of the North American and Anglo Saxon companies (as such agreements have not been used there for over 20 years), those of Herba Bangkok, Herba Cambodia, Mundiriz, Agromeruan and Ebro India (where this type of agreement is not used either) and those of Riceland Magyarorzag, since it has fewer employees than the number required by local 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. Furthermore, external ethical audits are conducted regularly in some of them.

Country	2022	2021
Argentina	78.24%	64.33%
Belgium	100%	100%
Cambodia	0%	0%
Canada	74.26%	65.92%
Denmark	100%	100%
France	100%	100%
Germany	0%	0%

Country	2022	2021
Hungary	0%	0%
India	0%	0%
Italy	100%	100%
Morocco	0%	0%
Netherlands	100%	100%
Portugal	100%	100%
Spain	100%	100%
Thailand	0%	0%
United Kingdom	5.58%	9.97%
United States	37.39%	40.48%

E. TRAINING

One of the main goals of the Ebro Group in respect of human resources is to encourage employees to develop their skills and abilities, offering training to give them the technical qualifications they need, both to perform their duties and for their professional promotion.

This commitment is set out in section IV, point 11 of the Group's Code of Conduct.

During 2022, 136,230 hours of training were given, 15% more than in the previous year, with the participation of 73% of our employees.

Total hours training of our employees by professional category

	2022			2021		
	Men	Women	Total	Men	Women	Total
Executives	2,343	1,441	3,784	1,520	957	2,477
Technical staff & middle management	9,344	3,072	12,417	11,274	4,334	15,607
Administrative & auxiliary staff	3,231	3,580	6,812	3,189	3,138	6,327
Factory employees	82,856	29,497	112,353	70,698	23,271	93,969
Others	618	248	866	214	150	364
Total hours training	98,392	37,838	136,230	86,895	31,849	118,744

F. DIVERSITY AND EQUAL OPPORTUNITIES

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.

With the aim of strengthening this commitment, some of the Group companies have drawn up additional policies that specifically build on the guidelines established in the corporate Code of Conduct. For example, the subsidiaries Riviana Foods and S&B Herba Foods have a Policy for Equal Opportunities in Employment, and Ebro India has an Anti-Discrimination Policy.

Similarly, during 2022 the parent, Ebro Foods, finished preparing an Equality Plan defining the framework for adequate action to promote effective gender equality. The Plan has been sent to the competent State Labour Authority for registration, filing and publication and at the date hereof we are pending completion of that formality by the Authority. In the same context, the Negotiating Committee for the Ebro Foods, S.A. Equality Plan also drew up the Ebro Foods Protocol for Sexual and Gender-Based Harassment, which was approved by Company Management on 9 January 2023.

We also have the Ebro Foods Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, which lays down specifically and verifiably the basic principles and criteria that must be followed in the selection of candidates to sit on the company's Board of Directors and to ensure diversity in the composition of the Board.

Diversity in governing bodies and workforce

Board of Directors	2022		2021	
	Number	% of total	Number	% of total
Men	9	64.29%	8	57.14%
Women	5	35.71%	6	42.86%

	2022		2021	
	No. employees	% total employees	No. employees	% total employees
Men	3,848	71.10%	3,549	70.99%
Women	1,564	28.90%	1,450	29.01%
Total employees	5,412		4,999	

Employees with different abilities

2022		2021	
Men	Women	Men	Women
67	31	58	28

During 2022, 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	1,948
C.E.E. INSERCIÓN PERSONAL DISCAPACITADOS "IPD"	Cleaning head office in Madrid	81,326
	TOTAL	83,275

With regard to the universal accessibility and integration of persons with different abilities in physical environments, examples of measures taken by some Group companies included: (i)

making the necessary adaptations to eliminate architectural barriers, (ii) applying ergonomic principles to adapt work stations to the person, and (iii) limiting certain tasks, and constantly reducing and reviewing their workload.

Remunerations

The basic salary is identical for men and women in all the companies of the Ebro Group.

Average remuneration by professional category

Professional category	2022			2021		
	Men	Women	Average	Men	Women	Average
Executives	105,423	83,353	94,388	107,902	85,266	96,584
Technical staff & middle management	60,094	50,379	55,236	50,130	51,459	50,795
Administrative & auxiliary staff	37,618	32,128	34,873	43,933	38,086	41,010
Factory employees	28,064	24,560	26,312	28,312	25,313	26,812
Others	31,306	31,195	31,251	22,828	22,631	22,730

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.

(ii) The remuneration of the Senior Management is included in the information reported for the professional category "Executives".

Average remuneration by age group

2022			2021		
<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
34,357	52,392	58,486	30,726	50,941	61,091

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

2022			2021		
Men	Women	Pay gap	Men	Women	Pay gap
52,501	44,323	0.16	50,621	44,551	0.12

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

	2022		2021	
	Men (2)	Women (1)	Men	Women
Average remuneration directors (EUR thousand)	252	178	267	172

* NB:

(1) On 24 March 2022, the proprietary director and reference shareholder Alimentos y Aceites, S.A. (SEPI) (represented by a woman) stepped down from the Board with effect from 29 March 2022, taking the number of female directors on the Board from 6 at the beginning of the year to 5 at the end. For this reason, the remuneration of the female representative of Alycesa (EUR 23 thousand) has not been taken into account when calculating the annual average remuneration for the 5 female directors in the period 1/1/2022 - 31/12/2022.

(2) On 30 March 2022, the Board resolved to appoint Jordi Xuclà Costa director by the procedure of cooptation, to fill the vacancy produced by the resignation of Alimentos y Aceites, S.A. (SEPI). Mr Xuclà Costa is classified as proprietary director of Alimentos y Aceites, S.A. At the Annual General Meeting held on 29 June 2022, the Shareholders resolved to ratify the appointment by cooptation of Jordi Xuclà Costa. Mr Xuclà Costa was appointed for a term in office equal to the remaining term for which Alimentos y Aceites, S.A. had been appointed (Alimentos y Aceites, S.A. was appointed director at the Extraordinary General Meeting of 16 December 2020 for the statutory term of 4 years).

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 (31/12/2021). Mr Murtra Millar was also appointed member of the Executive Committee and the Audit, Control and Sustainability Committee.

(3) The 2022 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 2022, 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.

9. CUSTOMERS AND CONSUMERS

Customers and consumers are two of the driving forces for development, evolution and growth of the company. The Ebro Group uses a wide variety of tools to:

1. Offer them a broad portfolio of healthy, differentiated products.
2. Anticipate and meet their needs for consumption.
3. Guarantee top quality in its products and services, meeting not only the quality standards and requirements stipulated in law, but also any stricter standards to guarantee that top quality.
4. Watch out for their health and safety, meeting the strictest food safety standards.

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.

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:
 - o The standards established by the International Organisation for Standardization (ISO 9001:2000, ISO 9001:2008 and ISO 22000).
 - o 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.
 - o 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.
 - o The standards FSSC22000, which provides a reference framework for the food safety requirements, incorporating good practices in the agricultural, manufacturing and distribution systems for HACCP.

In this context, all the Ebro Group plants have been certified for quality and food safety, having a total of 198 certifications (Annex 2).

During 2022, Ebro Foods Netherlands BV, Ebro Frost UK, Pastificio Lucio Garofalo, Indo European, Lustucru Frais and Riviana Foods made regular assessments of their products with a view to reinforcing 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 information and, in turn, 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 carries out internal checks and monitoring of the relevant quality system in case there is a fault and, if so, 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
Ebro India	India	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 Canada	Canada	Telephone, e-mail, website and social media
Riviana Foods USA	United States	Telephone, e-mail, Website and social media
Tilda	United Kingdom	Telephone, e-mail, post and social networks

Incidents during the year

Incidents registered with large customers

Overall, 8 incidents were registered in 2022, 1 of which corresponded to Arrozeiras Mundiarroz (Portugal), 2 to Bertagni (Italy), 2 to Ebro Ingredients (Netherlands) and 3 to Indo European Foods (United Kingdom). Of those, 5 were related with product health and safety and 3 to information and labelling.

Claims from end consumers

The following table shows the number of claims (packaging defects, requests for information, sensory properties, etc.) handled during 2022, by company.

Company	No. incidents 2022	No. incidents 2021
Arrozeiras Mundiarroz	243	149
Bertagni 1882	348	318
Ebro Foods Belgium	236	228
Ebro Foods Netherland	181	241
Ebro India	48	78
Euryza	726	930
Herba Ricemills	250	340
Lustucru Frais	1,344	1,413
Lustucru Riz	1,509	1,151
Pastificio Lucio Garofalo	506	677
Riceland Magyarorszag	35	45
Risella	151	187
Riviana Foods	15,489	7,903
Riviana Foods Canada	1,501	1,663
Tilda	1,122	1,144

No claims were received in 2022 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 the blog [Sentirsebien.es](https://www.sentirsebien.es) (.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.

10. SUPPLIER MANAGEMENT

Description of the supply chain

The suppliers of the Ebro Group are classified into four categories:

1. Rice or durum wheat suppliers
2. Other raw material suppliers
3. Packaging suppliers
4. Service providers

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 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.

Supply Chain

In 2022 we mapped our global supply chain, with the following proportions per continent:

- Europe, 68%
- Africa, 10%
- Asia, 8%
- North America, 8%
- South America, 6%

Regarding the percentage of suppliers who have signed the Ebro Group's Supplier Code of Conduct, the headway made in 2022 was as follows:

- 54% in Asia
- 17% in South America
- 11% in Europe
- 8% in North America

In the area of agricultural raw materials, more specifically in rice production, Ebro India, Herba Bangkok, Herba Ricemills, La Loma Alimentos, Munderiso and Riviana are, together with their agricultural suppliers, developing different sustainability programmes to assess and verify the sustainability of the crop using the FSA standard of the Sustainable Agriculture Initiative Platform (SAI Platform) and the SRP standard of the Sustainable Rice Platform, as well as the Ecological Agriculture Platform and Fair Trade. All these programmes together have produced a positive impact on approximately 9,000 growers who supply the Ebro Group.

At this point, we also highlight the sustainable agriculture projects we are developing in some of our principal sourcing areas, the main goals of which are: (i) improve growers' revenues, (ii) optimise their agricultural returns, (iii) mitigate climate change by reducing the use of water, (iv) cut emissions and (v) encourage the use of biological means to combat plagues. Our global investment in all these projects was EUR 2.9 million.

** We duly report on all these programmes in Chapter 11 of this Report, Commitment to the Environment.*

Audits made on our supply chain

We made 54 SMETA audits in 2022, 6 of them follow-up audits, on suppliers in the following countries:

Country	Date of audit	Auditors
Argentina	13/07/2022	Bureau Veritas Certification
	14/07/2022	
	16/07/2022	
Belgium	19/09/2022	Intertek France
	25/01/2022	SGS CBE Belgium
Cambodia	19/08/2022	SGS (Cambodia) Limited
France	05/04/2022	SGS France
	17/05/2022	
	19/10/2022	
	03/02/2022	Bureau Veritas Certification
	21/07/2022	
	27/07/2022	
	15/06/2022	BUREAU VERITAS CPS - EMEA
	01/12/2022	
	05/09/2022	DNV
Germany	21/04/2022	Intertek Germany
	19/04/2022	
	05/05/2022	Bureau Veritas Certification
	12/08/2022	

Country	Date of audit	Auditors
	14/07/2022	TUV NORD CERT GmbH
Greece	07/07/2022	Intertek Bulgaria
	31/05/2022	SGS_U
Hungary	01/07/2022	Bureau Veritas Certification
India	26/05/2022	Bureau Veritas Certification
	20/07/2022	SGS ASIA
	07/11/2022	
	18/03/2022	Intertek India
Italy	22/06/2022	Intertek Italy
	14/04/2022	
	06/06/2022	SGS Italy
	25/05/2022	
	23/11/2022	BUREAU VERITAS CPS - EMEA
Mexico	08/06/2022	DNV
Netherlands	25/08/2022	Bureau Veritas Certification
Pakistan	04/10/2022	ALGI Pakistan
	29/09/2022	ELEVATE
	16/07/2022	ALGI Pakistan
Peru	10/08/2022	SIPAS CR-PERU
Poland	03/11/2022	SGS Poland
Portugal	14/10/2022	Intertek Portugal
Thailand	02/09/2022	SGS Thailand
	02/11/2022	
	17/03/2022	
	19/09/2022	

Country	Date of audit	Auditors
	25/05/2022	
Turkey	14/02/2022	Intertek Turkey
United States	18/01/2022	Accordia Global Compliance Group (Home Office)
	23/02/2022	Intertek Peru
United Kingdom	22/02/2022	SGS_UK
	28/09/2022	Verisio
	01/08/2022	Intertek UK
	08/08/2022	Verner Wheelock (incorporating KSSA)
	21/11/2022	
	24/05/2022	

This notwithstanding, in response to the EU Proposal for a Corporate Sustainability Due Diligence Directive and the recent approval of the Corporate Sustainability Reporting Directive (CSRD), the Group will, in 2023, commence a Due Diligence procedure among its suppliers to identify and manage any real or potential impacts during their supply chains affecting Human Rights and the Environment.

We should mention in this regard that the implementation of all these programmes has helped to confirm that no adverse environmental or social impacts have been identified in our supply chain.

11. COMMITMENT TO THE ENVIRONMENT

Scope of Reporting

The information set out below corresponds to 73 of the 78 production plants and offices that the Ebro Group has through its different companies.

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 [301-1]

The raw materials used are divided into two major categories, those used in the preparation of finished goods and the packaging materials.

The raw materials used in finished goods are divided into five categories:

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)	2022		2021	
	t	%	t	%
Rice	2,058,274	86.19%	2,028,296	87.28%
Wheat and wheat flours/semolina	222,542	9.32%	194,361	8.36%
Other RM plant origin	75,022	3.14%	64,841	2.79%
RM animal origin	20,175	0.84%	19,238	0.83%
Other ingredients	12,179	0.51%	17,158	0.74%
Total	2,388,191		2,323,894	

We do not use palm oil in the preparation of any of our products.

Although the use of raw materials from animal origin is less than 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 2022, the use of ingredients from cage-free eggs was already up to 99% in Spain and 82% in France.

Packaging materials [301-1]

The packaging materials for finished products are mainly paper, cardboard and plastic.

Type of Material	2022		2021	
Plastic	45,086	48%	38,247	46%
Paper	46,830	50%	43,227	52%
Glass	0	0%	0	0%
Metal	3	0%	6	0%
Others	1,340	1%	1,600	2%
TOTAL	93,258		83,080	

Recycled input materials [301-2]

Based on the information received from the suppliers of packaging materials regarding the composition of their materials, we have calculated the recycled fibre/polymer content of the different types of packaging we use.

To preserve and guarantee the utmost food safety of our products, the primary packaging, which is in direct contact with the food, must have a 100% virgin material composition or be certified as suitable for use in the food industry. In this scenario, our primary packaging contains 6% recycled material.

The different secondary and tertiary packaging formats used by the Group both contain 74% 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 [302-1]

We separate energy consumption within the organisation into direct consumption and indirect consumption.

The direct 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:
 - a. Rice husk, a by-product of our industrial processes, used by Ebro India, Herba Ricemills and Mundiriso
 - b. Wood chips used by Ebro Frost
 - c. 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 (GJ)

Non-renewable fuel consumed	2022		2021	
Natural gas	2,807,055	94.50%	2,722,752	75.63%
Other non-renewables	76,690	2.58%	805,189	22.36%
Total consumption non-renewables (GJ)	2,883,745	97.08%	3,527,941	97.99%
Renewable fuel consumed	2022		2021	
Biomass/Charcoal	80,976	2.73%	70,194	1.95%
Total consumption renewables (GJ)	80,976	2.73%	70,194	1.95%
Self-generated energy	2022		2021	
Photovoltaic panels	6,361	0.21%	2,956	0.08%
Cogeneration	101,081	3.40%	94,458	2.62%
Total self-generation (GJ)	107,442	3.62%	97,414	2.71%
Self-generated energy sold	2022		2021	
Photovoltaic panels	6	0.00%	13	0.00%
Stationary combustion/Cogeneration	553	0.02%	838	0.02%
Total self-generation sold (GJ)	559	0.02%	851	0.02%
Self-consumption photovoltaic	2022		2021	
Self-consumption PV (GJ)	6,355	0.21%	2,943	0.08%
Total direct consumption (GJ)	2,970,524	100.00%	3,600,240	100%

3.6% of the direct consumption energy is self-generated at the photovoltaic facilities of our subsidiaries Arotz, Bertagni, Ebro Frost, Ebro India, Garofalo, Geovita, Herba Ricemills, Mundiriso and Transimpex, and at the cogeneration plants of Bertagni, Ebro Frost, Garofalo and Geovita.

Indirect consumption (GJ)

7.7% of the electricity purchased (indirect consumption) has a guarantee of renewable origin.

Indirect consumption	2022		2021	
	GJ	%	GJ	%
Electricity without GoO	920.955	91,55%	865.569	91,18%
Electricity with GoO	76.643	7,62%	73.992	7,79%
Steam	7.768	0,77%	9.149	0,96%
Heat	551	0,05%	546	0,06%
Cooling	0	0,00%	0	0,00%
Total indirect consumption (GJ)	1.005.916	100,00%	949.256	100,00%

Total energy consumption	2022		2021	
	GJ	%	GJ	%
Direct consumption	2.970.524	74,70%	3.600.240	79,13%
Indirect consumption	1.005.916	25,30%	949.256	20,87%
Total energy consumption (GJ)	3.976.440	100,00%	4.549.495	100,00%

Energy consumption outside of the organisation [302-2]

We do not have the methodologies or activity data to calculate energy consumption outside of the organisation.

Energy intensity [302-3]

Energy intensity	2022	2021
Total energy consumed (GJ)	3,976,440	4,549,495
Net Sales Ebro (M€)	2,967.6	2,427.1
Energy intensity (GJ/M€ net sales)	1,340	1,874

 Reduction of energy consumption [302-4]

Ten companies in the Ebro Group have reported different initiatives to reduce their energy consumption, with a total investment of EUR 1,017,718.

Company	Plant	Initiative	Cost (EUR)
Geovita	Villanova Monferrato	Cogeneration plant	520,000
Bertagni	Avio & Vicenza	Cogeneration plants	90,653
Ebro Foods Belgium, N.V.	Merksem (plant A)	New, more efficient compressor	151,280
S&B Herba Foods	Cambridge (Fullborn)	New, more efficient compressor	31,818
Herba Ricemills	San Juan de Aznalfarache	Renovation of equipment to improve heat transfer and reduce heat losses	105,168
Lustucru Frais	Communay	Heat recovery system in refrigeration unit, and water recovery	31,581
Mundi Riso	Vercelli	Improvement of heat insulation in packaging area	31,000
Riviana Foods Canada	Hamilton	Change from conventional lighting to LED	14,523
Arrozeiras Mundiarroz	Coruche	Change from conventional lighting to LED	3,701
Herba Ricemills	San Juan de Aznalfarache	Change from conventional lighting to LED	24,562
Tilda	Classic site	Change from conventional lighting to LED	13,432

GRI 303: Water and Effluents

This indicator is reported under standard GRI 303 (2018)

 Interactions with water [303-1]

Water consumption in Ebro includes water consumed in offices and in the manufacturing process. The production processes of pasta and precooked food are more water-intensive than the dry rice production process. The consumption of well water used by Agromeruan in rice growing is also included.

 Management of water discharge-related impacts [303-2]

All effluent is discharged to the sewage networks, except from Bertagni, Ebro India, Ebro India, Ebro Frost and Mundiriz, which discharge into continental waters.

Water withdrawal [303-3]

The surface water withdrawn and used by the company Agromeruan for its agricultural activities in Morocco accounts for 78% of the total consumption by the Group. In this context, the global performance of our industrial activities account for use of the 22% remaining water withdrawal: 83% from the municipal water supply (third-party water) and 17% from groundwater.

Water withdrawal	2022	%	2021	%
Third-party water	2,757,089	18%	2,588,676	17%
Groundwater	544,884	4%	617,738	4%
Total industrial processes (m3)	3,301,972	22%	3,206,414	21%
Inland surface freshwater	11,880,000	78%	11,880,000	79%
Inland surface salt water	0	0%	0	0%
Total water withdrawn (m3)	15,181,972		15,086,414	
Total withdrawal freshwater (SS<1000 mg/l)	15,181,972		15,086,414	
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	2022		2021	
	m3	%	m3	%
High	12,856,367	85%	12,724,396	84%
Low	84,929	1%	90,454	1%
Low-medium	1,505,808	10%	1,554,807	10%
Extremely high	46,239	0%	31,962	0%
Medium-high	688,630	5%	684,796	5%
Total water withdrawn (m3)	15,181,972		15,086,414	

NB: 92% of the water withdrawn in areas of high water stress corresponds to the agricultural activities of Agromeruan.

Water discharge [303-4]

Destination of discharge	2022	2021
Third party water (Sewage network, treatment plants)	2,002,340	1,978,571
Inland water	237,695	265,802
Seawater	0	0
Total (m3)	2,240,035	2,244,373

Discharge treatment	2022	2021
---------------------	------	------

No treatment	1,048,824	1,697,143
Aerobic treatment	1,191,211	537,375
Anaerobic treatment	0	9,854
Total (m3)	2,240,035	2,244,373

Type of discharge	2022	2021
Freshwater (SS<1000 mg/l)	1,683,276	1,601,752
Other water (SS>1000 mg/l)	556,760	642,621
Total (m3)	2,240,035	2,244,373

Discharge by areas of Water Stress	2022		2021	
	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)
High	813,284	0	701,409	0
Low	73,808	0	51,222	0
Low-medium	272,994	483,600	280,767	642,621
Extremely high	20,858	0	9,854	0
Medium-high	502,331	73,160	558,500	0
Total discharge (m3)	1,683,276	556,760	1,601,752	642,621

No accidental discharge occurred in 2022.

Reduction of water consumption and improvements to effluent quality

Two companies in the Ebro Group reported initiatives to reduce water consumption or improve the quality of the effluent, with a total investment of EUR 417,606.

Company	Plant	Initiative	Cost (EUR)
Bertagni	Avio & Vicenza	Improvements to water purifier	184,308
Riviana Foods Canada	Delta	Replacement of grease trap to improve the effluent quality	233,298

 Water consumption [303-5]


Water Consumption	2022	2021
Water withdrawal	15,181,972	15,086,414
Water discharge	2,240,035	2,244,373
Water sold	0	0
Total water consumption (m3)	12,941,937	12,842,042

NB: The volume of water used in the rice crop in Morocco has not been considered discharge

Discharge by areas of Water Stress	2022	%	2021	%
High	12,043,083	93%	12,022,987	94%
Low	11,121	0%	39,232	0%
Low-medium	749,214	6%	631,418	5%
Extremely high	25,381	0%	22,108	0%
Medium-high	113,139	1%	126,296	1%
Total water consumption (m3)	12,941,937		12,842,042	

GRI 304: Biodiversity

This indicator is reported under standard GRI 304 (2016).

 Operational sites in or adjacent to protected areas and areas of high biodiversity value outside protected areas [304-1]

The Riviana plant in Freeport, Texas (United States) is adjacent to a protected area of wetland, PEM1A, Brazos River.

Tilda has a jetty on the River Thames (United Kingdom).

 Significant impacts of activities, products, and services on biodiversity [304-2]

There have been no impacts in any areas considered of high biodiversity value.

 Habitats protected or restored [304-3]

No restoration measures have been implemented in protected habitats.

Climate Change

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 (TCFD), 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.

To calculate Scope 1 and 2 of the Group's Carbon Footprint we developed a Greenhouse Gas Emissions Inventory procedure for all the Group companies under standard ISO 14064-1:2019. We have not yet defined our reduction goals, but we have already started to develop emissions reduction initiatives. We thus have:

Photovoltaic installations:	Arotz, Bertagni, Ebro Frost Germany, Ebro India, Herba Ricemills, Garofalo, Geovita, Mundiriso and Transimpex
Cogeneration:	Bertagni, Ebro Frost Germany, Garofalo and Geovita
Biomass:	Ebro Frost Denmark, Herba Ricemills, Mundiriso and Ebro India

The next stage will be to measure Scope 3 and define an emissions reduction plan for all three scopes.

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 have completed the reduction plan (20% in 5 years) and continue to calculate our logistics footprint every year.

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 2022, 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, which aims to enhance sustainably the economic viability of 1,200 rice growers in the province of Roi Et and the production of high quality Hom Mali aromatic rice. The incorporation of good agricultural practices that respect the environment improves growers' livelihoods. The Sustainable Rice Platform (SRP) crop verification is also made. The project completed its fifth year of rice production in 2022 and will probably be extended.

- Spain: Oryzonte Programme

This programme is developed in the Guadalquivir Marshes (Seville) jointly with Mars Food and Danone.

The project, which began in 2018, aims to improve the sustainability of the rice crop in the province of Seville, where the largest rice-growing area is located in Spain, focusing on three key areas: water, greenhouse gas emissions (GHG) and biodiversity.

- With regard to GHG emissions, the measurements recorded in the control plot were considerably lower than those reported in other regions of Spain, which could be due to the high clay and sulphate content of the soils in Seville. In addition, the work has shown 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 the Seville rice fields. In this regard, by implementing the AWD techniques, the project has measured a 60% reduction in GHG emissions and a considerable reduction of 63% in methane emissions in comparison with the levels recorded where the growers' habitual practices were implemented.

Similarly, the measurement of emissions has shown that the practice of *stopping winter flooding* considerably reduces GHG emissions in comparison with traditional practices, where the fields are kept flooded from harvesting to mid-January.

In all cases, the emissions of other greenhouse gases (particularly nitrous oxide) were not material. Therefore, the potential of global warming is significantly reduced through the implementation of *intermittent irrigation* and *stopping winter flooding*.

In 2022, AWD was implemented on 255 Ha and we are still working with rice growers in the region to encourage the use of these practices on their land. We are working with *Sustain Cert* to certify these results.

- With regard to water, the project collaborates with the National Council for Scientific Research (CSIC) in the development of a water and salinity model to improve and monitor use of water practices. A key part of this work is to determine the yield/salinity ratio in the conditions present in Seville.
- Biodiversity. The programme has continued with the installation of 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.

- India: programmes

Our company Ebro India has continued working on different sustainable agriculture projects, some of which have been in place for several years, such as EKTA, Organic Farming, Control Farming and, since 2021, a new project focusing on the reduction of water consumption and emissions.

One of the greatest challenges in India is compliance with the maximum pesticide residue limits (MRL) permitted in the European Union. Through the Control Farming programme, Ebro India works closely with the growers in monitoring all the agricultural practices they use from

sowing to harvesting, educating them in the correct use of pesticides and fungicides in terms of quantity, quality and timing.

The new project that commenced in the previous year to reduce water consumption and emissions in farming is intended to benefit the same group of growers as Control Farming. In 2022, more than 50 growers, the equivalent of 3000 Ha of crops, have used the Alternate Wetting and Drying (AWD) techniques, with which they have managed to reduce water consumption and methane emissions. Biological plague control measures (spider bundles and pheromone traps) have also been used to reduce the use of pesticides. Another significant aspect of the programme is the use of pseudomonas by some growers, which helps to inhibit pathogenic microorganisms, stimulate the synthesis of growth hormones and strengthen disease resistance in rice plants, while reducing the quantity of pesticides needed to combat plagues. All these initiatives have been welcomed by growers.

The EKTA programme, which has been running since 2015, provides continuous support for over 6000 growers throughout all the stages of the crop, from the treatment of seeds to the post-harvest stage. EKTA runs schools in the villages to provide training in best agricultural practices, focusing on saving water and promoting biological plague-control measures. A number of experts participate in the project to respond to specific questions raised by growers.

Finally, the Organic Farming programme involves joint work with around 400 growers for the production of organic basmati rice certified under the Fair Trade standard.

- Other programmes focusing on the sustainability of our agricultural raw material

Other Group companies have worked during the year on implementing rice crop verification programmes under the sustainability standard, Farm Sustainability Assessment (FSA), of the SAI Platform. Those companies – Mundiriso, Riviana Foods and Ebrosur – have implemented the FSA standard on producers in Italy, United States and Argentina, respectively.

In Italy, the subsidiary Garofalo embarked on a sustainable durum wheat growing programme in 2022 together with its agricultural suppliers to optimise the use of fertilizers, pesticides and water.

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: CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃.

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 [305-1]

The sources of direct (Scope 1) GHG emissions are:

- ✓ Emissions of CO₂, CH₄ and N₂O 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 CH₄ from the rice crop
- ✓ Emissions of N₂O from elimination of nutrients in water treatment
- ✓ Direct emissions of CH₄ and N₂O from Biomass (rice husk, wood and charcoal)

Indirect (Scope 2) GHG emissions [305-2]

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	2022		2021	
Scope 1 emissions	171,685	63%	215,575	69%
Scope 2 emissions	102,467	37%	97,253	31%
Total emissions (t CO₂e)	274,153		312,828	

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 account for 2.6% of the Scope 1 emissions and 1.6% of the total emissions of the Group.

Biogenic CO₂ emissions

Biogenic CO₂ emissions are produced in the combustion of renewable fuels, in our case rice husk, wood chips and charcoal.

Biogenic CO ₂ Emissions	2022	2021
Biogenic CO ₂ (t)	8,666	7,466




Other indirect (Scope 3) GHG emissions [305-3]

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 2023-2024, 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 2022, EccoFreight handled approximately 17% of the shipments of the entire rice division, with 190,643 tonnes shipped and GHG emissions of 46,235 t CO₂e.

By choosing more efficient routes instead of other alternative routes available with larger carbon footprints, we avoided the emission of 21,675 t CO₂e, which is a 32% reduction of our Scope 3 emissions with EccoFreight.

- Emissions associated with national overland logistics (Spain). We continue working to reduce our logistics carbon footprint after joining the Lean & Green programme. After defining 2019 as the base year and the total t CO₂e/tonne of product of freight for sale, significant progress has been achieved:
 -  2020: 6.06% reduction
 -  2021: 17.60% reduction
 -  2022: measurement of carbon footprint in progress

GHG emissions intensity [305-4]

Emissions Intensity	2022	2021
Total GHG emissions (t CO ₂ e)	274,152.7	312,828.3
Ebro Net Sales (M€)	2,967.6	2,427.1
GHG emissions intensity (t CO₂e M€ net sales)	92	129

Reduction of GHG emissions [305-5]

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 2023-2024 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 1,397,993.

Company	Plant	Initiative	Cost (EUR)
Ebro Frost Germany	Offingen	Photovoltaic plant	211,328
Ebro India	Taraori	Photovoltaic plant	565,275
Herba Ricemills	Rinconada	Photovoltaic plant	554,153
Ebro India	Taraori	Emissions scrubber in boiler chimney, new, more efficient compressors	67,177

Emissions of ozone-depleting substances (ODS) [305-6]

Thanks to the development of specific laws (on an international, European and national level) and the efforts of the sectors affected, ODS production and consumption have been practically phased out. 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 [305-7]

We calculate the emissions of air pollutants associated with the stationary and mobile combustion processes, as they are the most significant. The NOx, SOx, etc. emissions are obtained by multiplying the GJ by a specific emissions factor for each type of pollutant.

In accordance with the applicable environmental laws and regulations, regular inspections and measurements are made by an external company to check compliance. No non-compliance was detected during the year.

NOx, SOx & other emissions (t)	2022							TOTAL
	NOX	CO	COV	SOx	PM10	PM2.5	PM	
Stationary combustion	224	129	90	3	14	14		474
Mobile combustion	9	13	2				1	25
Total Pollutants (t)	233	142	92	3	14	14	1	499

NB: The vast reduction of CO emissions in comparison with 2021 is due to the change of fuel used in Riviana Foods.

In 2022, through the purchase of electricity with guarantee of origin (GoO), photovoltaic self-generation and the use of fuels from renewable sources, we have avoided the emission of 9,350 t CO₂e.

Activity	MWh	2022
		Emissions avoided (t CO2e)
Electricity with GoO	21,290	4,117
Photovoltaic self-generation	1,767	685
Biomass	22,493	4,547
Total	45,550	9,350

Measures to reduce noise and light pollution

All our plants comply with environmental standards and make the necessary measurements to make sure they keep within the noise and light pollution limits. Herba Ricemills updated the noise map of its San Juan de Aznalfarache plant in 2022.

GRI 306: Waste

This indicator is reported under standard GRI 306 (2020).

Waste generation [306-1]

Most of the waste generated by our business is classified as non-hazardous waste. There is also a small proportion of hazardous waste generation, mainly waste from the packaging of chemical products used in maintenance work at our facilities.

Management of significant waste-related impacts [306-2]

All waste of whatever type is separated by kind and taken to authorised waste disposal contractors for treatment according to the laws in place in each geographical area, giving priority to recycling and reuse wherever possible.

Circularity measures

To guarantee meeting the reduction, recycling and re-use targets defined in the Packaging and Packaging Waste Act 11/97 of 24 April, our Spanish subsidiary Herba has joined Ecoembalajes España, S.A. (Ecoembes), which has the mission of designing and developing systems for selective collection and recovery of used packaging and packaging waste. Ecoembes uses the “Green Dot” (symbol that appears on the packaging) to show that the packager of the product has paid a sum of money for each package put on the market.

Both the European rice companies and the head offices of Ebro Foods have signed agreements with companies similar to Ecoembes for the destruction of paper and other data carriers. With these agreements, apart from complying with the Data Protection Act, they guarantee a sustainable management of the documentation through the undertaking by these companies to destroy and recycle the material.

As part of our commitment to having 100% recyclable packaging by 2030, the dry rice products of our brands Arroz SOS, La Fallera, Sabroz and La Cigala in España, Risella in Finland and Brillante rice cups, one of the formats that the Group sells most, are now 100% recyclable.

Apart from that, the Group has worked on three principal projects in 2022 to make our packaging more recyclable.

1. For our brand SOS specialties, sold in flexible non-recyclable packaging (polyethylene & polypropylene PE/PP), we studied the possibility of changing the composition to recyclable paper. As the necessary line productivity was not reached with that alternative packaging and it was not economically viable, we finally opted to change to a mono-polymer polypropylene, which is 100% recyclable.
2. Mono-material polypropylene (PP) doypack. The tests run in Herba and Tilda did not produce satisfactory results. The use of a mono-material 100% polypropylene base to replace the two triplex currently in use (Polyester/Polyamide/Polypropylene and Polyester/High Barrier Polyester/Polypropylene (PET/PA/PP and PET/HB PET/PP) has turned out not to have sufficient line productivity or oxygen barrier to preserve the organoleptic properties of the food. We continue to seek feasible alternatives that will guarantee the food preservation properties of the packaging used at present.
3. We increased the number of lines used by different plants in the Group to manufacture the compact 1 kg and 0.5 kg paperboard format to replace polypropylene.
 - a. In Antwerp (Ebro Foods Belgium), in order to be able to work with paperboard (the same product used at the Silla plant for the La Fallera brand), the company invested in the tube and former of the filling unit to make the line compatible with the use of paper.
 - b. Tests are being run for the same purpose on the compact 1 kg and 0.5 kg line in Vercelli (Mundiriso), with a view to including paperboard as a possible replacement for polypropylene.

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.

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 2022, Ebro India, Mundi Riso and Herba Ricemills reported the use of rice husk as a renewable fuel to obtain thermal energy.

Waste generated [306-3]

Waste	2022		2021	
Non-hazardous	36,757	99%	34,858	100%
Hazardous	285	1%	118	0%
Total Waste (t)	37,042		34,976	

NB: The increase in hazardous waste, although still negligible, is due to the fact that Ebro India did not report ash as waste before now, because it did not have the methods necessary to quantify it.

Waste for recovery [306-4] and disposal [306-5]

Destination of Waste	2022		2021	
Total Waste for Disposal	14,193	38%	13,978	40%
Total Waste for Recovery	22,850	62%	20,999	60%
Total Waste (t)	37,042		34,976	

Non-Hazardous Waste for Disposal	2022		2021	
Landfill	10,416	28%	11,450	33%
Incineration	727	2%	721	2%
Other disposal operations	2,801	8%	1,751	5%
Total disposal NH waste (t)	13,943	38%	13,921	40%
Non-Hazardous Waste for Recovery	2022		2021	
Recycled	8,913	24%	5,185	15%
Composted	3,552	10%	4,273	12%
Reused	10,164	28%	10,870	31%
Other recovery operations	185	1%	610	2%
Total recovery NH waste (t)	22,814	62%	20,937	60%
Total Non-Hazardous Waste (t)	36,757		34,858	

Hazardous Waste for Disposal	2022		2021	
Landfill	218	76%	0	0%
Incineration	16	6%	13	11%
Other disposal operations	16	6%	44	37%
Total disposal H waste (t)	250	88%	57	48%
Hazardous Waste for Recovery	2022		2021	
Recycled	32	11%	43	36%
Composted	0	0%	4	3%
Reused	1	0%	0	0%
Other recovery operations	2	1%	15	13%
Total recovery H waste (t)	36	12%	62	52%
Total Hazardous Waste (t)	285		118	

Actions to increase waste recovery

In Spain, the company Herba Ricemills has made a profound change in its waste management. As a result, in 2022, 99% of the waste generated was managed through recovery operations.

In addition, two companies in the Ebro Group have reported initiatives to improve waste management and recovery, investing a total sum of EUR 14,100.

Company	Plant	Initiative	Cost (EUR)
S&B Herba Foods	Liverpool	New cardboard compactors	13,600
Riviana Foods Canada	Hamilton	Training for operators on waste separation	500

GRI 2-27 Environmental Compliance

Non-compliance with environmental laws and regulations [2-27]

In 2022, 3 plants reported minor non-compliance with environmental laws and regulations that did not lead to fines as appropriate measures had been taken.

Company	Plant	Environmental non-compliance
Arrozeiras Mundiarroz	Coruche	Exceeding permitted use of water
Lustucru	St. Genis Laval	Non-compliance of pH and temperature of effluent
Riviana Foods	Alvin	Emissions records not available
Riviana Foods Canada	Delta	pH of effluent off specification

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, La Rinconada and Isla Mayor plants)
- Garofalo Gragnano

Investments in environmental risk prevention

Twelve of the 33 companies covered by this report have reported investments in measures to reduce / optimise energy consumption, water consumption, GHG emissions and waste management:

- Arrozeiras Mundiarroz
- Bertagni
- Ebro Foods Belgium
- Ebro Frost Germany
- Ebro India
- Geovita
- Herba Ricemills
- Lustucru Frais

- Mundiriso
- Riviana Foods Canada
- S&B Herba Foods
- Tilda

Environmental expense and investment	2022	2021
Cost of management and control	€1,404,433	€1,143,950
Investment to minimise impact	€2,913,228	€4,747,655
Total	€4,317,661	€5,891,605

The investments reported here include measures to reduce energy consumption, water consumption and emissions, as well as the cost of waste management, regulatory inspections, 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 rice crop verifications under the SRP standard in Spain.

The principal investments were made by Herba Ricemills, Ebro India and Geovita, with the installation of two photovoltaic plants and one cogeneration plant, respectively.

ANNEX 1

List of subsidiaries of the Ebro Group

Company	Country	Business Area
Agromeruan, SARL AU	Morocco	Rice
Arotz Foods, S.A.	Spain	Others
Riceeiras MundiRice, S.A.	Portugal	Rice
Bertagni 1882, S.P.A.	Italy	Pasta
Ebro Foods, S.A.	Spain	Holding
Ebro Foods Belgium, N.V.	Belgium	Rice
Ebro Foods Netherlands B.V.	Netherlands	Rice
Ebro India, Private Ltd.	India	Rice
Ebro Ingredients, B.V.	Netherlands & Belgium	Ingredients
Ebro Premium Food, S.A.S.	India	Rice
Ebrofrost Denmark A/S	Germany	Rice and pasta
Ebrofrost Germany, Gmbh	Germany	Rice and pasta
Ebrofrost UK, Ltd	United Kingdom	Rice and pasta
Ebrofrost North America	United States	Rice and pasta
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 Ricemills, S.L.U.	Spain	Rice
Indo European Foods Ltd.	United Kingdom	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.	United States	Rice
Riviana Foods Canada Corporation	Canada	Fresh pasta
Santa Rita Harinas, S.L.U.	Spain	Flours
S&B Herba Foods, Ltd.	United Kingdom	Rice
Tilda, Ltd.	United Kingdom	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 Foods, S.A.	Spain	Navaleno	Industrial
Arrozeiras Mundiarroz	Portugal	Coruche	Industrial
		Lisbon	Office (lease)
Bertagni 1882, S.P.A.	Italy	Vicenza	Industrial
		Avio	Industrial
		Avio (ex Le Cont)	Warehouses
		Avio (ex Ginos)	
		Arcugnano (ex Campagnolo)	
Arcugnano (via Fermi)			
Ebro Foods Belgium, N.V.	Belgium	Merksem (plant A)	Industrial
Ebro Foods, S.A.	Spain	Madrid	Offices (lease)
		Barcelona	
		Granada	
Ebro Foods Netherlands BV	Netherlands	Wormer	Industrial
Ebro India, Private Ltd.	India	Taraori	Industrial
Ebrofrost Denmark, A/S	Denmark	Orbaek	Industrial
Ebrofrost Germany, GmbH	Germany	Offingen	Industrial
Ebrofrost North America	United States	Memphis	Industrial
Ebrofrost UK, Ltd	United Kingdom	Beckley	Industrial
Euryza, GmbH	Germany	Hamburg	Office (lease)
Geovita Functional Ingredients, S.R.L.	Italy	Bruno	Industrial
		Nizza Monferrato	Industrial
		Verona	Industrial
		Villanova Monferrato	Industrial
Herba Bangkok, S.L.	Thailand	Nong Khae	Industrial
Herba Cambodia, Co. Ltd	Cambodia	Phnom Phen	Industrial
Ebro Ingredients, B.V.	Belgium	Plant B	Industrial
		Plant F	Industrial
		Plant C	Industrial
		Plant E	Warehouse
		Beernem	Office (lease)
	Netherlands	Plant D	Industrial
Herba Ricemills, S.L.U.	Spain	San Juan de Aznalfarache	Industrial
		Jerez de la Frontera	Industrial
		Coria del Río	Industrial
		Isla Mayor	Industrial
		Silla	Industrial
		Algemés	Industrial
		L'Aldea	Industrial

Company	Country	Workplace	Type of facility
		La Rinconada	Industrial
		Los Palacios	Industrial
		Cotemsa	Warehouses
		Raza	
		Ecorub	
Indo European Foods Ltd.	United Kingdom	Felixstowe	Industrial
La Loma Alimentos, S.A.	Argentina	Los Charrúas	Industrial
		Chajarí	Industrial
		Los Conquistadores	Industrial
		Buenos Aires	Office (lease)
Lustucru Frais, S.A.S.	France	St Genis Laval	Industrial
		Lorette	Industrial
		Communay	Industrial
		Communay	Warehouse
Ebro Premium	France	Lyon	Office (owned)
Mundi Riz, S.A.	Morocco	Larache	Industrial
Mundi Riso, S.R.L.	Italy	Vercelli	Industrial
Neofarms BIO, S.A.	Argentina	Concordia	Office (lease)
Pastificio Lucio Garofalo, Spa	Italy	Gagnano	Industrial
Riceland Magyarorzag, Kft	Hungary	Budapest	Office (lease)
Riviana Foods Canada	Canada	Delta	Industrial
		Hamilton	Industrial
Riviana Foods	United States	Memphis	Industrial
		Carlisle	Industrial
		Brinkley	Industrial
		Hazen	Industrial
		Clearbrook	Industrial
		Freeport	Industrial
		Alvin	Industrial
		Colusa	Industrial
Woodland	Industrial		
S&B Herba Foods, Ltd.	United Kingdom	Fullbourn	Industrial
		Regent	Industrial
		Orpington	Office (lease)
Santa Rita Harinas, S.L.U.	Spain	Loranca de Tajuña	Industrial
Tilda, Ltd.	United Kingdom	Classic	Industrial
		Jazz	Industrial
Transimpex, Gmbh	Germany	Lambsheim	Industrial
		Lambsheim	Office (owned)

ANNEX 2

List of Food Safety and Quality certifications of the Group's subsidiaries

Company	Country	Workplace	Certification
Arotz Food	Spain	Navaleno	IFS
			CAEE
Arrozeiras Mundiarroz	Portugal	Coruche	ISO 9001
			IFS
Bertagni 1882	Italy	Avio	BRC
			MSC
			ASC
			ORGANIC CERTIFICATION
	Arcugnano	IFS	
		ORGANIC CERTIFICATION	
		BRC	
		VQIP	
Ebro Foods Belgium	Belgium	Merksem	IFS
			KOSHER
			FEED CHAIN ALLIANCE (FCA)
			ORGANIC CERTIFICATION
Ebro Foods Netherlands	Netherlands	Wormer	ORGANIC CERTIFICATION
			IFS
			GMP +
Ebrofrost Denmark	Denmark	Orbaek	ORGANIC CERTIFICATION
			KOSHER
			BRC
Ebrofrost Germany	Germany	Offingen	BRC
			HALAL
			KAT
			ORGANIC CERTIFICATION
Ebrofrost UK	United Kingdom	Beckley	BRC
Ebrofrost North America	United States	Memphis	BRC
			ORGANIC CERTIFICATION
			HALAL
			KOSHER
Ebro India	India	Taraori	ORGANIC CERTIFICATION (organic paddy rice crop)
			ORGANIC CERTIFICATION (organic rice processing)

Company	Country	Workplace	Certification	
			BRC	
			IPQC	
			PPQS CHINA	
			PPQS USA	
			HALAL	
Geovita Functional Ingredients	Italy	Bruno	BCR	
			ORGANIC CERTIFICATION	
			KOSHER	
			IFS	
		Villanova Monferrato	HALAL	
			BRC	
			IFS	
			HALAL	
ORGANIC CERTIFICATION				
Harinas Santa Rita	Spain	Loranca De Tajuña	IFS	
Herba Bangkok	Thailand	Saraburi	ISO 9001	
			BRC	
			ORGANIC CERTIFICATION (EU)	
			ORGANIC CERTIFICATION (USA)	
			HALAL	
			KOSHER	
			GMP & HACCP	
			ORGANIC CERTIFICATION NATURLAND	
			VQIP	
			GLUTEN FREE CERTIFICATION	
Herba Cambodia	Cambodia	Phnom Phen	ORGANIC CERTIFICATION (EU)	
			BRC	
			ORGANIC CERTIFICATION (USA)	
			KOSHER	
			VQIP	
Herba Ingredients	Belgium	Schoten (plant B)	IFS FOOD	
			GMP +	
		Schoten (plant C)	IFS FOOD	
			GMP +	
			ECOLOGICAL CERTIFICATION (EU)	
				IFS FOOD

Company	Country	Workplace	Certification
		Schoten (plant F)	GMP +
			ECOLOGICAL CERTIFICATION (CHINA)
	Netherlands	Wormer	IFS
			GMP +
			KOSHER
			HALAL
			ORGANIC CERTIFICATION (EU)
			ORGANIC CERTIFICATION (CHINA)
ORGANIC CERTIFICATION NATURLAND			
Herba Ricemills	Spain	Coria del Río	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATION (USA)
			KOSHER
		San Juan de Aznafarache	ISO 9001
			BRC
			IFS
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATION (USA)
			KOSHER
		Jerez de la Frontera	ISO 9001
			IFS
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATION (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

Company	Country	Workplace	Certification
			KOSHER
		La Rinconada	KOSHER
			ECOLOGICAL CERTIFICATION
		Isla Mayor	ECOLOGICAL CERTIFICATION (USA)
		Los Palacios	IFS
			ISO 9001
			ECOLOGICAL CERTIFICATION
			ECOLOGICAL CERTIFICATION (USA)
		KOSHER	
Indo European Foods	United Kingdom	Felxtowe	BRC
			FEMAS
La Loma Alimentos	Argentina	Los Charrúas	HACCP
			GLUTEN FREE CERTIFICATION
			GMP + HACCP
			VQIP
			KOSHER
		Chajarí	KOSHER
			HACCP
			VQIP
			GMP + HACCP
			GLUTEN FREE CERTIFICATION
Lustucru Frais	France	Saint Genis Laval	IFS
		Lorette	IFS
		Communay	IFS
			ECOLOGICAL CERTIFICATION
Mundi Riso	Italy	Vercelli	IFS
			BRC
			ECOLOGICAL CERTIFICATION (EU)
			FSSC 22000
			KOSHER
Mundi Riz	Morocco	Larache	ISO 22000
Neofarms Bio	Argentina	Entre Ríos	ECOLOGICAL CERTIFICATION (CHINA)
			KOSHER
			ECOLOGICAL CERTIFICATION (JAPAN)
			ECOLOGICAL CERTIFICATION (USA)
			GLUTEN FREE CERTIFICATION

Company	Country	Workplace	Certification
Pastificio Lucio Garofalo	Italy	Gragnano	BRC
			IFS
			VQIP
			VEGAN
			KOSHER
			HALAL
			ECOLOGICAL CERTIFICATION
			NO-GMO
Riviana Foods Canada	Canada	Delta	BRC
		Hamilton	BRC
Riviana Foods USA	United States	Memphis	KOSHER
			SQF
			HALAL
			ECOLOGICAL CERTIFICATION
			GLUTEN FREE CERTIFICATION
		Brinkley	SQF
			KOSHER
			GLUTEN FREE CERTIFICATION
			HALAL
			ECOLOGICAL CERTIFICATION
		Clearbrook	KOSHER
			ECOLOGICAL CERTIFICATION
			GLUTEN FREE CERTIFICATION
			SQF
		Alvin	KOSHER
			SQF
			GLUTEN FREE CERTIFICATION
			ECOLOGICAL CERTIFICATION
		Carlisle	KOSHER
			ECOLOGICAL CERTIFICATION
			GLUTEN FREE CERTIFICATION
			HALAL
			SQF
		Freeport	KOSHER
			GLUTEN FREE CERTIFICATION
			SQF
		Woodland (InHarvest)	BRC
			ECOLOGICAL CERTIFICATION
			KOSHER

Company	Country	Workplace	Certification
		Colusa (InHarvest)	BRC
			ECOLOGICAL CERTIFICATION
			KOSHER
S&B Herba Foods	UK	Cambridge	BRC
			FEMAS
			KOSHER
		Liverpool	BRC
			KOSHER
Tilda	UK	Rainham (classic site)	BRC
			KOSHER
			FEMAS
		Rainham (Jazz site)	BRC
Transimpex	Germany	Lambsheim	IFS
			ECOLOGICAL CERTIFICATION
			ORGANIC CERTIFICATION NATURLAND

ANNEX 3

Calorific power of fuels, emission factors and water stress classification

Table 1. Net calorific value (NCV) of Fuels

Fuel in Stationary Sources	NCV	Unit NCV	Source NCV
Natural Gas	0.03789	GJ/m ³ N	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 _{2e} (kgCO _{2e} /GJ _{NCV})	EF CO ₂ (kgCO ₂ /GJ _{NCV})	EF CH ₄ (kgCH ₄ /GJ _{NCV})	EF N ₂ O (kgN ₂ O/GJ _{NCV})	Unit EF	Source NCV
Natural Gas	56.1545	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)	63.1545	63.1	0.001	0.0001	kg CO ₂ /GJ _{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Propane	63.6000	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)	64.4430	64.2	0.003	0.0006	kg CO ₂ /GJ _{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Butane	66.2000	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	69.5430	69.3	0.003	0.0006	kg CO ₂ /GJ _{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Diesel	74.3430	74.1	0.003	0.0006	kg CO ₂ /GJ _{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Charcoal	6.66	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)	1.90	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)	1.90	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	FE CO _{2e} (kgCO _{2e} /GJ _{NCV})	EF CO ₂ (kgCO ₂ /GJ _{NCV})	EF CH ₄ (kgCH ₄ /GJ _{NCV})	EF N ₂ O (kgN ₂ O/GJ _{NCV})	Unit EF	Source NCV

Liquefied Natural Gas (LNG)	59.4710	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)	64.8890	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	72.1200	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	75.2427	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	FE CO₂e (kgCO₂e/GJ_{NCV})	FE CO₂ (kgCO₂/GJ_{NCV})	EF CO₂ (kgCO₂/GJ_{NCV})	EF CH₄ (kgCH₄/GJ_{NCV})	EF N₂O (kgN₂O/GJ_{NCV})	Unit EF
Rice crop	33.32	0	1.1900	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	2.0821	0	0	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 CO₂

Combustible	FE	Unidad FE
Charcoal	112	kg CO ₂ e/GJ
Biomass (wood chips)	112	kg CO ₂ e/GJ
Biomass (rice husk)	100	kg CO ₂ e/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 fifth assessment report
CH ₄	28	IPPC fifth assessment report
N ₂ O	265	IPPC fifth assessment report

Table 5. Emission Factor Electricity (based on location)

Country	EF	Unit EF	Source EF
Spain	0.2580	kgCO2e/kWh	Emission factors, Registration of Carbon Footprint, CO2 Offset and Absorption Projects. MITERD. July 2022 V. 22
UK	0.19338	kgCO2e/kWh	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2022
France	0.0569	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME
Germany	0.4610	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Argentina	0.3670	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Belgium	0.2200	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Cambodia	0.8040	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Canada	0.1860	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Denmark	0.3600	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
UAE	0.5980	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
USA	0.5620	kgCO2e/kWh	US EPA. Household Carbon Footprint Calculator
Morocco	0.7180	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Netherlands	0.4150	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Portugal	0.2550	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Romania	0.4990	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Hungary	0.3170	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
India	0.9120	kgCO2e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency

Italy	0.4060	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Thailand	0.5130	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Steam or heat purchased and consumed	0.17073	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2022
Cooling purchased and consumed	0.12	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz à effet de serre 2021. Base Carbone. ADEME.

Table 6. Emission Factors of Coolants

Name of Coolant	EF (kgCO ₂ e/kg)
Carbon Dioxide	1
Desflurane	1,790
Hexafluoroethane	11,100
HFC-125	3,170
HFC-134	1,120
HFC-134a	1,300
HFC-143	328
HFC-143a	4,800
HFC-152	16
HFC-152a	138
HFC-161	4
HFC-227ea	3,350
HFC-23	12,400
HFC-236cb	1,210
HFC-236ea	1,330
HFC-236fa	8,060
HFC-245ca	716
HFC-245fa	858
HFC-32	677
HFC-365mfc	804
HFC-41	116
HFC-43-10mee	1,650
Isoflurane	491
Methane	28
Nitrogen trifluoride	16,100
Nitrous oxide	265
Octafluoropropane	8,900

Name of Coolant	EF (kgCO ₂ e/kg)
Perfluorobutane (PFC-31-10)	9,200
Perfluorocyclobutane (PFC-318)	9,540
Perfluoroethane (PFC-116)	11,100
Perfluorohexane (PFC-51-14)	7,910
Perfluoromethane (PFC-14)	6,630
Perfluoropentane (PFC-41-12)	8,550
Perfluoropropane (PFC-218)	8,900
R-403A	2,520
R-404A	3,943
R-407A	1,923
R-407B	2,547
R-407C	1,624
R-407F	1,674
R-408A	2,650
R-410A	1,924
R-410B	2,048
R-413A	1,945
R-417A	2,127
R-417B	2,742
R-422A	2,847
R-422D	2,473
R-424A	2,212
R-426A	1,371
R-427A	2,024
R-428A	3,417
R-434A	3,075
R-437A	1,639
R-438A	2,059
R-442A	1,754
R-448A	1,387
R-449A	1,282
R-452A	1,945
R-453A	1,636
R-507A	3,985
R-508B	11,850
Sevoflurane	216
Sulphur hexafluoride	23,500

Source: IPCC Fifth 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, Propane & Butane	LNG
Pollutant	FC (g/GJ)	FC (g/GJ)	FC (g/GJ)	FC (g/GJ)
CO	1,911.96	77.44	1,790.70	128.96
COV	226.86	16.28	288.37	5.88
NOX	197.07	301.40	321.35	294.12
PM	0.68	25.58		49.77

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)
Argentina	Low-Medium
Belgium	High
Cambodia	Low
Canada	Low
Denmark	Medium-High
France	Medium-High
Germany	Medium-High
Hungary	Low
India	Extremely High
Italy	High
Morocco	High
Netherlands	Low-Medium
Portugal	High
Romania	Low-Medium
Spain	High
Thailand	Medium-High
United Arab Emirates	Extremely High
United Kingdom	Low-Medium
United States	Low-Medium

ANNEX 4

Index of contents required by Act 11/2018 of 28 December amending the Commercial Code, the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and the Audit Act 22/2015 of 20 July, regarding the disclosure of non-financial and diversity information

General areas

Area		Reporting framework	Reference (Section)	Comments / Reason for omission
Business model	Description of the business model:	GRI 2-1 Organizational details	P.5-12	
	Business environment	GRI 2-2 Entities included in the organization's sustainability reporting		
	Organisation and structure	GRI 2-6 Activities, value chain and other business relationships		
	Markets in which it operates	GRI 2-9 Governance structure and composition		
	Objectives and strategies	GRI 2-23 Policy commitments		
Policies and results of the policies	Description of the policies applied by the group and the results of those policies, including the key indicators of the relevant non-financial results	GRI 2-23 Policy commitments	P.13-22	
		GRI 2-24 Embedding policy commitments		
Principal risks and impacts identified	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	GRI 3-3 Management of material topics	P.23-29	

Environmental aspects

Area		Reporting framework	Reference	Comments / Reason for omission
Environmental management	Existing and foreseeable effects of the company's activities	Internal framework: internal procedures, Code of Conduct, GRI 2-27	P. 73 - 74	
	Environmental certification or assessment procedures	ISO 14001	P. 95	
	Resources employed for preventing environmental risks	Internal framework: Accounting	P. 95 - 96	
	Application of the precautionary principle	Internal framework: Code of conduct, sustainability environmental and CSR policy	P. 74	
	Quantity of provisions and guarantees for environmental risks	Internal framework: Insurance policy for third-party liability and accidental pollution damage	P. 95	
Pollution	Measures to prevent, reduce or remedy carbon emissions (including noise and light pollution)	Internal framework: Sustainability Plan HEADING FOR 2030, sustainability programmes	P. 83 – 90	
		GRI 305-5	P.14 - 16	

		GRI 3-3 Management of material topics		
Circular economy and waste management and prevention	Measures for waste prevention, recycling, reuse and other forms of recovery and elimination	GRI 306-3 GRI 3-3 Management of material topics	P. 90 - 94 P.14 - 16	
	Actions to combat food waste	Internal framework: 1) AECOC programme 2) Donations to food banks GRI 3-3 Management of material topics	P. 91 - 92 P. 42 - 43 P.14 - 16	
Sustainable use of resources	Water consumption and water supply within local limits	GRI 303-1, 303-2, 303-3, 303-4 & 303-5	P. 78 - 80	
	Consumption of raw materials	GRI 301-1, 301-2	P. 74 - 76	
	Direct and indirect energy consumption	GRI 302-1, 302-2, 302-3, 302-4	P. 76 - 79	
	Measures implemented to enhance energy efficiency	GRI 302-4	P. 78 - 79	
	Use of renewable energies	GRI 302-1	P. 77 - 78	
Climate change	Important elements of the GHG emissions generated	GRI 305-1, 305-2, 305-3	P. 86 - 90	
	Measures taken to adapt to the consequences of climate change	1) Sustainable agriculture projects 2) Circularity measures 3) Climate change risks GRI 3-3 Management of material topics	P. 83 - 86 P. 90 - 92 P. 23 - 29 P.14 - 16	
	Reduction goals established voluntarily	GRI 305-3 Internal framework: Reduction of scope 3 emissions (logistics, rice crop) GRI 305-5	P.87 P. 88 - 89	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 304-1, 304-2 & 304-3	P.14 – 16 P. 82	
	Impacts caused by activities or operations in protected areas	GRI 3-3 Management of material topics Internal framework: CSR internal reporting tool		

Social and labour aspects

	Area	Reporting framework	Reference	Comments / Reason for omission
Employment	Total number and distribution of employees by gender, age, country and professional category	Internal framework: Quantitative information of the CSR tool	P.48 - 49	
	Total number and distribution of types of employment contract		P. 50	
	Annual average of permanent, temporary and part-time contracts by gender, age and professional category	Internal framework: Quantitative information of the CSR tool	P. 50 - 51	
	Number of dismissals by gender, age and professional category	Internal framework: Quantitative information of the CSR tool	P. 52	
	Pay gap	Internal framework: Calculated with the following formula: (Average pay Men –	P. 63	

Area		Reporting framework	Reference	Comments / Reason for omission
		Average pay Women)/ Average pay Men		
	Average remuneration by gender, age and professional category	Internal framework: Average remuneration (including total remuneration for the year, fixed remuneration and all variable remunerations (attendance fees, etc.) obtained during the year	P. 62 - 63	
	Average remuneration of directors by gender		P. 63 - 64	
	Average remuneration of executives by gender		P. 62	
	Implementation of policies on disconnection from work	Internal framework: Management of material topics	P. 57	
	Employees with disability	Internal framework: Quantitative information of the CSR tool	P. 61 - 62	
Organisation of work	Organisation of working time	Internal framework: Management of material topics	P. 52	
	Number of hours absenteeism	Internal framework: Absentee rate	P. 52	
	Measures to facilitate work-life balance and responsible joint exercise of those measures by both parents	Internal framework: Management of material topics	P. 57 - 58	
Health and safety	Conditions of health and safety at work	Internal framework: Management system for health and safety at work GRI 3-3 Management of material topics	P. 58 – 59 P.14 - 16	
	Number of occupational injuries and disease by gender, frequency rate and severity by gender	Internal framework: Work-related injuries Frequency rate = (total no. lost-time injuries / total no. hours worked) x1000000 Severity rate = (no. lost days due to work-related injuries / total no. hours worked) x1000 GRI 3-3 Management of material topics	P. 58 – 59 P.14 - 16	
Labour relations	Organisation of social dialogue	GRI 3-3 Management of material topics	P.14 - 16	
	Percentage of employees covered by collective agreements by country	GRI 2-30 Collective agreements	P. 59 – 60	
	Balance of collective agreements, particularly in the area of health and safety at work	Internal framework: Quantitative information of the CSR tool	P. 58 - 60	
	Mechanisms and procedures that the company has to promote employee engagement in the management of the company, in terms of information, consultation and participation	Internal framework: Focus on participation of stakeholders	P. 58 - 60	
Training	Policies implemented in the training area	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR Reporting tool	P. 60	

Area		Reporting framework	Reference	Comments / Reason for omission
		GRI 3-3 Management of material topics	P.14 – 16	
	Total hours training by professional category	Internal framework: Quantitative information of the CSR tool GRI 3-3 Management of material topics	P.14 - 16	
Universal accessibility by persons with disability		Internal framework: Qualitative description of the universal accessibility measures for persons with disability	P. 62	
Equality	Measures implemented to promote equal treatment and opportunities between women and men	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR Reporting tool	P. 60 – 61	
	Equality plans Measures taken to promote employment, protocols against sexual and gender-related harassment	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR Reporting tool	P. 60 – 61	
	Integration and universal accessibility of persons with different abilities	Internal framework: Qualitative description of the universal accessibility measures for persons with disability	P. 62	
	Policy against all forms of discrimination and, where appropriate, diversity management	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR Reporting tool GRI 3-3 Management of material topics	P. 60 – 61 P.14 - 16	

Information on respect for human rights

Area	Reporting framework	Reference	Comments / Reason for omission
Application of due diligence procedures in respect of human rights	GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics	P. 30 – 34 P.14 - 16	
Prevention of the risks of violating human rights and, where necessary, measures to mitigate, manage and redress possible abuse committed	GRI 3-3 Management of material topics GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns	P.14 - 16 P. 30 – 34	

Complaints of violation of human rights	Internal framework: Quantitative information on the number of complaints GRI 3-3 Management of material topics	P. 34 P.14 - 16	
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 GRI 3-3 Management of material topics	P. 30 P.14 - 16	

Information on anti-corruption and bribery

Area	Reporting framework	Reference	Comments / Reason for omission
Anti-corruption and bribery measures	GRI 2-23 Policy commitments GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns	P. 35 - 37	
Anti-money laundering measures	GRI 2-23 Policy commitments GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns	P. 37 - 38	
Contributions to foundations and not-for-profit entities	GRI 201-1 Direct economic value generated and distributed	P. 39 - 46	

Information on the company

Area	Reporting framework	Reference	Comments / Reason for omission
Company's commitments to sustainable development	Impact of the company's activities on local development and employment GRI 3-3 Management of material topics	P. 39 - 46	
	Impact of the company's activities on local populations and region GRI 3-3 Management of material topics	P. 39 - 46	
	Relations with local communities and forms of dialogue with them GRI 3-3 Management of material topics	P. 39 - 46	
	Association or sponsorship actions GRI 3-3 Management of material topics GRI 2-28 Membership associations	P. 39 - 46	

		Internal framework: Description of association or sponsorship actions		
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 GRI 3-3 Management of material topics	P. 69 - 72	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility			
	Supervision and audit systems and results			
Consumers	Measures to guarantee consumer health and safety	Internal framework: Qualitative description of the measures for consumer health and safety GRI 3-3 Management of material topics	P. 65 – 66 Annex 2	
	Grievance systems	GRI 2-16 Communication of critical concerns GRI 2-25 Processes to remediate negative impacts	P. 66 – 67	
	Complaints received and solution provided	GRI 2-25 Processes to remediate negative impacts Internal framework : Information on complaints and opportunities for improvement	P. 67 – 68	
Tax information	Profit obtained, country by country	Internal framework: Tax and Finance Department		
	Corporate income tax paid	Internal framework: Tax and Finance Department		
	Government grants received	Internal framework: Tax and Finance Department		

EBRO FOODS, S.A. GROUP

2022 MANAGEMENT REPORT (figures in thousands of euros)

Annual Corporate Governance Report



DETAILS OF ISSUER

Year Ended:

[31/12/2022]

Tax Registration Number:

[A47412333]

Name:

[**EBRO FOODS, S.A.**]

Registered Office:

[PASEO DE LA CASTELLANA 20 - 3RD FLOOR - 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	92,319,235.00	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.	14.52	0.00	0.00	0.00	14.52
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.	9.00	0.00	0.00	0.00	9.00
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	5.36	0.00	0.00	5.36
MENDIBEA 2002, S.L.	5.36	0.00	0.00	0.00	5.36
ARTEMIS INVESTMENT MANAGEMENT, LLP	0.00	3.16	0.00	0.00	3.16

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.	5.36	0.00	5.36
ARTEMIS INVESTMENT MANAGEMENT, LLP	ARTEMIS INVESTMENT MANAGEMENT, LLP	3.16	0.00	3.16

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 (including loyalty shares)		% voting rights through financial instruments		% total voting rights	Of the total % of voting rights attributed to shares, state where appropriate the % of attributed additional votes corresponding to loyalty shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	1.50	0.00	0.00
DEMETRIO CARCELLER ARCE	0.01	0.13	0.00	0.00	0.14	0.00	0.00
MARÍA CARCELLER ARCE	0.02	0.00	0.00	0.00	0.02	0.00	0.00
MERCEDES COSTA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ANTONIO HERNÁNDEZ CALLEJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total % of voting rights held by board members	46.33
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Details of indirect holdings:

Name of director	Name of direct holder	% voting rights attributed to shares (including loyalty shares)	% voting rights through financial instruments	% total voting rights	Of the total % of voting rights attributed to shares, state where appropriate the % of attributed additional votes corresponding to loyalty shares
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	0.13	0.00	0.13	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	68.38
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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 (SEPI) 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 2022, Herba Ricemills, S.L.U. (a subsidiary of the Ebro Foods Group) entered into different commercial transactions with subsidiaries of the significant shareholder Sociedad Anónima Damm, for the sale of rice and rice by-products on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.

Name of related party	Type of relationship	Brief description
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2022, 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 Hercalianz Investing Group, S.L. and related parties. See in this respect the information on related party transactions and comments set out in section D.2 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2022, 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 Hercalianz Investing Group, S.L. and related parties. See in this respect the information on related party transactions and comments set out in section D.2 of this Report.
GRUPO TRADIFÍN, S.L.	Commercial	During 2022, 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 related party transactions and comments set out in section D.2 of this Report.
GRUPO TRADIFÍN, S.L.	Contractual	During 2022, 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 related party transactions and comments set out in section D.2 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 is a proprietary director of 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 0.963% interest (0.056% direct and 0.907% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm, Chairman of the Board of Corporación Económica Delta, S.A. and holds other positions in some companies related with Damm. See section C.1.11 of this Report.
ALEJANDRA OLARRA ICAZA	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra Icaza represents the director (and significant shareholder) Corporación Financiera Alba, S.A. on the Board of Directors of Ebro Foods, S.A. Ms Olarra Icaza has an employment relationship with Corporación Financiera Alba, S.A.. 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 represents the director (and significant shareholder) Empresas Comerciales e Industriales Valencianas, S.L. on the Board of Directors of Ebro Foods, S.A. Javier Gómez-Trenor Vergés has an indirect interest of 12.586% in Empresas Comerciales e Industriales Valencianas, S.L. Mr Gómez-Trenor Vergés represents the director and Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
			and 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 represents the director (and significant shareholder) Grupo Tradifín, S.L. on the Board of Directors of Ebro Foods, S.A. Ms Hernández Rodríguez has a direct interest of 33.25% in Grupo Tradifín, S.L., of which she is Managing Director. She also holds other positions on the boards of companies related with Grupo Tradifín, S.L. 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., a significant shareholder and director of Ebro Foods, S.A. He does not hold any office in that company. See section C.1.11 of this Report.
FÉLIX HERNÁNDEZ CALLEJAS	HERCALIANZ INVESTING GROUP, S.L.	HERCALIANZ INVESTING GROUP, S.L.	Félix Hernández Callejas represents the director (and significant shareholder) Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. Félix Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L., of which he is Joint and Several Director. He also holds other positions on the boards of companies related with Hercalianz Investing Group, S.L. See section C.1.11 of this Report.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	María Carceller Arce is a proprietary director of 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 Sociedad Anónima Damm and represents the director Seegrund B.V. on the Boards of Directors of Corporación Económica Delta, S.A. and Sociedad Anónima Damm. See section C.1.11 of this Report.
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. Mr Comenge Sánchez-Real also has corporate relationships with companies related with Empresas Comerciales e Industriales Valencianas, S.A. See section C.1.11 of this Report.
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso is a proprietary director 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.
JORDI XUCLÀ COSTA	ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	Jordi Xuclà is a proprietary director of Alimentos y Aceites, S.A., in which Sociedad Estatal de Participaciones Industriales has a direct interest of

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
			91.9625%. Mr Xuclà does not have any significant relationship with Alimentos y Aceites, S.A or with Sociedad Estatal de Participaciones Industriales. See section C.1.11 of this Report.

The significant shareholders Hercalanz Investing Group, S.L., Grupo Tradifin, S.L., Corporación Financiera Alba, S.A., Alimentos y Aceites, S.A. and Empresas Comerciales e Industriales Valencianas, S.L. are directors 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	28.46

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:

Date of general meeting	Details of attendance				Total
	% in person	% by proxy	% distance voting		
			Electronic vote	Others	
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
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
29/06/2022	14.64	56.01	0.03	10.78	81.46
Of which free float	0.09	12.94	0.03	0.42	13.48

In 2022 the Annual General Meeting was held onsite and online. In addition to attendance in person and the possibility of voting and proxy by means of remote communication prior to the general meeting, the Board resolved to enable online attendance of the General Meeting, allowing shareholders (and their representatives or proxies) to attend and participate in the General Meeting in real time by remote connection, as contemplated in the Articles of Association, the Regulations of the General Meeting and the notice of call.

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-june-2021/>, which is the direct link to the Annual General Meeting of Shareholders held on 29 June 2022.

Furthermore, since the Annual General Meeting held in 2022 was held both online and onsite, the company enabled the corresponding link on the corporate website to the live-streaming of the AGM. The link to the live broadcast of the AGM was maintained active on the website throughout its 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
- Annual General Shareholders' Meeting - June 2022 (this sub-section always refers to the latest general meeting held, whether annual or extraordinary)
- Previous general meetings
- 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 concise, explanatory titles, to permit rapid, direct access to those contents 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	29/06/2022	RESOLUTION PASSED AT AGM
FERNANDO CASTELLÓ CLEMENTE		Independent	DIRECTOR	29/05/2012	29/06/2022	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
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
MARC THOMAS MURTRA MILLAR		Independent	DIRECTOR	31/01/2022	31/01/2022	COOPTATION
JORDI XUCLÀ COSTA		Proprietary	DIRECTOR	30/03/2022	30/03/2022	COOPTATION

Total number of directors	14
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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
ALIMENTOS Y ACEITES, S.A.	Proprietary	16/12/2020	29/03/2022	None	YES

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 24 March 2022, Alimentos y Aceites, S.A. tendered its resignation from the Board with effect from 29 of that month and year, for reasons concerning the internal operation of Alimentos y Aceites, S.A. and Sociedad Estatal de Participaciones Industriales (SEPI),

Alimentos y Aceites, S.A. informed the board of its resignation in a letter dated 24 March 2022 addressed to the Secretary of the Board, for the latter to in turn inform the Board. In its letter of resignation, Alimentos y Aceites, S.A. informed the Board of its proposal to appoint Jordi Xuclà Costa proprietary director.

At the date of issuing this report, Alimentos y Aceites, S.A. is still a core shareholder of Ebro Foods, S.A. See section A.3 for the direct interest held by Alimentos y Aceites, S.A. (and the indirect interest of SEPI) in Ebro Foods. See also section A.4 for the interest held by SEPI in Alimentos y Aceites, S.A. Finally, see in section C.1.3 that Jordi Xuclà Costa is the proprietary shareholder nominated by Alimentos y Aceites, S.A. (SEPI).

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

EXECUTIVE DIRECTORS		
Name of director	Position in company's organisation	Profile
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	Antonio Hernández Callejas was born in Tudela (Navarre). He has a degree in Economics from the University of Seville and a diploma in Law. He began his career in 1979 in Arrocerías Herba, a rice producer founded by the Hernández family. In 2002 he was appointed Director, Vice-Chairman and member of the Executive Committee of Ebro Foods, S.A. and since then he has been a key figure in Ebro's transformation and international expansion. In 2004 he was appointed CEO of the Company and in 2005 he became Executive Chairman of the Ebro Group. Under his leadership, the Ebro Group has become number one in the rice sector and second world producer of pasta, operating in more than 70 countries in Europe, America, Africa and Asia, with a portfolio of over 70 brands. Over the course of his professional career, he has received numerous prizes and awards, such as the Tiepolo Award for Italian and Spanish business success, Business Sponsorship Award from the University of Seville, "Dinero" Business Awards for the best business management, Officer of the National Order of Merit of the Republic of France, Prize awarded by the Social Council of the University of Seville and the Seville Business Confederation (CES) for his Outstanding Business Career, the Gold Medal of the city of Seville, the Joly Group Farming Innovation Award and the Manuel Clavero Award. He speaks English, French and Italian.
HERCALIANZ INVESTING GROUP, S.L.	Executive and director in several Group companies	Félix Hernández Callejas (representative of the director Hercalianz Investing Group, S.L.) was born in Tudela (Navarre). He has a Law degree and extensive experience in the rice and food industry in general. He has held several executive positions and directorships in different rice companies and is currently an executive of a subsidiary in the Ebro Group and director of several group companies. See the 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 a direct interest of 9.00%.

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

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

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
		S.A., Euskaltel, S.A. and Parques Reunidos Servicios Centrales, S.A. He previously worked in mergers and acquisitions (M&A) in London and Madrid at Goldman Sachs and ABN AMRO. He speaks English.
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra 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.
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.
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.
JORDI XUCLÀ COSTA	ALIMENTOS Y ACEITES, S.A.	Jordi Xuclà Costa was born in Olot (Gerona). He has a Law degree from the University of Gerona, a PhD in Communication and International Relations from Ramón Llull University and a master's degree in National Defence (CESEDEN), among other qualifications. A jurist and consultant in International Relations, he was formerly a lecturer of Administrative Law at the Universities of Gerona and Barcelona. He formerly held office as Senator-Elect for Gerona, CiU (2000-2004, VII Term), Deputy of the Congress of Deputies (2004-2019) and member of the Parliamentary Assembly of the Western European Union (2008-2011), NATO (2008-2011) and the European Council (2008-2019). He is currently a lecturer of International Relations at Universidad CEU San Pablo and Ramón Llull University and is on the Board of RENFE Mercancías, in which he previously chaired the Audit and Control Committee. He is a member of the Jury of the "European Award Citizenship, Security and Defence" organised by CiDAN and is a Trustee of the Josep Plà Foundation. He has been awarded the distinction of Commander of the Order of Civil Merit, among others.

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.
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".
MARC THOMAS MURTRA MILLAR	Marc Thomas Murtra Millar was born in Blackburn, Lancashire, UK. He has a degree in Industrial Engineering, specialising in Machinery Mechanics, from the School of Industrial Engineers of Barcelona ETSEIB) of the Polytechnic University of Catalonia, and a Master in Business Administration (MBA), majoring in Finance, from the Leonard School of Business of the University of New York. He worked in the civil service for several years, as a specialist in Strategy and Digital Transformation, and has held several directorships, including Paradores de Turismo de España, Red.es and Instituto Nacional de Tecnologías de la Comunicación (INTECO). In the private sector, as Chairman of Closa Investment Bankers, since 2011 he has headed numerous corporate operations in the technology, media and telecommunications (TMT) and industrial sectors and Public Private Partnerships with international investors and enterprises throughout the world. He is also a part-time lecturer of Financial Management and Financial Economics at the Pompeu Fabra University. He is Chairman of the Board and of the Strategy Committee of Indra Sistemas S.A. and Trustee of Fundación La Caixa.

Total number of independent directors	4
% of board	28.57

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

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

Name of director	Description of the relationship	Reasoned statement
BELÉN BARREIRO PÉREZ-PARDO	N/A	N/A
FERNANDO CASTELLÓ CLEMENTE	N/A	N/A
MERCEDES COSTA GARCÍA	N/A	N/A
MARC THOMAS MURTRA MILLAR	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 (%)			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00
Proprietary	3	4	3	3	37.50	50.00	37.50	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	5	6	5	5	35.71	42.86	35.71	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.

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

In March 2022, after Alimentos y Aceites, S.A. stepped down from the Board and a male proprietary director was appointed by Alimentos y Aceites, S.A. (SEPI), the number of women on the Board fell from 6 to 5 and the number of men rose from 8 to 9, as a result of which the percentage of women on the Board dropped to 35.714% of the total Board members (14), falling short of the 40% target.

The company is aware of the need to increase the number of women on the Board to restore the proportion that had been reached prior to the departure of Alimentos y Aceites, S.A., and it will work to achieve again the 40% target recommended by the Code of Good Governance and established in the company's Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

- 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, although the target set in the Policy on the Selection of Directors and Diversity in the Composition of the Board, that the gender least represented on the Board of Directors of the Company must account for at least 40% of the total Board members, must be recovered. See in this respect 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 non-director 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 2022, every time a possible appointment, re-appointment or ratification 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, the presence of women, size and diversity of expertise and profiles.

In this regard, the Nomination and Remuneration Committee has:

(i) 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, although it should be borne in mind that at the date of issue of this report, 68.38% of the company's total capital is concentrated in the Board.

(ii) Assessed 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%."

The Nomination and Remuneration Committee is aware of the need to increase the number of women on the Board to restore the proportion that had been reached prior to the departure of Alimentos y Aceites, S.A., and it will work to achieve again the 40% target recommended by the Code of Good Governance and established in the company's Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors.

See in this respect sections C.1.5, C.1.6 and G of this report.

(iii) Assessed the current size of the Board of Directors (set at 14 members by virtue of a resolution adopted at the Annual General Meeting of Shareholders held on 29 July 2020). The Committee considers this size adequate to ensure adequate diversity of expertise, experience and gender in the composition of the Board and an adequate balance between the representation of significant shareholders and minority shareholders on the Board.

(iv) Assessed the fact that all the present directors were appointed on account of their expertise, skills, professional experience, availability and suitability, which were considered adequate for the duties they were to perform.

In view of the diversity of professional profiles of the directors (all specialists in sectors that are both varied and complementary, such as economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and taking into account the extensive knowledge that some of them have of the Group overall, the Nomination and Remuneration Committee considers that the composition of the Board of Directors has adequate diversity of expertise and professional experience to serve the interests of the company and the group.

The company has also assessed the extent of compliance with Recommendation 16 of the Code of Good Governance, which provides that: "The proportion of proprietary directors in the total number of non-executive directors should not exceed the proportion of capital represented by those directors in the total capital of the company."

Although the directors classified as proprietary (8) account for 66.67% of the total non-executive directors (12) and represent 57.87% of the capital, in the opinion of the Nomination and Remuneration Committee special circumstances exist that attenuate the principle of proportion recommended by the Code of Good Governance, since: (i) there are seven (7) unrelated significant shareholders present or represented on the Board that represent 66.72% of the capital and (ii) 68.38% of the capital is represented on the Board. The Committee has considered it necessary to take account of the fact that the director Heralianz 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 an executive and director of several subsidiaries in the Ebro Group.

Based on the foregoing, the company considers that the principle behind Recommendation 16 is respected.

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: - 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; - for corporate operations, a prior resolution of the Board of Directors is required if they are for more than two million euros, and the Executive Committee must be notified if they are for less than two million euros but more than three hundred thousand euros.
Executive Committee	The Board of Directors has delegated all its powers to the Executive Committee, save any, which may not legally be delegated. This notwithstanding, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2001, the powers of the Executive Committee in these areas are internally limited to the sum of two million euros per investment/divestment, expenditure or corporate operation. See section C.2.1 of this Report for the duties attributed to the Executive Committee in the Articles of Association and applicable regulations.

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

Name of director	Name of group company	Position	With executive duties?
ANTONIO HERNÁNDEZ CALLEJAS	VOGAN, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	GEOVITA FUNCTIONAL INGREDIENTS, S.R.L	CHAIRMAN	YES
ANTONIO HERNÁNDEZ CALLEJAS	JOSEPH HEAP PROPERTY, LTD.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO 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

Name of director	Name of group company	Position	With executive duties?
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, N.V.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO RICE HANDLING, BVBA	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO FOODS, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	T.A.G. NAHRUNGSMITTEL, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	BERTOLINI IMPORT UND EXPORT, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	HERBA GERMANY, GMBH	JOINT AND SEVERAL DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	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 Heralianz 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 Mundiarrroz, S.A. Director. With executive duties
- Boost Nutrition, N.V. 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
- Ebro Ingredients Belgium B, BV. Director. With executive duties
- Ebro Ingredients Belgium F, 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
- Dosbio 2010, S.L.U. Joint and Several 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	HACIENDA LAS CASETAS, S.L.	SOLE DIRECTOR
DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLÍFERA, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	SACYR, S.A.	VICE-CHAIRMAN
DEMETRIO CARCELLER ARCE	FONT SALEM, S.A.	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
DEMETRIO CARCELLER ARCE	DISTRIBUCIÓN DIRECTA INTEGRAL, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	FUNDACIÓN DAMM	CHAIRMAN
DEMETRIO CARCELLER ARCE	FUNDACIÓN DISA	TRUSTEE
DEMETRIO CARCELLER ARCE	CERVECEROS DE ESPAÑA	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
MARÍA CARCELLER ARCE	IESE BUSINESS SCHOOL	OTHERS
MARÍA CARCELLER ARCE	FUNDACIÓN A LA PAR	OTHERS
MARÍA CARCELLER ARCE	FUNDACIÓN GENERAL DE LA UNIVERSIDAD COMPLUTENSE DE MADRID	OTHERS
FERNANDO CASTELLÓ CLEMENTE	CLAPTOS 2, S.L.	SOLE DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
FERNANDO CASTELLÓ CLEMENTE	SCI CLAPTOS 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
FERNANDO CASTELLÓ CLEMENTE	WINE 2010, 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
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 GÓMEZ-TRENOR VERGÉS	DOSVAL, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	FRUVEGA, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	CARTUJA AGRÍCOLA, S.A.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	RIEGOS EL PATOR, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	OLIVE PARTNERS, S.A.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	CITRICULTURA PAS, S.L.U.	REPRESENTATIVE OF DIRECTOR
JAVIER FERNÁNDEZ ALONSO	ARTÁ CAPITAL, S.G.E.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

Name of director or representative	Name of company, listed or otherwise	Position
JAVIER FERNÁNDEZ ALONSO	CIE AUTOMOTIVE, S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	VISCOFAN, S.A.	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.	HACIENDA DEL GUADAIRA, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	ARROZALES LOS MORISCOS, 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	MAGALLANES VALUE INVESTORS, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	LIGHT ENVIRONMENT CONTROL, S.L.	REPRESENTATIVE OF DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	SARANAC PARTNERS EUROPE, AGENCIA DE VALORES, 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 MAURINAS, 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	HERNÁNDEZ BARRERA SERVICIOS, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HERSOT VENTURES, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HISPAGRAINS AGRO, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HISPAMARK REAL ESTATE, 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	LABRADOS GUADALQUIVIR, S.L.	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	MAGALLANES VALUE INVESTORS, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	MATOCAL 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	RIVERCANT AGRÍCOLA, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	RIVERETA 12, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	SARTENEJALES, 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
MARC THOMAS MURTRA MILLAR	INDRA SISTEMAS, S.A.	CHAIRMAN
JORDI XUCLÀ COSTA	RENFE MERCANCIAS SME	DIRECTOR
JORDI XUCLÀ COSTA	FUNDACIÓN JOSEP PLÀ	TRUSTEE
JORDI XUCLÀ COSTA	JORDI XUCLÀ CONSULTORES, S.L.	SOLE DIRECTOR

Blanca Hernández Rodríguez is Chair of Fundación Ebro Foods.

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
MERCEDES COSTA GARCÍA	Member of the Advisory Board Ribé Salat and Manager of the Negotiation and Mediation Centre of IE Business School
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Bookkeeping, administration and tax management for subsidiaries
GRUPO TRADIFÍN, S.L.	Management of Club Deportivo Real Club Sevilla Golf and real estate activities (sale & purchase and leasing of real estate)
MARC THOMAS MURTRA MILLAR	Part-time lecturer; lecturer on the masters course Financial Management and Economy at the Pompeu Fabra University and UPF Barcelona School Management
JORDI XUCLÀ COSTA	Lecturer of International Relations at Universidad CEU San Pablo and Ramón Llull University

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:

[v] 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)	7,249
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

Name	Position(s)	
ALFONSO FUERTES BARRO	FINANCE MANAGER	
GABRIEL SOLÍS PABLOS	TAX MANAGER	
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD	
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER	
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER	
MANUEL 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)		2,582

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

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 2021, made in 2022, 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

The Board, its Committees and the Executive Chairman of the Company are assessed each year.

This process is based on: (i) a report prepared by the Nomination and Remuneration Committee to be laid before the Board of Directors; (ii) the activity reports issued by the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee in the year being assessed; and (iii) the resolutions adopted by the Board of Directors in view of those reports.

The methodology explained below was used again, where appropriate, in the assessment of 2021, made in 2022. This is the methodology normally used by the company in its assessments, with the exception of the 2020 assessment made in 2021, in which the external consultant who assisted the company used a different system based on interviews with the directors.

- The directors (and, in the case of corporate directors, their representatives) completed a questionnaire previously approved by the Nomination and Remuneration Committee.

- Once all the questionnaires had been completed, the data collected was sent to the Secretary of the Nomination and Remuneration Committee who, after analysing them, drew up a summary of the answers (anonymous) for the Committee to issue the corresponding Assessment Report, which was finally laid before the Board of Directors.

In the assessment process carried out in 2022, it was not considered necessary to complete the results from the questionnaires with a personal interview with the Lead Independent Director of the company, Mercedes Costa García, as she had participated intensely in the assessment process as a member of the Nomination and Remuneration Committee.

- The questionnaires completed by all the directors and the Assessment Report were filed by the Secretary of the Board.

B. AREAS ASSESSED

Apart from assessing the composition, powers and procedures of the Board of Directors, a specific assessment was made of that body with regard to the following matters: (i) supervision and control of the business management, investments and strategy of the company; (ii) agenda for meetings, treatment and discussion of the issues and possibility of incorporating off-agenda issues; and (iii) planning, frequency, duration and dynamics of the meetings, notices of call and documentation of the meetings.

In addition to assessing the composition, powers and procedures of the Committees, a specific assessment was made of each committee with regard to the following matters:

- 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, Control and Sustainability 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.
- Strategy and Investment Committee: specific assessment of the frequency of its meetings and analysis of the business to be transacted.

The following were also assessed: (i) the Executive Chairman's management in aspects related with his dedication, participation and stimulation of debates, and the clarity and detail of the information and explanations given on the company's strategy and business; (ii) performance by the Lead Independent Director of her duties; (iii) decision-making in issues concerning related party transactions and conflicts of interest, significant investments and transactions, dividends, strategic plan, risk management and business liability policy; and (iv) follow-up on issues agreed by the Board in the previous assessment.

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.

N/A

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

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

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

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

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

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

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

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

Yes

No

If yes, describe the differences.

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

Yes

No

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

- Yes
 No

C.1.23 Do the Articles of Association or Regulations of the Board establish a limited term of office 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	12
Number of board meetings held without the chairman	0

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

Number of meetings	0
--------------------	---

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

Number of meetings of the Nomination and Remuneration Committee	3
Number of meetings of the Strategy and Investment Committee	7
Number of meetings of the Audit, Control and Sustainability Committee	5
Number of meetings of the Executive Committee	7

The number of Board meetings (12) indicated in this section includes the adoption of written resolutions without a meeting, pursuant to Article 21.4 Regulations of the Board.

During 2022, 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	11
Attendance / total votes during the year (%)	94.05
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	12
Votes cast with attendance in person or by proxies with specific instructions / total votes during the year (%)	100.00

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, Control and Sustainability 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.

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, Control and Sustainability Committee and the Board of Directors.

Finally, in 2022 the External Auditors attended the Board meeting at which the separate and consolidated annual accounts for 2021 were authorised for issue, to inform the Board directly on the conclusions of their audit, in view of which they issued an unqualified Auditors' Report for the separate and consolidated annual accounts.

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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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)	259	87	346
Charge for non-audit work / Amount invoiced for audit work (%)	105.28	4.72	16.56

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	9	9
	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	28.12	28.12

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 31.2 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.

Article 31.3 of the Regulations of the Board provide that if a Director: (i) is in a situation, related or otherwise with his duties in the Company, that could jeopardise the Company's prestige and reputation, or (ii) is investigated within any criminal proceedings, he shall notify the Board as promptly as he is able and keep the Board up to date on subsequent developments in both cases.

Finally, 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:

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIR	Executive
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary
MARC THOMAS MURTRA MILLAR	MEMBER	Independent

% executive directors	25.00
% proprietary directors	50.00
% independent directors	25.00
% other non-executive directors	0.00

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

Articles 19 and 27 of the Articles of Association contemplate the delegation of powers of the Board of Directors to the Executive Committee.

The composition, organisation and procedure of the Executive Committee is governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board, and the specific regulations established in Article 28.1 of the Articles of Association and Article 23 of the Regulations of the Board.

The powers of this Committee are set out in Article 23.2 of the Regulations of the Board, without prejudice to what the Board may establish in its resolution to delegate powers.

The Executive Committee shall have no fewer than three nor more than seven members, including the Chairman and Vice-Chairman of the Board, who will form part of this Committee. At least two of the Executive Committee members shall be non-executive directors and one of them shall be independent.

The Committee shall be presided by the Chairman of the Board. In general, one Executive Committee meeting will be held a month. Its meetings may be attended by such members of the management, employees and advisers of the Company as the Committee may deem fit. Without prejudice to the autonomy of decision of the Executive Committee in respect of the delegated powers, its resolutions normally being fully valid and effective without ratification by the Board, if the Chairman or three members of the Committee consider this necessary in the circumstances, the resolutions adopted by the Executive Committee shall be submitted to the Board for ratification. This will also be applicable when the Board has delegated the Committee to study certain matters while reserving for itself the ultimate decision, in which case the Executive Committee shall merely submit the corresponding proposal to the Board.

During 2022, 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.

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 2022, the Strategy and Investment Committee assessed the degree of compliance with the Strategic Plan of the Ebro Foods Group 2019-2022 and worked on the completion, implementation and monitoring of the new Strategic Plan of the Ebro Foods Group 2022-2024, as well as other strategic issues concerning the Group.

Audit, Control and Sustainability Committee		
Name	Position	Category
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MERCEDES COSTA GARCÍA	MEMBER	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary
GRUPO TRADIFÍN, S.L.	MEMBER	Proprietary
MARC THOMAS MURTRA MILLAR	CHAIR	Independent

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

On 23 November 2022, in view of the favourable report issued by the Nomination and Remuneration Committee, the Board unanimously resolved to appoint Marc Thomas Murtra Millar chair of the Audit, Control and Sustainability Committee to replace Mercedes Costa García, whose term of office as chair of the committee had expired, pursuant to the Corporate Enterprises Act section 529. quarterdecies.2. Mr Murtra Millar had been a member of this committee since 31 January 2022, when he was appointed director by cooptation and member of the Executive Committee and the Audit, Control and Sustainability Committee.

On 21 December 2022, the Board unanimously resolved to change the name of the Audit and Control Committee to the Audit, Control and Sustainability Committee, in recognition of the increasing importance of sustainability and corporate social responsibility in the company and the important powers of this Committee in that area.

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

The Audit, Control and Sustainability Committee (previously called the Audit and Control 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, Control and Sustainability Committee shall meet as and when called by its Chair, 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, Control and Sustainability 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 2022, the Audit and Control 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 2022 the Committee also approved its 2021 activity report, made available for shareholders for the Annual General Meeting held on 29 June 2022.

The Company will issue a detailed report of all the activities performed by the Audit and Control Committee during 2022, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2023.

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	FERNANDO CASTELLÓ CLEMENTE / MERCEDES COSTA GARCÍA / JAVIER FERNÁNDEZ ALONSO / GRUPO TRADIFÍN, S.L. / MARC THOMAS MURTRA MILLAR
Date of appointment to this office of the committee chair	23/11/2022

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 2022, 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, re-election and ratification of directors and their assignment to the different Committees of the Board; (ii) appointment of Chair of the Audit, Control and Sustainability Committee to replace the previous chair; (iii) analysis of the composition of the Board with regard to the afore-mentioned appointments and re-elections; (iv) review of the Group policies falling within its remit; (v) review of the Directors' Remuneration Policy 2022-2024; (vi) 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; (viii) Share-Based Remuneration Plan for Group employees for 2022; and (viii) self-assessment procedure for the Board of Directors, Chairman and Committees for 2021.

The Committee also approved during 2022 its 2021 activity report, made available for shareholders for the Annual General Meeting of 29 June 2022.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2022, which will be made available to all shareholders for the forthcoming Annual General Meeting 2023.

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							
	2022		2021		2020		2019	
	No.	%	No.	%	No.	%	No.	%
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Audit, Control and Sustainability Committee	2	40.00	2	40.00	2	40.00	3	60.00
Nomination and Remuneration Committee	3	60.00	3	60.00	3	60.00	2	50.00

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, Control and Sustainability 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, Control and Sustainability 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).

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, Control and Sustainability 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.2. 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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.3. 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)	SOCIEDAD ANÓNIMA DAMM	11.69	Estrella de Levante, S.A.	1,796	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO
(2)	SOCIEDAD ANÓNIMA DAMM	11.69	Compañía Cervecera Damm, S.L.	6,697	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO
(3)	HERCALIANZ INVESTING GROUP, S.L.	9.00	Instituto Hispánico del Arroz, S.A.	11,054	Board of Directors	Antonio Hernández Callejas, Herculanz Investing Group, S.L., and Grupo Tradifín, S.L.	NO
(4)	GRUPO TRADIFÍN, S.L.	7.96	Cabher 96, S.L.	1	Board of Directors	Grupo Tradifín, S.L., Antonio Hernández Callejas and Herculanz Investing Group, S.L.	NO

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(1)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm's length terms
(2)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm's length terms
(3)	HERCALIANZ INVESTING GROUP, S.L.	Commercial	See information on and breakdown of transactions with Instituto Hispánico del Arroz, S.A. in "COMMENTS"
(4)	GRUPO TRADIFÍN, S.L.	Commercial	Sale of crop protection products on arm's length terms

The related party transactions made with significant 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.

With regard to the transactions made between the Ebro Foods Group and Instituto Hispánico del Arroz, S.A. indicated in this section, it should be noted that although in the table those transactions are indicated as related with Herculanz Investing Group, S.L., they should also be related with Grupo Tradifín, S.L., since both Grupo Tradifín, S.L. and Herculanz Investing Group, S.L. hold interests in Instituto Hispánico del Arroz, S.A. (50% each).

The breakdown of transactions made by the Ebro Group with Instituto Hispánico del Arroz, S.A. and its subsidiaries declared in this section is as follows (in thousand euros):

- national and international commodity purchases: quinoa, seeds and different varieties of rice, 9,607;
- national and international commodity sales: quinoa and different varieties of rice (harvest and grain), marine plankton and crop protection products, 602;
- services provided, essentially royalties and import licences, 86;
- services received, essentially royalties and import licences, 78;
- R&D transfer and licence agreement for seeds, 219;
- leases (expense) of offices, raw material warehouses and extended rice storage, 462.

The Board of Directors took the following criteria in account when approving the transactions related with Heralianz Investing Group, S.L. and Grupo Tradifin, S.L.:

- 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 markets 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.4. 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)	ANTONIO HERNÁNDEZ CALLEJAS	Luis Hernández González	Contractual	45	Board of Directors	Antonio Hernández Callejas, Heralianz Investing Group, S.L. and Grupo Tradifin, S.A.	NO
(2)	ANTONIO HERNÁNDEZ CALLEJAS	Hacienda Las Casetas, S.L.	Commercial	12	Board of Directors	Antonio Hernández Callejas, Heralianz Investing Group, S.L. and Grupo Tradifin, S.A.	NO
(3)	DEMETRIO CARCELLER ARCE	Disa Energy, S.L.U.	Commercial	7,263	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO

	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)	ANTONIO HERNÁNDEZ CALLEJAS	Lease (expense) of real estate on arm's length terms
(2)	ANTONIO HERNÁNDEZ CALLEJAS	Sale of rice by-product for animal feed on arm's length terms
(3)	DEMETRIO CARCELLER ARCE	Purchases of gas and diesel on arm's length terms

D.5. 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		

Details are set out below of the transactions made in 2022 between companies in the Ebro Group and Riso Scotti, S.p.A., an Italian company in which Ebro Foods, S.A. has a 40% interest (investment in an associate consolidated by the equity method). It is, therefore, an associate outside the Ebro Group.

Those transactions, expressed in thousand euros, are listed below:

- Ebro Foods, S.A.: Services rendered (income), 4;
- Ebro Foods, S.A.: Dividends received, 1,000;
- Arotz Foods, S.A.: Purchase of goods (finished or otherwise), 83;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise), 444;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise), 8,329;
- Herba Ricemills, S.L.U.: Sale of tangibles, intangibles or other assets, 121;
- Herba Ricemills, S.L.U.: Other expenses, 5;
- Herba Ricemills, S.L.U.: Financial income, 25;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise), 1,423;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise), 2,681;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise), 139;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise), 134;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise), 307;
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise), 1,756;
- Ebro Ingredients, B.V.: Sale of goods (finished or otherwise), 243;
- Ebro Ingredients, B.V.: Purchase of goods (finished or otherwise), 63.

- D.6.** 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. on arm's length terms	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. on arm's length terms	319
FÉLIX HERNÁNDEZ CALLEJAS	Sale of office material (income) between a subsidiary of the Ebro Foods Group and Hernández Barrera Servicios, S.A. on arm's length terms	1

Hernández Barrera Servicios, S.A. is related to Félix Hernández Callejas, who represents the corporate director Heralianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.

The transactions made with this company were approved by the Board with the votes of the independent directors and abstention of the following directors: Heralianz Investing Group, S.L., Antonio Hernández Callejas and Grupo Tradifin, S.L.

- D.7.** 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, Control and Sustainability 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.

Finally, it should be noted that every year, when preparing the Financial Reporting, annual accounts and Annual Corporate Governance Report, the Directors (and representatives of corporate directors) are asked for information on: (i) any transactions that they or their related parties may have made with the Company and/or subsidiaries of the Group (the same information is also requested of the significant shareholders of the company); (ii) possible conflicts of interest as per section 229 of the Corporate Enterprises Act directly or indirectly involving the director, its representative or related parties; and (iii) any other possible conflicts of interest.

- D.8.** 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.2. 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 Ukraine war and those related with the inflation were especially important during 2022.

E.3. 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability Committee.

E.4. 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.5. 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: (i) define the risks affecting their respective businesses, (ii) assess the possible economic impact of those risks and, (iii) in view of the specific prevailing circumstances, establish whatever mitigation measures they deem fit.

Without prejudice to the supervision by the Risks Committee and, ultimately, the Audit, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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.6. What financial and non-financial risks, including tax risks, have occurred during the year?

The financial and non-financial risks, including tax risks, that occurred during 2022 and the first few months of 2023 (up to the date of writing this report) are described below:

A. SUPPLY RISKS

- Transport

There was considerable tension on the sea and road freight market in 2021, largely due to the restrictions put in place because of the pandemic. Our sector encountered difficulties especially in finding containers to transport rice from South East Asia. The availability problems and soaring prices continued in the first half of 2022, after which they gradually improved and returned to normal by the end of the year.

In order to get round these problems, the Group implemented a strategy of chartering complete cargo vessels, combining cargos for different European destinations, which enabled the Group to secure a large turnover.

- Rice supply

In recent years there have been alerts of drought in southern Spain, which is a major source of supply of certain rice varieties sold by the Group. Partly as a result of this situation, the availability and supply of pearl rice has gradually fallen in Spain. To mitigate this risk, the Group has diversified sourcing and promoted alternative varieties sourced in Argentina to supplement our supplies.

During 2022, certain countries revealed their intention to impose restrictions on the exporting of certain rice varieties to guarantee their domestic supply. India levied a 20% customs tariff on non-Basmati rice varieties and prohibited exports of broken rice. These measures have not had a material effect on the Ebro Group as we export mainly Basmati rice from India, although we are keeping an eye on other possible restrictions not yet imposed in India or other countries in the area.

- Evolution of prices

2022 was marked by a constant rise in the CPI, which in some months reached double-digit percentages. These rises greatly impacted the costs of logistics, purchases of raw materials and auxiliary products, and energy. The situation improved somewhat towards the end of 2022, thanks to the stabilisation of the Ukraine war (cereal and fertilizer markets eased as a result), the measures implemented by many governments to check the increasing energy costs and the progressive return to normal of the freight tariffs since last summer. However, the underlying tensions remain, causing upturns in the prices of certain products, such as American long-grain rice or aromatic rice varieties (partly due to factors limiting production, such as flooding and tariff barriers on exports).

Against this backdrop, the Group carefully manages its costs (investments in photovoltaic plants, hedging of energy costs, search for alternative freight options and rice sources and varieties, etc.) and constantly analyses and plans the passing-on of part of the increased costs in selling prices.

B. COUNTRY RISK

- Brexit

Although the situation was fairly stable throughout the year, there are still people calling for a review of the agreements reached with the European Union (especially with regard to the internal Irish border). In other words, there is still some uncertainty in respect of possible regulatory changes.

In addition, owing to increased costs deriving from the UK's insularity, constantly rising prices and the bottlenecks deriving from the new situation, changes are being studied in the customs arrangements with third countries, which might affect industries operating in the United Kingdom.

The Group is only exposed to limited risk, but it makes a continuous assessment of the situation and possible management alternatives.

- Ukraine crisis

The events in Ukraine following the military invasion by the Russian Federation on 24 February 2022 have created considerable global uncertainty, with a significant impact on the prices of many supplies, which we have mentioned earlier when explaining the risks deriving from price evolution.

The company believes that this situation of uncertainty and its consequences should not have a very significant impact on the Group, for the following reasons:

(i) The Group does not have any major interests in the region.

(ii) The possible impact on supplies used by the Group is limited to collateral effects (possible changes in consumption, increased cost of fertilizers, switching cereals grown, etc.), because the grains produced in that region are not included in the Group's supply chain.

(iii) The Ebro Group's businesses are more resilient in times of economic crisis thanks to the type of products they sell. Consequently, the Group does not expect any major drop in customer demand, loss of suppliers or adverse effects in its supply and distribution chains.

(iv) The European Union has taken measures to check energy price hikes and mitigate dependence on Russian gas.

E.7. 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 of this report), 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, Control and Sustainability 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.2. Control environment

Report on at least the following, describing their principal features:

F.2.1 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, Control and Sustainability 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, Control and Sustainability 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.2.2 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability Committee who, as an Independent Director, has no relationship with the management structure of the Group.

The Audit, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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.3. Measurement of risks in financial reporting

Report at least on:

F.3.1 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, Control and Sustainability 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, Control and Sustainability 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.4. Control activities

Inform whether the company has at least the following, describing their main features:

- F.4.1 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, Control and Sustainability Committee and the Board of Directors.

The Audit, Control and Sustainability 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 Economic and Financial Area of the Group 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, Control and Sustainability 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

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.4.2 Internal control procedures and policies for the IT systems (including access security, track changes, operation, operating continuity and separation of duties) used for the significant processes of the company in the preparation and publication of financial information

The Group has rules for managing financial information security. Those rules are applicable to the systems used to generate financial information and the IT Department is responsible for defining and proposing the security policies.

Within its policies and infrastructure management the Ebro Group has procedures to secure each of the following:

i) Both physical and logical access are controlled to ensure that only authorised internal and external personnel can access the Ebro centres and systems. Ebro has several Data Centres, the main one in Spain where the company's critical systems are housed. The major subsidiaries also have local data centres. They all have their own infrastructure to guarantee adequate control of access to the installations. In small subsidiaries, the general rule is to have external service providers to provide that security. When external service providers are used, the Ebro Group makes internal audits of the information systems and their architecture, including the security aspect.

Logical access control is secured with: (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.

ii) The larger subsidiaries mainly use the ERP SAP system. In all those cases, Ebro has procedures underpinned by systems that systematically filter, assess, manage the life cycle and inform on production changes after acceptance by specific users and impact analysis in the systems currently used in production.

iii) The separation of duties is underpinned by the use of roles by groups of users, which allow access only to the information and transactions previously approved by the organisation. The modification or creation of new roles is backed by the same procedure that guarantees management of the user life cycle and is applicable to the major companies of the Ebro Group. Special attention is paid to separation in IT support processes to make sure that the tasks of development, sending to production and administration of the system are duly separated. In addition, as mentioned above, Ebro Foods has implemented the SAP GRC SoD system throughout the Group for the IT Department and is in the process of rolling it out in all subsidiaries. This is designed to ensure adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

iv) Ebro has internal tools which, combined with the user support departments and systems (Help Desks), guarantee the management and traceability of any incidents in the IT systems. Programme changes are managed within that system, which is based on best practices and management following the ITIL methods.

The critical information systems are always housed in our data centres and there are individuals assigned to each one who are responsible for proactive monitoring of the automatic processes and proactive assessment of the yield and functioning of the systems.

Ebro has global contracts with security control tool providers, which guarantee the installation of such tools in all the computer and data processing equipment used in the company.

v) Ebro Foods has a cybersecurity policy based on several fundamental pillars for the security of our systems. This includes endpoint security, of both users and 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 implemented in subsidiaries in the USA, Canada, India and part of Spain and will be extended to the other major subsidiaries of the Ebro Group during 2023.

vi) Ebro has tools to guarantee the continuity of business support by its IT systems in the event of a fatal error or system crash. There are backup systems and policies in its data centres that guarantee access to information and systems in case of a crash. The use of tape or disk backups and replicating the information in several computers with subsequent triangular distribution are habitual procedures for making incremental or complete backup copies. The current systems allow recovery of the information up to the specific time of the fatal error or system crash.

F.4.3 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.5. Information and communication

Inform whether the company has at least the following, describing their main features:

F.5.1 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.5.2 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.6. Supervision of the functioning of the system

Inform on at least the following, describing their main features:

- F.6.1 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability Committee. Moreover, the action plan devised for remedying those incidents has been sent to both the person responsible for remedying them and the Audit, Control and Sustainability Committee.

- F.6.2 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, Control and Sustainability 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, Control and Sustainability 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 2022, following the audit of the 2021 accounts, the External Auditor informed the Audit, Control and Sustainability Committee that they had not detected any significant weaknesses during their work. This notwithstanding, they submitted a few recommendations to reinforce internal control.

The External Auditor and the Manager of the Internal Audit Department attended 6 of the 7 meetings of the Audit, Control and Sustainability Committee held in 2022.

F.7. Other significant information

N/A

F.8. External auditor's report

Inform on:

- F.8.1 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 ICFR 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 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

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 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 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, Control and Sustainability 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 2022 (or any of those made in 2023 up to the date of writing this report) meet the conditions for requiring publication stipulated in section 529 univics 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 products and/or brands of the Ebro Foods Group.

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 (57.87%), it should be borne in mind that: (i) the significant shareholders represented on the Board are unrelated; (ii) 68.38% of the capital is represented on the Board; and (iii) 71.54% of the company's capital is held by stable or strategic shareholders.

The company believes it should also be taken into account that although the director Heralianz Investing Group, S.L. is a significant shareholder, it is classified as an executive director because its representative on the Board of Directors of Ebro is an executive and director of several subsidiaries in the Ebro Group.

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 68.38% of the capital is represented on the Board.

18. Companies should publish on their websites and keep up to date the following information on their directors:

- a) Professional and biographic profile
- b) Other directorships held, in listed or unlisted companies, and other remunerated activities performed, of whatsoever nature
- c) Indication of the category of director, indicating for proprietary directors the shareholder they represent or with which they are related
- d) Date of first appointment as director of the company and subsequent re-elections
- e) Shares and stock options held in the company

Complies [] Partial compliance [X] Explanation []

All the sections of this Recommendation are met, except (b).

Although there is no specific section on the corporate website containing the information contemplated in paragraph (b), information on the 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 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

24. If a director retires from office before the end of their term, through resignation or by virtue of a resolution adopted by the General Meeting, they shall explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the grounds for their removal by the General Meeting, in a letter sent out to all the Board members.

Even if the Annual Corporate Governance Report contains the appropriate information on the foregoing, to the extent that it is important for investors, the company should publish news of the director's retirement as soon as possible, including a sufficient account of the reasons or circumstances indicated by the director.

Complies Partial compliance Explanation Not applicable

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 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 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 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

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 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 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 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 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 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 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 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 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 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 the provision on anonymous reports indicated in paragraph 1(c) and 2(d).

Although the Code of Conduct of the Ebro Group and the Protocol regulating the procedure for the whistleblowing channel approved by the Audit, Control and Sustainability Committee do not contemplate the events in which the reports may be made anonymously, they do not rule out that possibility.

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.

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. Heralcianz 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 2022 are described in the Annual Report on Directors’ Remuneration for that year 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 Governance (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 []

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 [] 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 []

H. OTHER INFORMATION OF INTEREST

1. If you consider there to be any important aspects regarding the corporate governance practices applied by your company or other companies in the group that have not been mentioned in this report, but which should be included to obtain more complete, reasoned information on the corporate governance practices and structure in the company or group, describe them below and give a brief explanation.
2. This section may be used to include any other information, clarification or qualification relating to the previous sections of the report, provided it is relevant and not repetitive.

In particular, state whether the company is subject to any laws other than the laws of Spain on corporate governance and, if this is the case, include whatever information the company may be obliged to supply that differs from the information included in this report.

3. The company may also state whether it has voluntarily applied any international, sector-based or other codes of ethical principles or good practices. If so, it should name the code in question and the date of its accession. Particular mention shall be made of whether the company has acceded to the Code of Good Tax Practices of 20 July 2010.

EXPLANATORY NOTE ONE, ON SECTION C.1.2.

The appointments by cooptation of the directors Marc Thomas Murtra Millar (31 January 2022) and Jordi Xuclà Costa (30 March 2022) were ratified at the first General Meeting held after those appointments, on 29 June 2022.

EXPLANATORY NOTE TWO, ON SECTION C.2

- The name of the audit committee in the company is "Audit, Control and Sustainability Committee" and the name of the nomination and remuneration committee is "Nomination and Remuneration Committee".

- All the members of the Audit, Control and Sustainability Committee were appointed on account of their accounting and audit experience and expertise, including Grupo Tradifin, 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 business goals of the Ebro Foods Group, as listed in section E.3 of this Report, 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 extortion by this kind of criminals have considerably increased in recent years. This growing threat led to its consideration (since 2020) as a separate risk with no significant impact for the Group, 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. This is a cross-cutting risk that affects all the risk categories defined by the company. The effects of droughts, flooding and other weather perils can cause problems of availability and unstable commodity prices, physical risks to property, and strategic and operational impacts deriving from possible changes in consumer habits as a result of alterations in the temperature. The risks of failing to comply with international protocols on climate change and the need to make specific investments to ensure compliance are also assessed.
- 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. This risk has been separated from the more generic "reputational risk" since 2020, in view of its enormous repercussion and diversity and the difficulties encountered in managing threats of this nature.
- 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, Control and Sustainability 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.

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

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

30/03/2023

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 "2022 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 March 8, 2023, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2022, 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 its 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 2022 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 28, 2023

EBRO FOODS, S.A. GROUP

2022 MANAGEMENT REPORT (figures in thousands of euros)

Annual Director Remuneration Report

DETAILS OF ISSUER

Year ended:

[31/12/2022]

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 (2023) is the Policy established for the years 2022-2024, approved at the Annual General Meeting of Shareholders held on 30 June 2021 and subsequently amended by virtue of a resolution adopted at the Annual General Meeting held on 29 June 2022. A motion will be tabled at the 2023 Annual General Meeting for a further amendment to that Policy in the terms indicated elsewhere in this Report, which will be put to an advisory vote at the forthcoming AGM.

The Directors' Remuneration Policy 2022-2024 gives continuity to the previous policy (for the period 2019-2021), which was in force up to 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), in view of the wide acceptance 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).

Based on that broad acceptance, comparable companies were not taken into account nor were any external advisers involved in drawing up the Directors' Remuneration Policy 2022-2024.

Although it was approved in 2021, the Directors' Remuneration Policy 2022-2024 included in its initial wording the new aspects introduced in the Corporate Enterprises Act ("LSC") by Act 5/2021 of 12 April ("Act 5/2021"). So even though the new regulations did not enter into force until 3 November 2021 (i.e. after the date of the company's Annual General Meeting 2021), the contents of the Remuneration Policy laid before (and approved at) the General Meeting held on 30 June 2021 were already adapted to the new requirements introduced by Act 5/2021.

In June 2022, a motion was tabled, and approved, at the Annual General Meeting to modify certain aspects of the Policy, particularly those indicated below:

- (i) The annual fixed remuneration of the Executive Chairman was made invariable, uncoupling it from the fixed remuneration review procedure established for other Group executives, such that it would only be reviewed if and when so decided by the Board of Directors, at the proposal of the Nomination and Remuneration Committee and in view of the circumstances prevailing from time to time.
- (ii) The amendments altered the financial targets to which 75% of the bonus contemplated in the Long-Term Incentive Scheme linked to the Strategic Plan 2022-2024 is tied, replacing the indicator consolidated "adjusted ROCE" ("ROCE") with consolidated "adjusted EBITDA less CAPEX" ("EBITDA – CAPEX"), while maintaining the consolidated EBITDA target, where "EBITDA – CAPEX" would have a weight of 20% and EBITDA the remaining 80%.
- (iii) A new cap was established on the bonus that the Executive Chairman could receive for his participation in the Long-Term Incentive Scheme linked to the Strategic Plan 2022-2024 in the event of over-achievement of targets, which would be 100% of the corresponding bonus (not 125%, as envisaged in the initial wording of the Policy).
- (iv) Within the targets to which the Executive Chairman's annual (ordinary) bonus is tied, the consolidated ROCE was included in the Policy as a target in the budget with a weight of 20%, while maintaining the consolidated EBITDA target in the budget, with a weight of 80%, as from 2023 (the only financial target set for 2022 is the consolidated EBITDA contemplated in the 2022 budget).

A motion will be tabled at the General Meeting at which this Report is to be put to an advisory vote, proposing a new amendment to the Policy, to cap the Executive Chairman's short-term bonus at 100% of his fixed annual remuneration, thus lowering the cap, which had been set at 150% of the fixed remuneration in the initial wording of the Policy. This amendment is expected to be accepted and approved at the General Meeting, with effect from the beginning of the term of the Remuneration Policy 2022-2024, i.e. from 1 January 2022.

The original wording of the Directors' Remuneration Policy 2022-2024 was prepared by the Nomination and Remuneration Committee at its meeting on 24 May 2021. Once that Committee had issued the corresponding specific report (pursuant to section 529.novodicies.4 of the Corporate Enterprises Act), the proposed Policy was submitted to the Board of Directors, which resolved to table a motion for its approval at the Annual General Meeting on 30 June 2021, where it was approved.

The first amendment to the Policy, in 2022, was also prepared by the Nomination and Remuneration Committee at its meeting on 25 May 2022, which issued the corresponding specific report and the Board resolved to table a motion for its approval at the Annual General Meeting on 29 June 2022, where it was approved.

The remaining contents of this section A.1.1 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, the Chairman of the Board, 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 and the Group, according to the criteria and targets established in the Directors' Remuneration Policy 2022-2024 and explained in the previous point.

The variable remuneration of the Chairman of the Board for the performance of 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 Directors' Remuneration Policy 2022-2024 (in 2023 the EBITDA and ROCE set in the consolidated budget for 2023).

This remuneration, as a percentage of the fixed annual remuneration, is proportionate to achievement of the targets set, establishing a floor (below which the variable remuneration is zero) and a ceiling (above which the variable remuneration is capped at 100% of the fixed annual remuneration, assuming that the proposed amendment to the Policy is approved at the same Annual General Meeting at which this Report is to be put to an advisory vote). This variable remuneration accrues and is paid on an annual basis once the financial results of the year in question have been assessed. The ordinary annual variable remuneration corresponding to the Executive Chairman for the current year (2023) will thus be determined in 2024, once the financial results of 2023 are known and it is possible, therefore, to check the extent to which the relevant targets have been met.

- Deferred annual variable remuneration, tied 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 above-mentioned 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 (iii) any other extraordinary circumstance which may, in the Board's opinion, materially affect the Scheme.

Bonuses are paid 11 months after being determined (after checking the level of achievement of the annual targets), so by the time it is 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 2023 (the second year of the Directors' Remuneration Policy 2022-2024) would be paid in 2025.

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 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 level of achievement 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.

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 performance of their duties as such in the current year (2023) will be set at the Annual General Meeting to be held in 2024.

As determined in the current Directors' Remuneration Policy, in the light of the circumstances and the Group's business performance during this year (2023), 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 2024. 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 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 2024, the fixed remuneration of the Directors for their duties as such accrued during this year (2023) will be the same as the amount established for the reporting period (2022). In this regard, on 15 February 2023 the Nomination and Remuneration Committee resolved to propose to the Board, submitting a favourable report, that the fixed remuneration for the Board as a whole for 2022 should be the same as that established for 2021 (i.e. 2,850,000 euros). Similarly,

the Nomination and Remuneration Committee resolved to propose to the Board that the attendance fees for Board and Committee meetings be maintained at 1,600 euros gross for Board meetings and 800 euros for Committee meetings.

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 global fixed remuneration of the Directors for their duties as such during the present year. Accordingly, distribution will be based on a points system, where points are assigned to each Director according to the following scale (established by the Board in 2006, following the proposal submitted by the Nomination and Remuneration Committee):

- Member of the Board of Directors: 1 point
- Chairman of the Board: 1 point
- Vice-Chairman of the Board: 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 1,500,000 euros gross this year (2023), which is the same amount as the gross fixed cash remuneration he received in the reporting period (2022).

It should be borne in mind that although it was stated in the Remuneration Report 2021 that the Executive Chairman's remuneration for 2022 would be 1,560,000 euros (i.e. the remuneration of the previous year -2021- plus 4%, which was the percentage review of the executives' remuneration set by the Board generally for the Company's executives), after the amendment of the Remuneration Policy 2022-2024 approved at the Annual General Meeting held on 29 June 2022, the fixed remuneration of the Executive Chairman was frozen (with effect from 1 January 2022), so the 4% increase was no longer applicable under the Remuneration Policy 2022-2024 amended as above.

In addition to that monetary remuneration, the Executive Director will also receive this year (2023), as fixed remuneration in kind, the private use of a Company car (see section A.1.5 below).

The Chairman of the Board is the only executive Director performing executive duties. Although Heralianz 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 Two in section D of this Report regarding the classification of Heralianz 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, 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 (2023) 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 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 cash remuneration.

Moreover, 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, the only Director who will receive a variable remuneration this year (2023) (according to the Directors' Remuneration Policy 2022-2024) is the Chairman of the Board, as executive Director performing executive duties, 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 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 targets for EBITDA (with a weight of 80%) and ROCE (with a weight of 20%) established in the consolidated budget for 2023.

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 (aggregate achievement of both targets -EBITDA and ROCE, with the weight corresponding to each one- equal to or greater than 100%), the annual variable remuneration is equivalent to 100% of the fixed remuneration, assuming that the proposed amendment to the Policy is approved at the same Annual General Meeting at which this report is to be put to an advisory vote).

- 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 aggregate achievement of those targets is between 100% and 85%, the annual variable remuneration will be determined proportionately.

- Strictly 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 may, at the proposal of the Nomination and Remuneration Committee, decide to raise the annual variable remuneration of the Executive Chairman to the maximum limit established of 100% of his fixed remuneration.

Accordingly, once the consolidated earnings of the Group in 2023 are known (in 2024, generally in February), the Nomination and Remuneration Committee will review the level of achievement and submit a proposal to the Board, for approval, regarding the annual variable remuneration to be received by the Executive Chairman for the current year (2023), based on the criteria indicated above.

In monetary terms and taking account of the above-mentioned rules of accrual, the annual variable remuneration of the Executive Chairman for 2023 may vary between 0 euros (if the aforesaid targets are met by less than 85%) and 1,500,000 euros gross (if targets are met by 100% or more).

(ii) Deferred annual variable remuneration:

According to the current Remuneration Policy 2022-2024, the Chairman of the Board is entitled to participate in the Deferred Annual Variable Remuneration Scheme (deferred annual bonus scheme) established for senior executives of the Ebro Foods Group, linked to fulfilment of the Strategic Plan 2022-2024. 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), on the terms described in the Remunerations Policy.

The beneficiaries of the Scheme (including the Chairman of the Board 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 death or a final declaration of total, absolute or major disability; or (ii) takeover of the Group or any similar corporate operation.

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

- The targets of the Scheme for the first two years (2022, payable in 2024, and 2023, payable in 2025) are the consolidated annual EBITDA and EBITDA – CAPEX for those years established in the Strategic Plan 2022-2024, and accrual of 25% of the deferred bonus will be subject to achievement of those targets.

- The level of achievement of the consolidated Adjusted EBITDA will represent 80% of the deferred bonus for each year and the degree of achievement of the consolidated EBITDA – CAPEX will account for the remaining 20%.

- The targets of the Scheme for the final year (2024, payable in 2026) are: (i) the consolidated annual EBITDA and EBITDA – CAPEX for that year established in the Strategic Plan 2022-2024 (weighted at 80% and 20%, respectively), to which the accrual of 25% of the deferred bonus is tied; (ii) the aggregate sum of EBITDA 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 comparison; and (iii) the global qualitative assessment by the Strategy and Investment Committee of the development of the Strategic Plan 2022-2024 and assessment by the Audit, Control and Sustainability Committee of achievement of the non-financial targets set by the Scheme from among those identified in the Strategic Plan 2022-2024. 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 those assessments: 6.25% for each of the two aspects.

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

a) In the event of aggregate achievement of 100% or over of the consolidated EBITDA and EBITDA – CAPEX targets established for those years in the Strategic Plan 2022-2024, the deferred annual bonus that would accrue for the executive Director 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 aggregate under-achievement of the aforesaid consolidated EBITDA and EBITDA – CAPEX targets established in the Strategic Plan 2022-2024 in either of the first two years of the three-year period, the deferred annual bonus that would accrue for the executive Director 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 aggregate achievement of the targets is below 85%, the deferred bonus for that year will be zero.

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

a) 25% of the fixed remuneration established for the three-year period will be determined according to the degree of aggregate achievement of the aforesaid consolidated EBITDA and EBITDA – CAPEX targets established in the Strategic Plan 2022-2024 for that year. 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:

- 50% (12.5% of the total fixed remuneration for the three-year period) according to the degree of achievement of the accumulated consolidated EBITDA target for the entire three-year period according to the Strategic Plan 2022-2024.

- 25% (6.25% of the total fixed remuneration for the three-year period), in the percentage determined by the Board at the proposal of 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 25% (6.25% of the total fixed remuneration for the three-year period), in the percentage determined by the Board at the proposal of and subject to a report by the Nomination and Remuneration Committee, according to the global qualitative assessment of the development of the Strategic Plan 2022-2024.

In the event of aggregate over-achievement or under-achievement of the aforesaid targets, the indications set out above for these situations will be applicable, including the 100% cap in the event of over-achievement.

- Each year (once the earnings of the preceding year are known), the Nomination and Remuneration Committee will review the level of achievement of the economic variables to which this deferred bonus is tied (EBITDA and EBITDA – CAPEX). The Nomination and Remuneration Committee will also review and validate, during the final year of the Scheme, the proposed qualitative 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, Control and Sustainability Committee. After these verifications, the Nomination and Remuneration Committee will submit a proposal to the Board of Directors and the latter will determine the final amounts corresponding to the Executive Chairman (and the other executives included in the Scheme).

Based on the foregoing, the following should be taken into account with regard to the variable remuneration that might correspond to the Executive Chairman in 2023 within the Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2022-2024:

- The review by the Nomination and Remuneration Committee of the degree of achievement of the targets set for that year and submission to the Board, for approval, of the annual bonus for 2023 to be received by the Executive Chairman (in 2025) will be made in 2024, once the consolidated earnings of the Group for 2023 have been determined (normally in February).

- In monetary terms and taking account of the above-mentioned rules, the deferred annual variable remuneration of the Executive Chairman for 2023 may vary between 0 euros (if aggregate achievement of the targets is below 85%) and 1,125,000 euros gross (if aggregate achievement of the targets is 100% or more). The fixed remuneration for the three-year period is calculated based on the annual monetary fixed remuneration of the Executive Chairman in each of the years of the Scheme (which, as indicated above, is not subject to review, except in the event of extraordinary circumstances).

- This year (2023), the Executive Chairman has received the sum of 1,897,670.85 euros gross as his deferred annual remuneration for 2021, the last year of the previous Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2019-2021. It should be noted that since this sum corresponds to the final year of the previous Scheme, the deferred variable remuneration subject thereto was 50% of the variable remuneration of the three-year period.

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.

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 (2023), to any pension funds or schemes for former or existing members of the Board (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 quidecies of the Corporate Enterprise Act and Article 22 of the Articles of Association, the Board 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 Two in section D of this Report for the reasons why Herculanz 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 take into account 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 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.

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 (2023) any loans, advances or guarantees to members of the board (the Directors for their duties as such or the executive Directors for the performance of executive duties), nor has it 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 (2023), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2022 (5,000 euros p.a. gross).

The Executive Chairman also receives attendance fees each year as a 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 (2023), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2022 (5,200 euros p.a. 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 (2023) is the second year of application of the Directors' Remuneration Policy 2022-2024.

As explained earlier, the only change expected this year (with effect from 1 January 2022) is the lowering of the cap on the Executive Chairman's annual variable remuneration from 150% to 100% of his annual fixed remuneration.

As indicated, that modification, proposed by the Executive Chairman, received a favourable assessment by the Nomination and Remuneration Committee and was approved by the Board. As also mentioned earlier, the consequent amendment of the Directors' Remuneration Policy 2022-2024 on this point will be laid before the General Meeting of Shareholders to be held in 2023, at which this Report will be put to an advisory vote and is expected to be approved.

At the date of writing this Report, no further amendments to the current Remuneration Policy 2022-2024 are expected in subsequent years.

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/2022/06/Recast-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 in the advisory vote on the Directors' Remuneration Report for 2021, with more than two-thirds of the capital present and represented at the General Meeting voting for the approval (74.2020%), and with 12.7425% 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 2021 was paid during the reporting period (2022).

In this regard, the Nomination and Remuneration Committee resolved on 16 February 2022 to submit a proposal to the Board of Directors, to be tabled by the latter at the Annual General Meeting held that year (2022), to set the fixed remuneration of all the Directors for their duties as such for the previous year (2021) at 2,850,000 euros gross. It further proposed maintaining the amount of attendance fees for Board meetings (1,600 euros gross per meeting) and meetings of the Board Committees (800 euros gross per meeting). On 28 February 2022, the Board of Directors resolved to table a motion with those proposals submitted by the Nomination and Remuneration Committee at the Annual General Meeting to be held in 2022. The motion was passed by an ample majority at that Annual General Meeting, held on 29 June 2022.

Based on the foregoing and the resolutions passed at the Board and Committee meetings held in 2021, the aggregate annual fixed remuneration of the Directors for their duties as such for 2021 (set in 2022) was distributed as follows:

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

The fees for attendance of Board and Committee meetings of Ebro Foods, S.A. in 2021 amounted to 317,600 euros gross.

At a meeting on 15 February 2023, 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 (2022) at 2,850,000 euros gross (the same amount as in 2021). It further proposed maintaining the amount of attendance fees for Board meetings (1,600 euros gross per meeting) and meetings of the Board Committees (800 euros gross per meeting).

On 27 February 2023, the Board of Directors resolved to table a motion with those proposals at the Annual General Meeting to be held in 2023.

If that amount is approved at the Annual General Meeting held in 2023, it will be distributed among the Board 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 2022, considering the meetings of the Board and its Committees during that year, would be as follows:

- membership of the Board: a total sum of 1,891,862.90 euros gross
- membership of the Board Committees: a total sum of 958,137.00 euros gross.

If the proposals are approved, the attendance fees for Board and Committee meetings of Ebro Foods, S.A. in 2022 would amount to 328,000 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.1.3 of this Report). For this purpose, in view of a Report by the Nomination and Remuneration Committee, the Board approves the individual remuneration of each Director in view of the Board Committees they are on and the number of meetings held by those committees.

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

In 2022, 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 25 February 2021, proposed by the Nomination and Remuneration Committee. That is the fixed remuneration established in the Directors' Remuneration Policy 2022-2024 (amended to update the information it contained on the annual fixed remuneration of the Executive Chairman at the Annual General Meeting held on 29 June 2022).

With regard to the annual variable remuneration for the reporting period (2022), on 15 February 2022 the Nomination and Remuneration Committee examined the degree of achievement of the consolidated EBITDA target indicated in the budget, this being the variable taken to determine the annual bonus of the Executive Chairman in 2022 and submitted the corresponding report to the Board of Directors in respect of that annual variable remuneration.

It should be recalled at this point that tying the Executive Chairman's annual bonus to the dual target of EBITDA (80%) and ROCE (20%) is applicable as from 1 January 2023, as indicated in the Directors' Remuneration Policy 2022-2024 following the amendment resolved at the Annual General Meeting on 29 June 2022.

It should also be remembered that, according to the proposed amendment to the Directors' Remuneration Policy 2022-2024 to be submitted for approval at the Annual General Meeting at which this Report will also be put to an advisory vote, the Executive Chairman's annual bonus for 2022 would be capped, in the event of over-achievement of targets, at 100% of the amount thereof (i.e. 100% of his annual fixed remuneration). As mentioned earlier, that amendment to the Directors' Remuneration Policy 2022-2024 is expected to be approved at the Annual General Meeting.

On 15 February 2023 the Nomination and Remuneration Committee also reviewed the level of achievement of the quantitative and qualitative targets to which the long-term variable remuneration for 2022 is tied, according to the Deferred Annual Bonus Scheme 2022-2024. 2022 being the first year of the Scheme, up to 25% of the deferred variable remuneration for the three-year period corresponds to that year, depending on the aggregate achievement of the EBIDTA and EBITDA – CAPEX targets set in the Strategic Plan 2022-2024 for 2022.

Accordingly, the sums corresponding to the Chairman of the Board (the only Director with executive duties) for the performance of executive duties in the reporting period (2022), according to his contract and the Directors' Remuneration Policy 2022-2024 and after the corresponding verifications by the Nomination and Remuneration Committee, are as follows:

- Fixed remuneration: 1,508,000 euros gross (1,500,000 euros gross of fixed cash remuneration and 8,000 euros gross in kind).
- Short-term ordinary annual variable remuneration: 1,500,000 euros gross. The lowering of the cap on this bonus to 100% of the annual fixed remuneration has been taken into consideration here, assuming that the General Meeting will approve the lowering of that cap (at the same general meeting at which this Report is to be put to an advisory vote). Otherwise, the annual variable remuneration that would have corresponded to the Executive Chairman had that new cap not been applied, would be 1,931,719 euros gross.
- Deferred annual variable remuneration: 1,125,000 euros gross. A provision for this amount has been recognised in the annual accounts at 31 December 2022, as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board (as executive Director and for the performance of executive duties) and it will be paid in 2024, provided that the Executive Chairman is still in the Group at that time, as explained earlier. It should be borne in mind that 25% of the variable remuneration corresponding to the three-year period was determined in 2022, the first year of the Deferred Annual Bonus Scheme 2022-2024.

In addition, during the reporting period (2022), the Executive Chairman received the sum of 1,058,191.51 euros gross as deferred annual variable remuneration for 2020, paid in 2022. A provision for that amount had been recognised in the 2020 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 2022 from the procedure established for application of the Directors' Remuneration Policy 2022-2024, other than application of the reduced cap on the Executive Chairman's annual bonus, on the terms indicated hereinabove.

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 2022-2024 were applied during 2022.

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 (2022), i.e. the one linked to the Strategic Plan 2022-2024, 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 (iii) a similar corporate operation or any other extraordinary circumstance which may, in the board'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 information used to calculate the bonus. The remuneration corresponding to members of the Scheme in 2022 will thus be paid in 2024, 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 Annual General Meeting, 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 as executive Director, for his executive duties, is tied to the development of the Group's business, being determined in view of 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 (2022), the Directors' Remuneration Policy 2022-2024 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 and qualitative targets. This is designed to link his remuneration to the short and long-term development of the Company. So through achievement of the financial targets set for each year (either in the budget, for the annual variable remuneration, or in the Strategic Plan 2022-2024, 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.

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	125,323,890	81.45
	Number	% votes cast
Votes against	16,319,794	13.02
Votes for	92,992,889	74.20
Blank votes	41,844	0.03
Abstentions	15,969,363	12.74

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 Annual 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 members (being a collective remuneration for all the Directors for their duties as such).

Accordingly, the Annual General Meeting held on 29 June 2022 resolved to set the collective remuneration of all the Directors for their duties as such for 2021 at 2,850,000 euros p.a. gross.

With regard to the remuneration for 2022, the Board resolved on 27 February 2023 to table a motion at the Annual General Meeting in June 2023 to maintain the collective fixed remuneration for the Directors for their duties as such at 2,850,000 euros p.a. gross.

That sum was distributed among the individual Directors (for 2021) and will be distributed (for 2022) on the basis of the points system explained in section A.1.3 of this Report and in the Directors' Remuneration Policy 2022-2024.

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 2022 (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. As indicated in the Directors' Remuneration Policy 2022-2024, the fixed cash remuneration for 2022 was 1,500,000 euros gross.

The amounts of variable remuneration in 2022 (both annual ordinary and deferred) are determined by the Nomination and Remuneration Committee, which checks the level of achievement of the targets to which that variable remuneration is tied and submits a proposal to the Board. In this regard, the variable remuneration corresponding to the Executive Chairman for 2022 were:

- 1,500,000 euros gross in annual variable remuneration (1,593,733 euros gross in 2021). It should be noted here, once again, that this variable remuneration was determined applying the new cap of 100% of his fixed remuneration in the event of over-achievement of the targets (150% cap in the previous year), assuming that the amendment to the Directors' Remuneration Policy 2022-2024 will be approved by the General Meeting at which this Report is to be put to an advisory vote; and

- 1,125,000 euros gross in deferred annual remuneration for 2022 (1,897,671 euros gross in 2021). A provision for this amount has been recognised in the annual accounts 2022 as a provisional estimate of the deferred annual bonus corresponding to the Chairman of the Board (as executive Director and for the performance of executive duties) and it will be paid in 2024. It should be borne in mind that in accordance with the Deferred Annual Bonus Scheme, 25% of the variable remuneration corresponding to the three-year period accrued in 2022, the first year of the Scheme.

In accordance with the Deferred Annual Bonus Scheme and the collection criteria applicable to the sums accruing thereunder, in 2022 the Executive Chairman received the sum accrued in 2020 for his participation in the previous Deferred Annual Bonus Scheme 2019-2021: 1,058,191.51 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, 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 Policy 2022-2024, accrual of the Executive Chairman's annual bonus for the reporting year (2022) is tied to the level of achievement of the Group's consolidated EBITDA target set in the 2022 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 level 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 (iii) any other extraordinary circumstance which may, in the Board'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 2022-2024. 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 remuneration corresponding to 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 (2022), as resolved by the Board of Directors on 27 February 2023 at the proposal of the Nomination and Remuneration Committee (in response to a proposal submitted by the Executive Chairman), the annual variable remuneration of the Executive Chairman was capped at 100% of his fixed remuneration in the event of over-achievement of targets, as opposed to the 150% cap applicable prior to that, with effect from 1 January 2022.

That modification of the conditions applicable to the Executive Chairman's annual variable remuneration requires the consequent amendment of the Directors' Remuneration Policy 2022-2024, to indicate therein the lower cap for over-achievement. This amendment to the Policy will be laid before the Annual General Meeting at which this Report is to be put to an advisory vote and it is assumed in the drafting of this Report, as indicated elsewhere herein that it will be approved.

B.12. Explain any supplementary remuneration accrued by directors in consideration for services rendered other than those corresponding to their office as such.

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 of this Report), the Executive Chairman receives annual attendance fees as a Director of: (i) a Group Company, and (ii) an associate that is not part of the Group.

B.13. Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, the essential terms and conditions and the amounts repaid, if any, as well as any obligations assumed on their behalf through guarantees.

Neither the Company nor any other companies in the Group have granted any loans, advances or guarantees to members of the board (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, 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 the remuneration in kind for the reporting year (2022), valued at 8,000 euros, is included within the fixed remuneration of the executive Director accrued in 2022.

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), 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 as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group), of 5,000 euros gross in 2022.

In 2022, the Chairman of the Board 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 01/01/2022 to 31/12/2022
DEMETRIO CARCELLER ARCE	Proprietary Vice-Chairman	From 01/01/2022 to 31/12/2022
ALIMENTOS Y ACEITES, S.A.	Proprietary Director	From 01/01/2022 to 29/03/2022
BELÉN BARREIRO PÉREZ-PARDO	Independent Director	From 01/01/2022 to 31/12/2022
MARÍA CARCELLER ARCE	Proprietary Director	From 01/01/2022 to 31/12/2022
FERNANDO CASTELLÓ CLEMENTE	Independent Director	From 01/01/2022 to 31/12/2022
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2022 to 31/12/2022
CORPORACIÓN FINANCIERA ALBA, S.A.	Proprietary Director	From 01/01/2022 to 31/12/2022
MERCEDES COSTA GARCÍA	Lead Independent Director	From 01/01/2022 to 31/12/2022
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary Director	From 01/01/2022 to 31/12/2022
JAVIER FERNÁNDEZ ALONSO	Proprietary Director	From 01/01/2022 to 31/12/2022
GRUPO TRADIFÍN, S.L	Proprietary Director	From 01/01/2022 to 31/12/2022
HERCALIANZ INVESTING GROUP, S.L	Executive Director	From 01/01/2022 to 31/12/2022
MARC THOMAS MURTRA MILLAR	Independent Director	From 31/01/2022 to 31/12/2022
JORDI XUCLÀ COSTA	Proprietary Director	From 30/03/2022 to 31/12/2022

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)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2022	Total 2021
ANTONIO HERNÁNDEZ CALLEJAS	244	24	149	1,508	1,500	1,058			4,483	4,407
DEMETRIO CARCELLER ARCE	183	30	183						396	389
ALIMENTOS Y ACEITES, S.A.	20	3							23	139
BELÉN BARREIRO PÉREZ-PARDO	122	23	32						177	176
MARÍA CARCELLER ARCE	122	18							140	139
FERNANDO CASTELLÓ CLEMENTE	122	29	70						221	224
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	122	20	27						169	165
CORPORACIÓN FINANCIERA ALBA, S.A.	122	18							140	139
MERCEDES COSTA GARCÍA	122	29	69						220	226
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	122	18							140	139
JAVIER FERNÁNDEZ ALONSO	122	30	181						333	334
GRUPO TRADIFÍN, S.L.	122	29	64						215	218
HERCALIANZ INVESTING GROUP, S.L.	122	20	27						169	165
MARC THOMAS MURTRA MILLAR	122	25	154						301	
JORDI XUCLÀ COSTA	101	14							115	

Comments

See Explanatory Note One in section D of this Report regarding the changes produced in the Board of Directors in 2022.

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 2022		Financial instruments awarded during 2022		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2022	
		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				

Name	Name of Scheme	Financial instruments at beginning of 2022		Financial instruments awarded during 2022		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2022	
		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
JAVIER FERNÁNDEZ ALONSO	Scheme							0.00				
GRUPO TRADIFÍN, S.L	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L	Scheme							0.00				
MARC THOMAS MURTRA MILLAR	Scheme							0.00				
JORDI XUCLÀ COSTA	Scheme							0.00				

Comments

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	
MARC THOMAS MURTRA MILLAR	
JORDI XUCLÀ COSTA	

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	
	2022	2021	2022	2021	2022	2021	2022	2021
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	
	2022	2021	2022	2021	2022	2021	2022	2021
JAVIER FERNÁNDEZ ALONSO								
GRUPO TRADIFÍN, S.L								
HERCALIANZ INVESTING GROUP, S.L								
MARC THOMAS MURTRA MILLAR								
JORDI XUCLÀ COSTA								

Comments

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	
MARC THOMAS MURTRA MILLAR	Item	
JORDI XUCLÀ COSTA	Item	

Comments

b) Remuneration of directors of the company for directorships in other group companies:

i) Remuneration accrued in cash (€ thousand)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board 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										
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										
MARC THOMAS MURTRA MILLAR										
JORDI XUCLÀ COSTA										

Comments

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 2022		Financial instruments awarded during 2022		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2022	
		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				
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				
MARC THOMAS MURTRA MILLAR	Scheme							0.00				
JORDI XUCLÀ COSTA	Scheme							0.00				

Comments

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	
MARC THOMAS MURTRA MILLAR	
JORDI XUCLÀ COSTA	

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	
	2022	2021	2022	2021	2022	2021	2022	2021
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								
MARC THOMAS MURTRA MILLAR								
JORDI XUCLÀ COSTA								

Comments

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	
MARC THOMAS MURTRA MILLAR	Item	
JORDI XUCLÀ COSTA	Item	

Comments

c) Summary of remunerations (thousand euros):

Include in the summary the amounts corresponding to all items of remuneration included in this report that have been accrued by the directors, in thousand euros.

Name	Remuneration accrued in the Company					Remuneration accrued in Group companies					
	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2022 company	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2022 group	Total 2022 company + group
ANTONIO HERNÁNDEZ CALLEJAS	4,483				4,483	5				5	4,488
DEMETRIO CARCELLER ARCE	396				396						396
ALIMENTOS Y ACEITES, S.A.	23				23						23
BELÉN BARREIRO PÉREZ-PARDO	177				177						177
MARÍA CARCELLER ARCE	140				140						140
FERNANDO CASTELLÓ CLEMENTE	221				221						221
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	169				169						169
CORPORACIÓN FINANCIERA ALBA, S.A.	140				140						140
MERCEDES COSTA GARCÍA	220				220						220
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	140				140						140
JAVIER FERNÁNDEZ ALONSO	333				333						333
GRUPO TRADIFÍN, S.L	215				215						215
HERCALIANZ INVESTING GROUP, S.L	169				169						169
MARC THOMAS MURTRA MILLAR	301				301						301
JORDI XUCLÀ COSTA	115				115						115
TOTAL	7,242				7,242	5				5	7,247

Comments

The total remuneration accrued by the Directors in the Company in 2022 was 7,244,201 euros, rounded off to 7,244 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.

The total remuneration accrued by the Directors in the Company plus the Group in 2022 was 7,249,201 euros, rounded off to 7,249 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.

C.2. Indicate the evolution over the past 5 years of the amount and percentage variation of the remuneration accrued by each of the directors who were directors of the listed company during the year, the consolidated earnings of the company and the average remuneration on a base equivalent to full time of the employees of the company and Group companies who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	2022	% Variation 2022/2021	2021	% Variation 2021/2020	2020	% Variation 2020/2019	2019	% Variation 2019/2018	2018
Executive Directors									
ANTONIO HERNÁNDEZ CALLEJAS	4,488	1.72	4,412	6.13	4,157	36.21	3,052	22.92	2,483
HERCALIANZ INVESTING GROUP, S.L.	169	2.42	165	-4.07	172	1.18	170	-8.60	186
Non-executive Directors									
ALIMENTOS Y ACEITES, S.A.	23	-83.45	139	-3.47	144	5.11	137	-9.87	152
BELÉN BARREIRO PÉREZ- PARDO	177	0.57	176	-2.22	180	1.12	178	-8.72	195
CORPORACIÓN FINANCIERA ALBA, S.A.	140	0.72	139	-45.91	257	-23.28	335	3.08	325
DEMETRIO CARCELLER ARCE	396	1.80	389	-2.75	400	-0.25	401	-9.68	444
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	140	0.72	139	-3.47	144	5.11	137	-9.87	152
FERNANDO CASTELLÓ CLEMENTE	221	-1.34	224	0.00	224	-0.88	226	-10.67	253
GRUPO TRADIFIN, S.L.	215	-1.38	218	-0.91	220	-0.92	218	-10.66	244
JAVIER FERNÁNDEZ ALONSO	333	-0.30	334	138.57	140	-	0	-	1
JORDI XUCLÀ COSTA	115	-	0	-	0	-	0	-	0
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	169	2.42	165	-4.07	172	1.18	170	-15.00	200
MARC THOMAS MURTRA MILLAR	301	-	0	-	0	-	0	-	0
MARÍA CARCELLER ARCE	140	0.72	139	-3.47	144	5.11	137	8.73	126
MERCEDES COSTA GARCÍA	220	-2.65	226	0.00	226	0.44	225	-7.79	244
Consolidated earnings of the company									

Total amounts accrued and % annual variation									
	2022	% Variation 2022/2021	2021	% Variation 2021/2020	2020	% Variation 2020/2019	2019	% Variation 2019/2018	2018
	122,059	-48.85	238,629	24.02	192,415	35.74	141,752	0.12	141,589
Average remuneration of employees									
	44,733	8.17	41,356	-3.71	42,948	1.63	42,261	-	0

Comments

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

With regard to the average remuneration of the employees the information established for the year 2018 contained in the computer files of the Company for that year is not adjusted to the criteria established in this Report and, therefore, is not comparable.

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but that are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

CONTINUATION OF SECTION A.1.1 OF THIS REPORT

The principles behind the Directors' Remuneration Policy 2022-2024 are set out in section 3 thereof. Based on those principle, in the Directors' Remuneration Policy 2022-2024, the Directors' remuneration for this year (2023) is structured as follows:

a) All the Directors, as such, receive the fixed remuneration established each year by the Annual 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 Annual 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 will also decide on the timing of payments. For this purpose, a points system has been established in the terms described hereinbelow.

The Directors also receive, for their duties as such, fees for attending the meetings of the Board and any Board Committees they are on. The amount of those fees is also set by the Annual General Meeting and remains 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 (only the Executive Chairman for his executive duties), just like the other senior executives of the Group, also 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 in this Report.

The fixed remuneration is the remuneration established in the corresponding contract signed between the Company and the executive Director. 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 Director in respect of the individual remuneration of the executive Director in that year. For this year (2023):

- The annual variable remuneration of the Executive Chairman (the only executive Director with executive duties) will be determined according to the level of achievement of the EBITDA (80%) and ROCE (20%) targets established in the consolidated annual budget 2023. Assuming that the proposed amendment to the Policy, to be laid before the same Annual General Meeting at which this Report is to be put to an advisory vote, is approved, that annual variable remuneration will be capped (in the event of over-achievement of targets) at 100% of the annual fixed remuneration.

- The deferred annual variable remuneration of the Executive Chairman will be determined according to the level of achievement of the EBITDA (80%) and EBITDA-CAPEX (20%) targets established for 2023 in the Group's consolidated Strategic Plan 2022-2024. In 2023, if the targets are achieved in the terms established in the Policy, a deferred annual bonus will accrue of up to 25% of the total remuneration subject to the Long-Term Incentive Plan, capped at 100% in the event of over-achievement of targets.

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 IN 2022

The following changes were produced in the composition of the Board during 2022:

- On 31 January 2022, the Board resolved to appoint Marc Thomas Murtra Millar Director by the cooptation procedure to fill the vacancy produced by the resignation tendered by Mr Zorrero Camas. Mr Murtra Millar was also appointed member of the Executive Committee and the Audit, Control and Sustainability of the Company.

At the Annual General Meeting held on 29 June 2022, it was resolved to ratify the appointment by cooptation of the Director Marc Thomas Murtra Millar and the Board of Directors at its meeting held after the General Meeting was resolved to ratify Mr Murtra Millar's appointment as member of the Executive Committee and the Audit, Control and Sustainability.

On 23 November 2022, in view of a favourable report by the Nomination and Remuneration Committee, the Board resolved to appoint Marc Thomas Murtra Millar Chair of the Audit, Control and Sustainability Committee, replacing Mercedes Costa García, whose term as Chair of that Committee had expired, pursuant to section 529. quarterdecies.2 of the Corporate Enterprises Act.

- On 24 March 2022, the proprietary Director and significant shareholder Alimentos y Aceites, S.A. stepped down from the Board with effect as from 29 March 2022.

- On 30 March 2022, the Board of Directors resolved to appoint Jordi Xuclà Costa Director by the cooptation procedure to fill the vacancy produced by the resignation tendered by Alimentos y Aceites, S.A.

At the Annual General Meeting held on 29 June 2022, it was resolved to ratify the appointment by cooptation of the Director Jordi Xuclà Costa.

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:

30/03/2023

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	Jordi Xuclà Costa, proprietary Director for Alimentos y Aceites, S.A. (a significant shareholder that was a Director until 29 March 2022), abstained in the Board vote on this Report, declaring that the vote to be cast by SEPI, as shareholder of Ebro Foods, S.A. is determined by the Board of Directors of SEPI (as controlling shareholder of Alimentos y Aceites, S.A.). See Explanatory Note One in this section D.

**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.**

**Independent Limited Assurance Report of the Consolidated
Non-Financial Statement for the year ended December 31, 2022**

EBRO FOODS, S.A. AND SUBSIDIARIES

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, 2022, 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 NFS.

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 current commercial regulation 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 NFS.

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 management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable 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 2022 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 2022 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 2022 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022 NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2022 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 aligned in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2022, additionally to the information related to eligible activities required in financial year 2021. Consequently, comparative information about alignment 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 chapter 3 "Corporate social responsibility and sustainability model" of the accompanying NFS. 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, 2022 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 current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

April, 12, 2023

**DISCLAIMER BY THE DIRECTORS OF EBRO FOODS, S.A. REGARDING THE CONTENTS
OF THE ANNUAL FINANCIAL REPORT 2022**

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 2022 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 2022, as authorised for issue by the Board of Directors of the Company on the 30 March 2023.

I, the Secretary, put on record that this disclaimer is signed following by each and all of the directors, personally or through their representatives, against their respective names and surnames.

Madrid, 30 March 2023.

Luis Peña Pazos
Secretary of the Board

Antonio Hernández Callejas
Chairman

Belén Barreiro Pérez-Pardo

Fernando Castelló Clemente

Mercedes Costa García
(Consejera Coordinadora)

Empresas Comerciales e
Industriales Valencianas, S.L.
Javier Gómez-Trenor Vergés

Grupo Tradifín, S.L.
Blanca Hernández Rodríguez

Marc T. Murtra Millar

Demetrio Carceller Arce
Vice-Chairman

María Carceller Arce

José Ignacio Comenge Sánchez-Real

Corporación Financiera Alba, S.A.
Alejandra Olarra Icaza

Javier Fernández Alonso

Hercalanz Investing Group, S.L.
Félix Hernández Callejas

Jordi Xuclà Costa



**DISCLAIMER BY THE DIRECTORS OF EBRO FOODS, S.A. REGARDING THE CONTENTS
OF THE ANNUAL FINANCIAL REPORT 2023**

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 2023 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 2023, as authorised for issue by the Board of Directors of the Company on March 22, 2024.

I, the Secretary, put on record that this disclaimer is signed following by each and all of the directors, personally or through their representatives, against their respective names and surnames.

Madrid, March 22, 2024.

Luis Peña Pazos
(Secretary)

Antonio Hernández Callejas
(Chairman)

Demetrio Carceller Arce
(Vice-Chairman)

Belén Barreiro Pérez-Pardo

María Carceller Arce

José Ignacio Comenge Sánchez-Real

Mercedes Costa García
(Lead Independent Director)

Corporación Financiera Alba, S.A.
Alejandra Olarra Icaza

Empresas Comerciales e
Industriales Valencianas, S.L.
Javier Gómez-Trenor Vergés

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Grupo Tradifín, S.L.
Blanca Hernández Rodríguez

Hercaliansz Investing Group, S.L.
Félix Hernández Callejas

Marc T. Murtra Millar

Elena Segura Quijada

Jordi Xuclà Costa

Audit Report on the Consolidated Financial Statements
issued by an Independent Auditor

EBRO FOODS, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and Management Report
for the year ended
31 December 2023

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements 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 as at 31 December 2023, 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 as at 31 December 2023, 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 financial reporting framework 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, which 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.

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.

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

Description At 31 December 2023, the Group recorded goodwill, other intangible assets (primarily brands), and property, plant and equipment for a carrying amount of 798,377 thousand euros, 425,095 thousand euros, and 854,035 thousand euros, respectively, under "Goodwill", "Intangible assets", and "Property, plant and equipment" on the consolidated statement of financial position.

At least once a year, Group management analyses 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 3, 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 analysing 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, analysing the performance of revenue, discounts and incentives, cost of sales, and real margins as compared with budgeted data.
- ▶ Analysing, 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.
- ▶ Analysing 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 2023 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.
- 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 2023 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 scepticism 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 2023 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 2023 financial year in accordance with the formatting and mark-up requirements established by Commission Delegated Regulation (EU) 2019/815, of 17 December 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 5 April 2024.

Term of engagement

During the Ordinary General Shareholders' Meeting held on 6 June 2023, we were appointed auditors for the year ended 31 December 2023.

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 31 December 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 5, 2024

EBRO FOODS GROUP

CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT

for the year ended
December 31, 2023

(prepared in accordance with the
International Financial Reporting
Standards adopted
by the European Union)

EBRO FOODS GROUP

Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2023

DATA TO BE TAGGED FOR XBRL FORMATTING PURPOSES

- ✓ Name of reporting entity or other means of identification: Ebro Foods, S.A.
- ✓ Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period: There has been no change in the name of the entity or other means of identification.
- ✓ Domicile of entity: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Legal form of entity: Public limited company (*sociedad anónima*).
- ✓ Country of incorporation: Spain
- ✓ Address of entity's registered office: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Principal place of business: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Description of nature of entity's operations and principal activities: Refer to Note 1 of the consolidated financial statements.
- ✓ Name of parent entity: Ebro Foods, S.A.
- ✓ Name of ultimate parent of group: Not applicable.
- ✓ Length of life of limited life entity: The reporting entity does not have a limited life.

Note	
	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
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	CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE
	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
	CONSOLIDATED STATEMENT OF CASH FLOWS
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EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 YEAR-END 2023 AND 2022
THOUSANDS OF EUROS

	<u>Note</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
<u>NON-CURRENT ASSETS</u>		<u>2,244,485</u>	<u>2,231,038</u>
Intangible assets	8	425,095	429,480
Property, plant and equipment	9	854,035	824,450
Right-of-use assets	10	52,624	54,639
Investment properties	11	18,334	19,382
Financial assets	12	4,011	3,986
Investments in associates	14	47,132	43,235
Deferred tax assets	21	44,877	48,794
Goodwill	15	798,377	807,072
		<u>1,627,080</u>	<u>1,669,178</u>
<u>CURRENT ASSETS</u>		<u>1,627,080</u>	<u>1,669,178</u>
Inventories	16	775,292	911,115
Trade and other receivables	12	438,907	474,625
Current tax assets	21	26,472	19,414
Taxes receivable	21	38,554	66,476
Other financial assets	12	5,564	2,116
Derivatives	12	2,225	1,457
Other current assets		10,078	9,025
Cash and cash equivalents	13	329,988	184,950
Non-current assets held for sale	5 & 25	0	0
<u>TOTAL ASSETS</u>		<u>3,871,565</u>	<u>3,900,216</u>
	<u>Note</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
<u>EQUITY</u>		<u>2,222,133</u>	<u>2,198,280</u>
<u>Equity attributable to equity holders of the parent</u>	17	<u>2,185,159</u>	<u>2,164,438</u>
Share capital		92,319	92,319
Share premium		4	4
Restricted parent company reserves		21,633	21,633
Retained earnings		1,965,060	1,912,836
Translation differences		106,143	137,646
<u>Non-controlling interests</u>		<u>36,974</u>	<u>33,842</u>
<u>NON-CURRENT LIABILITIES</u>		<u>457,181</u>	<u>832,066</u>
Deferred income	18	15,800	10,919
Provisions for pensions and similar obligations	19	22,399	25,187
Other provisions	20	15,389	15,506
Financial liabilities	12	175,108	553,164
Deferred tax liabilities	21	228,485	227,290
<u>CURRENT LIABILITIES</u>		<u>1,192,251</u>	<u>869,870</u>
Other financial liabilities	12	728,359	394,833
Derivatives	12	773	2,843
Trade and other payables	12	430,825	438,370
Current tax assets	21	17,680	14,364
Taxes payable	21	13,746	14,745
Other current liabilities		868	4,715
Liabilities of non-current assets held for sale	5 & 25	0	0
<u>TOTAL EQUITY AND LIABILITIES</u>		<u>3,871,565</u>	<u>3,900,216</u>

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2023.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
THOUSANDS OF EUROS

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	6	3,084,457	2,967,672
Change in inventories of finished goods and work in progress		-21,945	38,392
Own work capitalized		871	508
Other operating income	7	17,101	19,993
Raw materials and consumables used and other external expenses	6	-1,733,630	-1,727,697
Employee benefits expense	7	-370,441	-358,329
Depreciation and amortization	8, 9, 10 & 11	-102,874	-101,023
Other operating expenses	7	-597,288	-636,945
OPERATING PROFIT		<u>276,251</u>	<u>202,571</u>
Finance income	7	82,092	65,365
Finance costs	7	-89,877	-84,068
Impairment of goodwill	15	0	0
Share of profit of associates	14	5,391	1,939
PROFIT BEFORE TAX		<u>273,857</u>	<u>185,807</u>
Income tax	21	-68,846	-50,242
PROFIT FROM CONTINUING OPERATIONS		<u>205,011</u>	<u>135,565</u>
Profit after tax from discontinued operations	25	0	-917
<u>PROFIT FOR THE YEAR</u>		<u>205,011</u>	<u>134,648</u>
Attributable to:			
Equity holders of the parent		<u>186,964</u>	<u>122,059</u>
Non-controlling interests		18,047	12,589
		<u>205,011</u>	<u>134,648</u>
	<u>Note</u>	<u>2023</u>	<u>2022</u>
<u>Earnings per share (euros)</u>	17		
- From continuing operations			
Basic		1.215	0.799
Diluted		1.215	0.799
- From profit for the year			
Basic		1.215	0.793
Diluted		1.215	0.793

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the year ended December 31, 2023.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
THOUSANDS OF EUROS

	Note	2023			2022		
		Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
1. Profit for the year				205,011			134,648
2. Other comprehensive income recognized directly in equity:		-29,402	-433	-29,835	42,855	-2,562	40,293
2.1 Other comprehensive income to be reclassified to profit or loss in subsequent periods		-31,153	0	-31,153	32,399	0	32,399
Translation differences	17	-31,153	0	-31,153	32,399	0	32,399
2.2 Other comprehensive income not to be reclassified to profit or loss in subsequent periods		1,751	-433	1,318	10,456	-2,562	7,894
Actuarial gains and losses	19	1,751	-433	1,318	10,456	-2,562	7,894
1+2 Total income and expense recognized during the period:	17			175,176			174,941
Attributable to:							
Equity holders of the parent	17			156,779			162,606
Non-controlling interests	17			18,397			12,335
				175,176			174,941

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, 2023.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
THOUSANDS OF EUROS

	Equity	Non-controlling	Equity attributable to equity holders of the parent								
			Total	Share capital	Share premium	Restricted reserves	Retained earnings	Profit/(loss)	Interim dividend	Translation differences	Own shares
Balance at December 31, 2021	2,133,190	31,563	2,101,627	92,319	4	21,633	1,644,049	238,629	0	104,993	0
- Distribution of prior-period profit	0	0	0	0	0	0	238,629	-238,629	0	0	0
- Dividends paid	-94,861	-7,158	-87,703	0	0	0	-87,703	0	0	0	0
- Issue of shares	121	121	0	0	0	0	0	0	0	0	0
- Costs of issuing/cancelling shares	-209	0	-209	0	0	0	-209	0	0	0	0
- Gain/(loss) on own share sales	-21	0	-21	0	0	0	-21	0	0	0	0
- Transactions with non-controlling interests	-3,314	-3,019	-295	0	0	0	-295	0	0	0	0
- Other movements in equity	-11,567	0	-11,567	0	0	0	-11,567	0	0	0	0
Total distribution of profit and transactions with shareholders	-109,851	-10,056	-99,795	0	0	0	138,834	-238,629	0	0	0
- Profit for the year (as per statement of profit or loss)	134,648	12,589	122,059	0	0	0	0	122,059	0	0	0
- Change in translation differences	32,399	-254	32,653	0	0	0	0	0	0	32,653	0
- Change due to actuarial gains/(losses)	10,456	0	10,456	0	0	0	10,456	0	0	0	0
- Tax effect of gains/(losses) recognized in equity	-2,562	0	-2,562	0	0	0	-2,562	0	0	0	0
- Other movements in equity	0	0	0	0	0	0	0	0	0	0	0
Total recognized income and expense	174,941	12,335	162,606	0	0	0	7,894	122,059	0	32,653	0
Balance at December 31, 2022	2,198,280	33,842	2,164,438	92,319	4	21,633	1,790,777	122,059	0	137,646	0
- Distribution of prior-period profit	0	0	0	0	0	0	122,059	-122,059	0	0	0
- Dividends paid (note 17)	-95,662	-7,959	-87,703	0	0	0	-87,703	0	0	0	0
- Gain/(loss) on own share sales	9	0	9	0	0	0	9	0	0	0	0
- Transactions with non-controlling interests	-8,706	-7,306	-1,400	0	0	0	-1,400	0	0	0	0
- Other movements (notes 5 & 22)	-46,964	0	-46,964	0	0	0	-46,964	0	0	0	0
Total distribution of profit and transactions with shareholders	-151,323	-15,265	-136,058	0	0	0	-13,999	-122,059	0	0	0
- Profit for the year (as per statement of profit or loss)	205,011	18,047	186,964	0	0	0	0	186,964	0	0	0
- Change in translation differences	-31,153	350	-31,503	0	0	0	0	0	0	-31,503	0
- Change due to actuarial gains/(losses)	1,751	0	1,751	0	0	0	1,751	0	0	0	0
- Tax effect of gains/(losses) recognized in equity	-433	0	-433	0	0	0	-433	0	0	0	0
- Other movements in equity	0	0	0	0	0	0	0	0	0	0	0
Total recognized income and expense	175,176	18,397	156,779	0	0	0	1,318	186,964	0	-31,503	0
Balance at December 31, 2023	2,222,133	36,974	2,185,159	92,319	4	21,633	1,778,096	186,964	0	106,143	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, 2023.

EBRO FOODS, S.A. GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
THOUSANDS OF EUROS

	<u>Note (*)</u>	<u>2023</u>	<u>2022</u>
Receipts from customers		3,129,134	3,016,229
Payments to suppliers and employees		-2,630,912	-2,961,991
Interest paid		-11,108	-6,575
Interest received		3,740	1,013
Dividends received		1,317	2,319
Other operating activity receipts / payments		27,461	25,809
Income tax paid	21	-41,146	-90,821
<u>Net cash flows from operating activities</u>	a)	<u>478,486</u>	<u>-14,017</u>
Purchase of fixed assets	b)	-141,670	-118,808
Proceeds from sale of fixed assets	c)	15,652	4,711
Purchase of financial assets (net of cash acquired)	d)	-1,628	-48,556
Proceeds from sale of financial assets and/or businesses	e)	0	22,700
Other investment activity proceeds / purchases		-239	353
<u>Net cash flows from investing activities</u>		<u>-127,885</u>	<u>-139,600</u>
Acquisition of own shares		-651	-665
Proceeds from sale of own shares		19	13
Dividends paid to shareholders (including NCI holders)	f)	-97,345	-96,528
Proceeds from borrowings		480,334	541,877
Repayment of borrowings		-584,648	-673,845
Other financing activity proceeds / payments and grants		2,180	10,918
<u>Net cash flows used in financing activities</u>		<u>-200,111</u>	<u>-218,230</u>
Translation differences arising on cash flows from foreign companies		-4,015	4,111
<u>NET INCREASE/(DECREASE) in cash and cash equivalents</u>		<u>146,475</u>	<u>-367,736</u>
Cash and cash equivalents, opening balance		184,950	539,239
Effect of year-end exchange rate on opening balance		-1,437	13,447
<u>Cash and cash equivalents, closing balance</u>	13	<u>329,988</u>	<u>184,950</u>

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of cash flows for the year ended December 31, 2023.

(*) 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 flows from operating activities increased significantly year-on-year due to the sharp reduction in the Group's working capital requirement thanks to the reduction in farm-gate prices for most raw materials and changes in management of the value chain as a result of the new situation.
- b) This balance, less the 3,230 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.
- d) The 2022 figure corresponds basically to the payment for the Inharvest business acquired.
- e) The 2022 figure corresponds basically to the proceeds from the sale of Roland Monterrat.
- f) This balance is made up of:
 - Dividends paid to shareholders of the Parent in the amount of 87,703 thousand euros.
 - Dividends paid to non-controlling shareholders and holders of stock options (put & call options) in the amount of 9,642 thousand euros.

EBRO FOODS GROUP
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
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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 Group’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 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 2022 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 6, 2023 and duly filed with Madrid’s Companies Register.

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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 20, 2023 for submission for ratification at the upcoming Annual General Meeting is as follows:

Amounts relating only to the Parent's separate financial statements	Amount (€ 000)
<u>Basis of appropriation:</u>	
Unrestricted reserves	1,163,140
Profit for the year (as per statement of profit or loss)	33,561
	<u>1,196,701</u>

The profit generated by the Ebro Foods Group in 2023 makes it possible, as in prior years, to propose the payment of a cash dividend by Ebro Foods, S.A., with a charge against profit for the year and unrestricted reserves, of 0.66 euros per share, payable in the course of 2024, in a total amount of 101,551 thousand euros.

The dividend will be paid out in three equal instalments of 0.22 euros per share on April 2, June 28, and October 1, 2024.

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 Parent's equity to below the amount of share capital, profit would have to be allocated to offset these 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.

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
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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.

These consolidated financial statements for the year ended December 31, 2023, which were authorised for issue by the Parent's directors on March 22, 2024, 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 2023 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:

- The estimates related to recoverability of the carrying 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 estimated useful lives of intangible assets and property, plant and equipment (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 estimates related to the recoverability of the carrying amount of deferred tax assets (Note 21).
- The estimates made in the studies and analyses assessing the impacts of climate change (Note 24).

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Although these estimates and assumptions 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 current global geopolitical situation, particularly the war in Ukraine and the conflict in the Middle East (see below), could make it necessary to revise the estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the changes in estimates in the related consolidated financial statements.

The current global geopolitical situation, particularly the war in Ukraine and the conflict in the Middle East: Implications for the consolidated financial statements

More than two years on from the invasion of Ukraine by the Russian Federation on February 24, 2022, global uncertainty remains high. The international community reacted swiftly to that invasion, with many countries (including the European Union and United States) imposing sanctions on Russia and its people and lending military support to Ukraine. Since October 2023, the conflict between Israel and some of the regions around it has further undermined geopolitical stability and added more uncertainty to the financial and energy markets.

The difficulty in predicting how these conflicts will end and their obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the denouement of the conflicts and the international response to them could have on the Group's businesses. These situations continue to affect the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), the price of energy and other essential products and exchange rates.

In short, the post-pandemic era has been marked by unanticipated economic developments such as global supply chain friction, energy inflation (oil, gas and electricity) and financial market and exchange rate volatility, which has ushered in a period of high inflation (which proved persistent throughout 2023 despite abating somewhat) with scope for provoking recessionary episodes in Europe and the Americas and social tension, which have in turn triggered new monetary and economic policies in an attempt to curb and resolve the inflationary cycle. As a result, 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 in Ukraine. The Group does not have (and has not had in the recent past) factories, customers or suppliers in Ukraine or Russia.

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- Neither Russia nor Ukraine are or have been sources of wheat supply for the Group which, moreover, 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 varieties is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia and Ukraine could have on the prices of wheat sourced from other markets).

- In the Middle East (Israel and surrounding regions), the Group only has very small (immaterial) sales presences.
- With respect to the global economic impact, the type of products made by the Ebro Group makes its businesses more resilient during times of 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 very significant impact on the Group's businesses.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impact of the situation induced by these conflicts 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 net adverse ramifications on the Ebro Group's financial position, earnings performance or cash flows.
2. In 2023, the trend in sales was positive and akin to that observed in 2022 and 2021.
3. Despite the complexity of the current circumstances, based on the information available for recent months, these situations had a small net impact on the Ebro Group in 2023, very much in line, therefore, with that observed in 2022 and 2021.
4. The Ebro Group continues to take the steps required to tackle these situations and minimize their impact. It believes that the current 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, 2023 and additional information. As disclosed in Note 2.d below, the Group has used the same accounting policies to prepare the 2023 consolidated financial statements as it used to prepared the 2022 set.

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Below is a list of the asset and liability accounts that may have been affected by these extraordinary developments in light of the consequences they have had for the Ebro Group:

- The current circumstances constitute significant extraordinary events and, therefore, under prevailing accounting standards, require the fine-tuning and possibly the expansion of the level of disclosures provided in the consolidated financial statement Notes. The Group has therefore expanded the information provided in these consolidated financial statements where necessary.
- None of the situations described above has had a significant adverse effect on the Ebro Group's direct activities; nor have they 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 in 2023. 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 our accounts receivable, that there have been no significant changes in the assumptions or judgements used to analyse the Group's accounts receivable with respect to those used at year-end 2022 (i.e., the analysis performed did not indicate the need to recognize any additional extraordinary losses on account of the current circumstances).
- As for the Group's lease contracts (IFRS 16), there have been no changes in the agreements as a result of the ongoing conflicts.
- Lastly, the Group has concluded that the prevailing extraordinary circumstances have not had any impact on the recognition of deferred tax assets or the utilization of tax credits in keeping with IAS 12, the measurement of fair value in keeping with IFRS 13 or the measurement of provisions or onerous contracts in accordance with IAS 37.

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, 2023.

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.

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b) Comparability

For comparative purposes, the Group presents, in addition to the figures for the year ended December 31, 2023, 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 recognized income and expense and the Notes to the consolidated financial statements, the figures for the year ended December 31, 2022.

It was not necessary to restate the prior-year figures in order to make them comparable year-on-year.

c) Changes in the scope of consolidation

Notes 4 and 5 detail the main changes affecting the consolidation scope in 2023 and 2022, 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) Basis 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.

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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 analyses 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 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 by 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;

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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; and the 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". The companies' cash flows are translated to euros at the average exchange rate for the reporting period.

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 the consolidated statement of profit or loss.

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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.

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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 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.

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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.

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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 licences: 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.

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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 of 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).

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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.

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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.

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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 are 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.

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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.

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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.

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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, some Group companies grant their employees certain voluntary retirement bonuses of undetermined amount. Those bonuses, which are scanty material, are recognized as an expense when they are paid. The other Group companies do not have similar obligations or have obligations that are scanty 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.

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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.

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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 its customers will reach 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'.

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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 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 2022 consolidated financial statements with the exception of the following new and amended standards and interpretations (none of which has been early adopted by the Ebro Group):

- 1) Standards and amendments published by the International Accounting Standards Board (IASB) and adopted by the European Union for application in Europe for annual periods beginning on or after January 1, 2023:

Certain standards and standard amendments became applicable for the first time from January 1, 2023 (including the amendments to IFRS 8 and IAS 1) but did not have any impact on these consolidated financial statements.

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Amendments to IAS 12 derived from International Tax Reform - Pillar Two Model Rules

IAS 12 has been amended in the wake of International Tax Reform - Pillar Two Model Rules. In May 2023, the IASB issued its amendments to IAS 12 *Income taxes* as a result of the Pillar Two global minimum tax rules published by the OECD Inclusive Framework on Base Erosion and Profit Shifting. Those amendments introduce, provisionally, a mandatory temporary exemption to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. They also introduce additional disclosure requirements for affected entities to help users of their financial statements better understand an entity's exposure to Pillar Two income taxes. The amendments related with the mandatory temporary exemption and the related disclosure requirements already took effect in 2023.

The Pillar Two legislation has been enacted or substantively enacted in several jurisdictions in which the Group operates. That legislation will be effective in annual periods beginning on or after January 1, 2024. The Group falls under the scope of the legislation that has been enacted or substantively enacted and has assessed its potential exposure to the Pillar Two rules in 2024 (Note 21).

- 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, 2023 or are still pending adoption by the European Union. None of the upcoming standards has been adopted early by the Group.

The Group intends to apply the new standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union when they are effective, to the extent applicable to the Group. The Group is in the process of analysing their impact but estimates that their first-time application will not have a significant impact on its consolidated financial statements.

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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
	31-12-23	31-12-22	31-12-23	31-12-22		
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 (USA)	Production and sale of rice and pasta
Ebro Foods, Gmbh. (Group) (EFG)	100.0%	100.0%	EF/Boost	EF/Boost	Hamburg (Germany)	Holdco
EF Alimentación, S. DE R. L. DE C.V.	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.U. (HF)	100.0%	100.0%	EF	EF	Madrid (Spain)	Investment management
Herba Ricemills S.L.U. (HR)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Herba Nutrición S.L.U. (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 Functional Ingredients, 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 North America, Inc.	100.0%	100.0%	Riviana	EF	Houston (USA)	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 UK	100.0%	100.0%	Tilda/S&B	Tilda/S&B	London (UK)	Administration
Ebro Tilda Private Limited	100.0%	100.0%	EF	EF	New Delhi (India)	Sale and marketing of rice
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
Reiskontor Handels Gmbh	100.0%	100.0%	Euryza	Euryza	Stuttgart (Germany)	Dormant
Transimpex, Gmbh (B)	55.0%	55.0%	EFG	EFG	Hamburg (Germany)	Sale and marketing of rice
Fentus 61, Gmbh	100.0%	100.0%	EFG	EFG	Stuttgart (Germany)	Dormant
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 (Efrogst)	55.0%	55.0%	HF	HF	Munich (Germany)	Investment management
Ebro Frost Denmark, AS.	100.0%	100.0%	Efrogst	Efrogst	Orbaek (Denmark)	Production and sale of rice and pasta
Ebro Frost Germany, Gmbh.	100.0%	100.0%	Efrogst	Efrogst	Munich (Germany)	Production and sale of rice and pasta
Ebro Frost UK, Ltd.	100.0%	100.0%	Efrogst	Efrogst	London (UK)	Production and sale of rice and pasta
S&B Herba Foods, Ltda. (Group) (S&B)	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
Ebro Belgium, NV (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
Arrozeiras 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
Ebro India, Ltda.	100.0%	100.0%	HF/EF	HF/EF	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.	100.0%	60.0%	HF	HF	Argentina	Sale and marketing of rice
Indo European Foods Limited	100.0%	100.0%	HF	HF	London (UK)	Production and sale of rice

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SUBSIDIARIES AND ASSOCIATES	Ownership interest, %		Parent company		Registered office	Business activity
	31-12-23	31-12-22	31-12-23	31-12-22		
Ebro Foods Netherlands, B.V. (EFN)	100.0%	100.0%	HF	HF	Amsterdam (Netherlands)	Investment management
Ebro Foods Netherlands Brands, 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	Belgium	Holdco
Ebro Ingredients, B.V. (Group)(EI)	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%	100.0%	EFN	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 commercialization
Riviana International Inc. (R. Int.)	100.0%	100.0%	Riviana	Riviana	Houston (USA)	Investment management
Riviana Foods Canada, Co.	100.0%	100.0%	Riviana	Riviana	Montreal (Canada)	Production and sale of rice
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 (USA)	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
Lustucru Premium Food, SAS (EPF)	99.8%	99.8%	EPF	EPF	Lyon (France)	Investment management
Lustucru Riz, SAS	99.9%	99.9%	EPF	EPF	Lyon (France)	In liquidation
Lustucru Frais, SAS	100.0%	100.0%	EPF	EPF	Lyon (France)	Production and sale of food
Panzani Development, S.A.	100.0%	100.0%	EPF	EPF	Lyon (France)	Investment management
S.F.C. d' Investissements, SAS	100.0%	100.0%	EPF	EPF	Marseilles (France)	Industrial operations
Bertagni, Spa. (Bertagni) (B)	70.0%	70.0%	LPF	LPF	Verona (Italy)	Production and sale of pasta
Bertagni USA, Inc.	70.0%	70.0%	Bertagni	Bertagni	New York (USA)	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. (TBA)	100.0%	100.0%	EI	EI	Netherlands	Production and sale of rice
SBS Commodities BV	100.0%	100.0%	TBA	TBA	Netherlands	Sale and marketing of rice
Suntra Rice BV	100.0%	100.0%	TBA	TBA	Netherlands	Sale and marketing of rice
TBA Suntra BV	100.0%	100.0%	TBA	TBA	Netherlands	Sale and marketing of rice
Ebro Ingredients Netherlands, BV	100.0%	100.0%	EI	EI	Netherlands	Industrial operations
Ebro Ingredients Belgium B, BV	100.0%	100.0%	EI	EI	Belgium	Industrial operations
Ebro Ingredients Belgium C, BV	100.0%	100.0%	EI	EI	Belgium	Industrial operations
Ebro Ingredients Belgium F, BV	100.0%	100.0%	EI	EI	Belgium	Industrial operations
International Pulse Ingredients Co.	100.0%	100.0%	EI	EI	Netherlands	Dormant
Herba Ingredients SC BV	100.0%	100.0%	EI	EI	Belgium	Dormant
Euro Rice Flour, BV	100.0%	100.0%	EI	EI	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 (USA)	Sale and marketing of pasta
Garleb, SAL.	70.0%	70.0%	GAROF	GAROF	Lebanon	Sale and marketing of pasta
Garleb, DMCC	100.0%	100.0%	GAROF	GAROF	Dubai (UAE)	Sale and marketing of pasta
Garofalo France, S.A.	100.0%	100.0%	Garof/EPF	Garof/EPF	Lyon (France)	Sale and marketing of pasta and sauces
Vogan & Company Ltd.	100.0%	100.0%	S&B	S&B	London (UK)	Dormant
Riviana Food Limited	100.0%	100.0%	S&B	S&B	London (UK)	Dormant
Joseph Heap & Sons Ltd. (J Heap)	100.0%	100.0%	S&B	S&B	London (UK)	Dormant
Anglo Australian Rice Ltd.	100.0%	100.0%	S&B	S&B	London (UK)	Dormant
Heap Comet	100.0%	100.0%	S&B	S&B	London (UK)	Dormant
AW Mellish	100.0%	100.0%	S&B	S&B	London (UK)	Dormant

- (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, 2023 and 2022.

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5. SIGNIFICANT TRANSACTIONS (BUSINESS COMBINATIONS, DISPOSALS, ETC.) CLOSED IN 2023 AND 2022 AND IMPACT ON COMPARABILITY

5.1 Business combinations of entities under common control in 2023

For internal management reorganisation purposes, at the end of 2023, 100% of the share capital of Ebrofrost North America, Inc. (USA), wholly owned by Ebro Foods, S.A., was sold to Riviana Foods, Inc. (likewise, a wholly-owned subsidiary). There were no other significant internal company restructuring transactions in 2023.

5.2 Business combinations of entities under common control in 2022

There were no internal company restructuring transactions in 2022.

5.3 Third-party business combinations undertaken in 2023 and 2022 and impact on comparability. Changes in consolidation scope:

Transactions in 2023:

In 2023, the Group purchased the 40% of Neofarms Bio, S.A. it did not already own for 2,090 thousand euros. There were no other business combinations in 2023.

Transactions in 2022:

<u>Companies added to the consolidation scope and increases in shareholdings in 2022:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
Ebro UK, Ltd. (UK)	Rice	100%	Company incorporation
InHarvest, Inc (USA)	Rice	100%	Outright acquisition of this business

<u>Companies removed from the consolidation scope and decreases in shareholdings in 2022:</u>			
<u>Company affected</u>	<u>Subgroup</u>	<u>%</u>	<u>Comments</u>
Roland Monterrat, S.A. (France)	Pasta	100%	Sale of this company

The most important transactions undertaken in 2022 were the following:

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Acquisition of the InHarvest business in the US

On April 1, 2022, the Group, through its rice business, specifically its US subsidiary, Riviana Foods Inc., completed the acquisition of the assets comprising the business of InHarvest, Inc., an American company with an important presence in the industrial (B2B), food service and private label businesses, specialized in premium rice, quinoa and grains, in the US market.

The acquisition encompassed the two factories operated by InHarvest, located in Colusa and Woodland (California), strategically located in the country's western rice-growing region, where the Ebro Group did not have a manufacturing presence. The business employs approximately 140 people.

The Group's investment totalled 45.2 million euros. The acquisition was financed from own funds. The Group took effective control of this business on April 1, 2022, which was also the date of its first-time consolidation. The fair value of the net assets acquired at April 1, 2022 was as follows:

Acquisition of 100% of the Inharvest business (USA)	Date of first-time consolidation
Thousands of euros	April 1, 2022
	Fair value
Property, plant and equipment	19,709
Inventories	19,557
Other current assets	7,334
Total assets	46,600
Trade payables	781
Other current liabilities	617
Total liabilities	1,398
Total identifiable net assets at fair value	45,202
Goodwill arising on acquisition	0
Purchase consideration transferred	45,202
Non-controlling interests	0
Financed with financial liabilities and cash	45,202
Purchase consideration transferred	45,202
Net cash (debt) acquired with the subsidiary	0
Revenue since the acquisition date	31,904
Net profit contribution since the acquisition date	2,486
Revenue since January 1, (a)	45,041
Net profit contribution since 1 January (a)	3,513

(a) Estimate as if the businesses had been acquired on January 1, 2022

Sale of the Monserrat business (France)

In June 2022, the Group sold Roland Monserrat, a company which made fresh prepared dishes in France (*pâté en croûte*, sandwiches and *croque-monsieur*).

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The consideration comprised (i) 10 million euros for the shares sold; and (ii) 12 million euros in respect of the account receivable by the Group from the company sold; it was collected in June, which is when the business was delivered to the buyer and the sale was recognized for accounting purposes.

Since 2015, that investment had generated a loss for the Ebro Group of 49.2 million euros (after tax), of which 25.9 million euros had already been recognized in prior years so that 23.3 million euros was recognized in 2022 (3.7 million euros as an operating loss and 19.6 million euros as a non-recurring loss). That business was part of the Ebro Group's Pasta segment.

In May 2021, the Ebro Group presented a claim for damages before Roland Monterrat's former shareholders (i.e., the shareholders that sold the company to the Ebro Group in September 2015).

That legal claim remains ongoing and the experts appointed by the parties are assessing the damages for presentation before the competent court. However, as a pre-trial measure, the competent court has embargoed the assets of some of the former shareholders being sued.

At the date of publishing these consolidated financial statements, it is impossible to say with reasonable certainty when this case will be settled or how much the Group can expect to receive. Nevertheless, the Ebro Group believes it has strong chances of being handed a favourable ruling that will enable it to receive a sum close to the amount invested in this business. However, the Group has not recognized any income in relation with this matter as applicable accounting rules preclude the recognition of contingent assets.

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 and premium dry pasta business
- 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.

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Rice business

Herba Group: Specialized in businesses related with rice, legumes and other grains. The 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, Brillante, La Fallera, La Cigala, Saludades, Lassie, Reis fit, Rix fis, Oryza, Bosto, Riceland, Risella, Peacock and Phoenix. The table below summarizes the Group's market shares in its main retail markets:

Country	By volume	By value	Ranking
Spain	24.99%	30.82%	#1
Portugal	15.94%	17.26%	#1
Belgium	22.71%	31.77%	#2
Germany	15.4%	20.8%	Joint leader
Netherlands	20.20%	28.00%	#1

Source: Nielsen or IRI

In parallel it supplies rice to Europe's leading food sector players:

- ✓ Beverage industries
- ✓ Industrial rice companies
- ✓ Baby food: cereals, baby food, etc.
- ✓ Pre-cooked dishes: non-refrigerated, dehydrated, frozen, etc.
- ✓ Animal and pet food

Riviana Rice Group: This is the unit specialized in the rice business in the US, specifically through Riviana, Inc., the largest rice company in the US, with rice processing and production facilities in Tennessee, Texas, Arkansas and California.

Riviana is the leading rice retailer in the US and boasts a variety of brands including Mahatma, Success and Minute, leaders in the traditional and instant and microwaveable rice segments.

The Group's overall market share in the US retail segment is 23.1% by volume; its footprint extends to growth segments such as aromatic and microwaveable rice and grains.

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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 sells its products under a variety of brands and is the joint market leader by both volume (22.6%) and value (25.5%); it also commands a market share of 11.7% (by value) in Ireland.

Lustucru Premium Foods (France): This unit 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 19.3% by volume and of 27.5% by value.

Premium Dry Pasta and Fresh Pasta Business

Lustucru Premium Group, fresh pasta France: This is the Group unit specialized in the fresh pasta business in France. It is the clear market leader with a share of 51.8% by volume and 44.8% 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 and ready-made dishes. It represents a growth segment and a launch pad for the Group's R&D effort.

Bertagni Group: 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 Group: This is the Group unit that specialises 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 micro-climate. 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 6.6% by volume and 7.6% by value). Its brands are sold in most European markets and the US and its Santa Lucia brand is a best-selling pasta brand in eastern Africa.

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Riviana Fresh Pasta Group: 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 47.9% by volume and 54.5% by value (grocery stores, drug stores and mass market retailers). 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 configure 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 has not been necessary to establish criteria for allocating shared expenses and income or shared assets and liabilities among the segments other than in the French 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 location 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 area is provided below:

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- Spain: Herba's rice business and the Harinas de Santa Rita and Arotz businesses.
- Rest of Europe: essentially the businesses of Herba, Lustucru Premium Group (France, including 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 for continuing operations, without considering the place where the goods are produced, is provided in the next table (thousands of euros):

2022 - Geographic market	Spain	Europe	Americas	Other	TOTAL
Segment revenue	260,312	1,167,290	1,216,202	646,285	3,290,089
Inter-segment revenue	-31,290	-71,217	-179,360	-40,550	-322,417
Total revenue	229,022	1,096,073	1,036,842	605,735	2,967,672
Intangible assets	43,080	243,890	142,312	198	429,480
Property, plant and equipment and right-of-use assets	122,310	408,369	285,112	63,298	879,089
Other assets	346,276	1,264,399	766,690	214,282	2,591,647
Total assets	511,666	1,916,658	1,194,114	277,778	3,900,216
Capital expenditure	20,103	62,422	36,297	2,576	121,398

2023 - Geographic market	Spain	Europe	Americas	Other	TOTAL
Segment revenue	262,767	1,190,206	1,169,666	780,843	3,403,482
Inter-segment revenue	-16,267	-75,809	-115,188	-111,761	-319,025
Total revenue	246,500	1,114,397	1,054,478	669,082	3,084,457
Intangible assets	42,904	244,976	137,040	175	425,095
Property, plant and equipment and right-of-use assets	133,694	419,529	287,349	66,087	906,659
Other assets	281,198	1,254,913	795,865	207,835	2,539,811
Total assets	457,796	1,919,418	1,220,254	274,097	3,871,565
Capital expenditure	18,896	58,172	65,466	2,366	144,900

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	2023	2022	FRANCE	2023	2022
Segment revenue	1,169,666	1,050,762	Segment revenue	448,117	442,010
Inter-segment revenue	-115,188	-158,466	Inter-segment revenue	-59,995	-57,148
Total revenue	1,054,478	892,296	Total revenue	388,122	384,862
Intangible assets	131,221	136,398	Intangible assets	37,820	38,036
Property, plant and equipment	262,733	263,824	Property, plant and equipment	122,688	116,043
Other assets	750,814	722,332	Other assets	242,836	242,334
Total assets	1,144,768	1,122,554	Total assets	403,344	396,413
Capital expenditure	57,256	25,287	Capital expenditure	30,904	36,936

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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, 2023 and 2022.

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS												
EBRO FOODS GROUP (Thousands of euros)	TOTAL CONSOL. FIGURES		Rice Business (excl. North America)		North America Rice & Fresh Pasta		Fresh Pasta Business (excl. North America)		EF Holdco		Other Businesses & Consol. Adjustments	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
STATEMENT OF FIN'L POSITION												
Intangible assets	425,095	429,490	186,366	185,057	137,040	142,312	79,195	79,455	21,191	21,351	1,303	1,305
Property, plant and equipment	906,659	879,089	373,936	356,511	287,347	285,109	234,797	227,522	888	963	9,691	8,984
Investment properties	18,334	19,382	16,608	22,107	0	0	0	0	8,400	8,464	-6,674	-11,189
Financial assets	9,575	6,102	6,752	3,368	20	21	2,615	2,517	146	146	42	50
Investments in associates	47,132	43,235	1	1	58,098	52,177	5	5	1,720,505	1,726,427	-1,731,477	-1,735,375
Deferred tax assets	44,877	48,794	192,492	190,788	9,702	8,306	7,444	7,195	6,529	6,529	5,139	6,877
Goodwill	798,377	807,072	192,492	190,788	288,833	299,232	309,295	309,295	0	0	7,757	7,757
Accounts receivable from group companies	0	0	88,897	76,482	70,217	120,309	32,582	27,191	46,475	104,181	-238,171	-328,163
Other current assets	1,621,516	1,667,062	839,990	895,089	493,217	453,376	271,903	291,626	20,039	32,471	-3,633	-5,500
	3,871,565	3,900,216	1,721,105	1,749,290	1,344,474	1,360,842	937,836	944,806	1,824,173	1,900,532	-1,956,023	-2,055,254
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	3,871,565	3,900,216	1,721,105	1,749,290	1,344,474	1,360,842	937,836	944,806	1,824,173	1,900,532	-1,956,023	-2,055,254
Total equity	2,222,133	2,198,280	1,116,126	1,037,479	1,106,948	1,111,019	341,645	354,976	1,331,272	1,379,493	-1,673,858	-1,684,687
Deferred income	15,800	10,919	5,954	4,769	0	0	9,823	6,150	0	0	23	0
Provisions for pensions and similar obligations	22,399	25,187	10,046	11,643	3,249	2,654	4,914	4,999	2,865	4,000	1,325	1,891
Other provisions	15,389	15,506	1,538	2,165	441	655	2,348	1,317	10,976	11,240	86	129
Non-current & current financial liabilities	903,467	947,997	104,608	169,460	29,315	33,366	364,993	354,774	376,030	364,586	28,521	25,811
Deferred tax liabilities	228,485	227,290	61,383	63,225	94,026	94,627	35,868	35,562	36,649	33,466	559	410
Borrowings from group companies	0	0	205,049	247,391	29,738	29,920	18,987	21,076	59,825	96,771	-313,599	-395,158
Other current liabilities	463,892	475,037	216,401	213,158	80,757	88,601	159,258	165,952	6,556	10,976	920	-3,650
	3,871,565	3,900,216	1,721,105	1,749,290	1,344,474	1,360,842	937,836	944,806	1,824,173	1,900,532	-1,956,023	-2,055,254
Liabilities of non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	3,871,565	3,900,216	1,721,105	1,749,290	1,344,474	1,360,842	937,836	944,806	1,824,173	1,900,532	-1,956,023	-2,055,254
Capital expenditure for the year	144,900	121,398	50,895	47,368	57,256	30,987	35,570	41,732	216	306		
Capital employed	2,255,729	2,228,932	1,206,839	1,123,547	664,775	687,653	362,049	357,969	22,857	34,663		
ROCE	12.6	10.5										
Leverage	30.1%	29.8%										
Average headcount for the year	6,323	6,293										
Stock market data:												
Number of shares outstanding ('000)	153,865	153,865										
Market cap. at year-end	2,388	2,256	Millions of euros									
EPS	1.22	0.79										
Dividend per share (DPS)	0.57	0.57										
Underlying carrying amount per share	14.20	14.07										

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):

	31/12/2023			31/12/2022		
	Rice	Pasta	TOTAL	Rice	Pasta	TOTAL
Intangible assets	131,223	5,817	137,040	136,399	5,913	142,312
Property, plant and equipment	262,730	24,617	287,347	263,819	21,290	285,109
	393,953	30,434	424,387	400,218	27,203	427,421

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REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS										
EBRO FOODS GROUP (Thousands of euros)	TOTAL CONSOL. FIGURES		Rice Business		Fresh/Premium Pasta Business		EF Holdco		Other Businesses & Consol. Adjustments	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
STATEMENT OF PROFIT OR LOSS										
External revenue	3,084,457	2,967,672	2,433,221	2,319,883	639,180	636,358	-1	542	12,057	10,889
Inter-segment revenue			10,494	9,603	13,040	15,187	4,863	3,853	-28,397	-28,643
Total revenue	3,084,457	2,967,672	2,443,715	2,329,486	652,220	651,545	4,862	4,395	-16,340	-17,754
Change in inventories	-21,945	38,392	-20,502	27,196	-1,341	9,709	0	0	-102	1,487
Own work capitalized	871	508	271	73	600	435	0	0	0	0
Other operating income	17,101	19,993	19,637	13,707	11,423	13,585	6,395	35,137	-20,354	-42,436
Raw materials and consumables used and other expenses	-1,733,630	-1,727,697	-1,436,100	-1,400,110	-304,656	-336,884	0	0	7,126	9,297
Employee benefits expense	-370,441	-358,329	-254,982	-238,434	-101,765	-106,098	-14,510	-14,348	816	551
Depreciation and amortization	-102,874	-101,023	-68,035	-67,165	-33,174	-32,147	-1,402	-1,500	-263	-211
Other operating expenses	-597,288	-636,945	-451,007	-451,578	-169,751	-196,960	-11,418	-11,062	34,888	22,655
Operating profit	276,251	202,571	232,997	213,175	53,556	3,185	-16,073	12,622	5,771	-26,411
Finance income	82,092	65,365	78,537	68,726	6,158	4,548	7,892	209,050	-10,495	-216,959
Finance costs	-89,877	-84,068	-80,587	-69,934	-9,679	-10,121	-7,358	-8,600	7,747	4,587
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0
Share of profit of associates	5,391	1,939	1,341	1,382	0	0	0	0	4,050	557
Consolidated profit (loss) before tax	273,857	185,807	232,288	213,349	50,035	-2,388	-15,539	213,072	7,073	-238,226

6.3 Revenue from customer contracts

Disaggregated revenue disclosures. The Group's disaggregated revenue from contracts with customers:

Type of goods or services (Thousands of euros)	31/12/2023				
	Rice	Pasta	Other	Inter-company	Total
Sale of goods	2,435,086	647,591	12,597	-20,785	3,074,489
Rendering of services	6,118	3,572	3,820	-7,102	6,408
Revenue from royalties <i>et al.</i>	311	1,057	1,379	-1,391	1,356
Lease income	2,200	0	2	2	2,204
	2,443,715	652,220	17,798	-29,276	3,084,457

Type of goods or services (Thousands of euros)	31/12/2022				
	Rice	Pasta	Other	Inter-company	Total
Sale of goods	2,318,387	644,910	11,276	-21,955	2,952,618
Rendering of services	9,192	4,589	3,516	-6,030	11,267
Revenue from royalties <i>et al.</i>	170	2,046	887	-1,054	2,049
Lease income	1,737	0	1	0	1,738
	2,329,486	651,545	15,680	-29,039	2,967,672

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.

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7. OTHER INCOME AND EXPENSE

7.1 Other operating income (thousands of euros)

	2023	2022
Government grants (related to income and grants)	3,030	3,006
Other operating income	10,223	15,180
Gains on disposal of fixed assets	1,867	232
Gains on disposal of investment properties	277	0
Reversal of non-current asset impairment provisions	239	204
Other income	1,465	1,371
Reversal of provisions for other lawsuits	591	680
Other less significant items	538	691
	17,101	19,993

Other income included the following less-recurring items in 2023:

- A gain of 1,867 thousand euros recognized on the sale of items of property, plant and equipment; a gain of 277 thousand euros on the sale of investment properties; and a gain of 239 thousand euros derived from the reversal of impairment allowances against items of property, plant and equipment.
- Income from the reversal of provisions of 591 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 2022:

- A gain of 232 thousand euros recognized on the sale of items of property, plant and equipment and a gain of 204 thousand euros derived from the reversal of impairment allowances against items of property, plant and equipment.
- Income from the reversal of provisions for liabilities and pensions of 680 thousand euros.
- The rest of other operating income related to grants and minor other operating items.

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7.2 Other operating expenses (thousands of euros)

	2023	2022
External services	(488,175)	(515,718)
Advertising expenditure	(86,314)	(77,161)
Research and development costs	(1,773)	(1,578)
Taxes/levies other than corporate income tax	(9,132)	(9,653)
Loss on sale, derecognition or impairment of property, plant and equipment	(1,850)	(5,358)
Losses on disposal of investees	0	(19,619)
Other provisions and charges recognized	(10,044)	(7,858)
Provisions for lawsuits and disputes	(1,327)	(1,726)
Industrial and logistics restructuring charges	(4,650)	(4,911)
New business and investment acquisition costs	(3,765)	(414)
Other less significant items	(302)	(807)
	(597,288)	(636,945)

The most significant less-recurring items included under other operating expenses in 2023:

- A loss of 1,850 thousand euros recognized on the derecognition, sale or restructuring of several pieces of industrial equipment and plant.
- Investment expenditure not eligible for capitalisation in the amount of 3,765 thousand euros.
- Charges for provisions and expenses for lawsuits and disputes with third parties in the amount of 1,327 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 4,650 thousand euros.

Other operating expenses included the following less-recurring items in 2022:

- A loss of 5,358 thousand euros recognized on the derecognition, sale or restructuring of several pieces of industrial equipment and plant.
- Investment expenditure not eligible for capitalisation in the amount of 414 thousand euros.
- Charges for provisions and expenses for lawsuits with third parties in the amount of 1,726 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 4,911 thousand euros.
- The loss recognized on the sale of Roland Monterrat in the amount of 19,619 thousand euros.

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7.3 Finance costs and finance income (thousands of euros)

	2023	2022
Finance costs		
Third-party borrowings	(14,355)	(6,982)
Unwinding of discount on financial liabilities	(1,703)	(1,766)
Unwinding of discount on provisions for pensions and similar obligations	(1,169)	(1,076)
Losses on derecognition of financial assets and liabilities	(4)	(2)
Impairment provisions on other financial assets	(1,183)	(2,583)
Expenses/losses related to derivatives and financial instruments	(8,036)	(12,006)
Exchange losses	(63,427)	(59,653)
	(89,877)	(84,068)
Finance income		
Third-party loans	11,104	2,436
Gains on derecognition of financial assets and liabilities	0	3,524
Reversal of financial asset impairment provisions	2,673	187
Gains on derivatives and financial instruments	6,108	4,331
Exchange gains	62,207	54,887
	82,092	65,365
Net finance income/(cost)	(7,785)	(18,703)

7.4 Employee benefits expense

The breakdown of employee benefits expense and the average Group headcount in 2023 and 2022 and at each year-end (thousands of euros):

	2023	2022
Wages and salaries	(283,734)	(273,761)
Other benefit expense	(34,268)	(32,583)
Social security and similar costs	(42,299)	(40,384)
Cost of post-employment and similar benefits	(10,140)	(11,601)
	(370,441)	(358,329)

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AVERAGE HEADCOUNT

AVERAGE	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
<u>2023</u>					
Executives	198	6	90	9	303
Skilled staff and middle management	614	7	267	4	892
Clerical and support staff	448	116	451	47	1,062
Production staff	2,367	673	649	311	4,000
Other staff	23	19	21	3	66
TOTAL	3,650	821	1,478	374	6,323

AVERAGE	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
<u>2022</u>					
Executives	201	3	87	6	297
Skilled staff and middle management	586	10	251	8	855
Clerical and support staff	399	122	464	29	1,014
Production staff	2,286	748	661	358	4,053
Other staff	24	22	24	4	74
TOTAL	3,496	905	1,487	405	6,293

YEAR-END HEADCOUNT

YEAR-END	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
<u>2023</u>					
Executives	197	5	97	7	306
Skilled staff and middle management	624	5	274	3	906
Clerical and support staff	429	108	459	37	1,033
Production staff	2,396	506	660	258	3,820
Other staff	22	20	24	4	70
TOTAL	3,668	644	1,514	309	6,135

YEAR-END	MEN		WOMEN		TOTAL
	FIXED	TEMPORARY	FIXED	TEMPORARY	
<u>2022</u>					
Executives	198	3	85	8	294
Skilled staff and middle management	587	12	260	6	865
Clerical and support staff	404	113	479	34	1,030
Production staff	2,324	583	703	271	3,881
Other staff	23	19	25	4	71
TOTAL	3,536	730	1,552	323	6,141

As required under article 260 of the Corporate Enterprises Act, it is hereby disclosed that the number of people employed by the Group in 2023 (2022) with a disability of a severity of 33% or higher averaged 54 (62) men and 28 (25) women, most of whom in the production staff categories.

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8. INTANGIBLE ASSETS

The reconciliation of the carrying amount of intangible assets at the beginning and end of 2023 and 2022, detailing the amortization and impairment provisions recognized each year, is provided below (in thousands of euros):

<u>Carrying amounts</u>	Development costs	Patents & trademarks	Computer software	Intangibles in progress	Total
Balance at December 31, 2021	60	429,822	4,222	244	434,348
Balance at December 31, 2022	48	424,770	4,267	395	429,480
Balance at December 31, 2023	33	420,563	4,080	419	425,095

<u>Gross carrying amounts</u>	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2021	76	468,400	35,509	244	504,229
Business combination					0
Business sales (exits)		(2,677)	(159)		(2,836)
Additions	5	38	2,071	151	2,265
Decreases		(28)	(7)		(35)
Translation differences		92	1,033		1,125
Transfers		4	(4)		0
Balance at December 31, 2022	81	465,829	38,443	395	504,748
Business combination					0
Business sales (exits)					0
Additions		142	1,900	24	2,066
Decreases			(86)		(86)
Translation differences		(2,245)	(662)		(2,907)
Transfers			233		233
Balance at December 31, 2023	81	463,726	39,828	419	504,054

<u>Amortization and impairment</u>	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2021	(16)	(38,578)	(31,287)	0	(69,881)
Business combination					0
Business sales (exits)			228		228
Additions	(17)	(2,578)	(2,044)		(4,639)
Decreases		1	3		4
Translation differences		44	(1,024)		(980)
Transfers		52	(52)		0
Balance at December 31, 2022	(33)	(41,059)	(34,176)	0	(75,268)
Business combination					0
Business sales (exits)					0
Additions	(16)	(2,445)	(2,175)		(4,636)
Decreases			64		64
Translation differences		342	653		995
Transfers	1	(1)	(114)		(114)
Balance at December 31, 2023	(48)	(43,163)	(35,748)	0	(78,959)

Movements in 2023

The most significant movements under this heading during the year ended December 31, 2023:

- Additions totalling 2,066 thousand euros (mainly software).
- A decrease of 1,912 thousand euros due to translation differences.

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- A decrease of 4,636 thousand euros on account of amortization charges for the year.
- A decrease of 22 thousand euros due to assets derecognized.
- An increase of 119 thousand euros due to transfers.

The most significant movements under this heading during the year ended December 31, 2022:

- Additions totalling 2,265 thousand euros (mainly software).
- An increase of 145 thousand euros due to translation differences.
- A decrease of 4,639 thousand euros on account of amortization charges for the year.
- A decrease of 2,608 thousand euros due to the deconsolidation (sale) of the intangible assets of Roland Monterrat and the derecognition of other intangible assets in the amount of 31 thousand euros.

Trademarks

At year-end 2023, there were four trademarks (year-end 2022: four) with an original aggregate cost of 41,829 thousand euros (year-end 2022: 42,024 thousand euros) that have been written down for impairment by 21,601 thousand euros in total (year-end 2022: 21,728 thousand euros).

Segment	Cash-generating unit: Trademarks	Number of trademarks	Balance at 31/12/2023		
			Gross	Impairment & amortiz.	Net amount
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	72	0	72
Rice	Tilda Group	2	119,671	0	119,671
Rice	Riviana (US)	4	108,743	0	108,743
Rice	Riviana (US) SOS	4	16,920	0	16,920
Rice	Riviana (US) Rice select	4	4,109	0	4,109
Rice	Indo European Foods (UK)	1	16,993	0	16,993
Pasta	Riviana (Canada)	1	16,764	(10,948)	5,816
Pasta	Ebro Premium Foods (France)	3	36,400	0	36,400
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
			422,067	(21,601)	400,466
Rice	Riviana (US) Rice select		6,296	(5,404)	892
Rice	Riviana (US) Rice select - Customer portfolio		1,702	(1,702)	0
Pasta	Canada - customer portfolio		3,444	(3,444)	0
Rice	Tilda Group - customer portfolio		21,863	(6,316)	15,547
Rice	Geovita - customer portfolio		4,872	(1,949)	2,923
Other indefinite-lived trademarks and patents			3,482	(2,747)	735
			463,726	(43,163)	420,563

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 above (thousands of euros).

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The Group tested its trademarks for impairment in 2023 and 2022; most of the tests were performed by an independent expert, namely Kroll. Those impairment tests did not indicate the need to recognize any additional impairment losses in either 2023 or 2022.

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 relief-from-royalty 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 2023 (2022) were:

Product	Trademark/Country or Business	Discount rate - Pre-tax		Discount rate - Post-tax		Growth rate, g	
		2023	2022	2023	2022	2023	2022
Rice	Herba Germany	9.00%	9.38%	7.13%	7.38%	2.45%	2.50%
Rice	SOS business (Spain, Netherlands and Portugal)	8.50% - 11.25%	9.0% - 10.38%	7% - 8.75%	7.38% - 9%	1.9% - 2.7%	2.35% - 2.8%
Rice	Geovita (Italy and France)	11.88%	11.13%	9.13%	9.13%	2.30%	2.35%
Rice	Riviana (US)	10.75%	10.50%	8.75%	8.50%	2.30%	2.50%
Rice	Riviana Abu Bint (Saudi Arabia)	13.00%	13.00%	10.25%	10.00%	1.60%	1.20%
Rice	Riviana (US) SOS	10.75%	10.50%	8.75%	8.50%	2.30%	2.50%
Rice	Tilda (UK)	11.38%	10.38%	9.13%	8.38%	2.55%	2.55%
Pasta	Riviana Canada	11.25%	10.25%	9.00%	8.00%	2.15%	2.35%
Rice and Fresh	Ebro France	9.75%	9.00%	7.88%	7.38%	2.35%	2.40%
Pasta	Garofalo (Italy and international)	11.88%	12.25%	9.13%	9.38%	2.30%	2.35%
Pasta	Garofalo (Africa and international)	10.50%	11.25%	9.63%	10.50%	2.30%	2.35%
Pasta	Bertagni (Italy)	11.88%	11.88%	9.13%	9.13%	2.30%	2.35%

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.

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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 2023 and 2022, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

Carrying amounts	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 2021	109,175	213,645	356,329	20,820	9,661	79,051	788,681
Balance at December 31, 2022	111,527	228,288	355,543	37,666	9,765	81,661	824,450
Balance at December 31, 2023	112,912	219,428	374,669	45,937	9,131	91,958	854,035

Gross carrying amounts	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 2021	117,197	354,538	884,497	79,997	24,751	79,051	1,540,031
Business combination	3,936	11,249	4,429	36	14	45	19,709
Business sales (exits)	(1,355)	(15,205)	(21,342)	(1,165)		(1,676)	(40,743)
Additions	1,642	28,115	71,898	19,560	2,335	6,184	129,734
Decreases		(510)	(6,995)	(128)	(436)		(8,069)
Translation differences	(581)	3,544	6,236	448	(58)	(1,942)	7,647
Transfers	(1)	(36)	103	(71)		(1)	(6)
Balance at December 31, 2022	120,838	381,695	938,826	98,677	26,606	81,661	1,648,303
Business combination							0
Business sales (exits)							0
Additions	4,058	18,286	95,429	10,347	2,811	11,869	142,800
Decreases	(2,797)	(11,989)	(26,138)	(527)	(782)		(42,233)
Translation differences	(937)	(4,719)	(10,450)	(449)	(126)	(1,572)	(18,253)
Transfers	1,380	(1,561)	(479)	28	(1,016)		(1,648)
Balance at December 31, 2023	122,542	381,712	997,188	108,076	27,493	91,958	1,728,969

Depreciation and impairment	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E In progress	Total
Balance at December 31, 2021	(8,022)	(140,893)	(528,168)	(59,177)	(15,090)	0	(751,350)
Business sales (exits)	58	6,569	11,940	472			19,039
Additions	(943)	(17,255)	(69,396)	(2,106)	(2,147)		(91,847)
Decreases		316	6,095	92	352		6,855
Translation differences	(404)	(1,437)	(4,261)	(483)	29		(6,556)
Transfers		(707)	507	191	15		6
Balance at December 31, 2022	(9,311)	(153,407)	(583,283)	(61,011)	(16,841)	0	(823,853)
Business combination							0
Business sales (exits)							0
Additions	(934)	(16,415)	(65,996)	(2,065)	(2,263)		(87,673)
Decreases	335	4,724	20,586	330	684		26,659
Translation differences	280	1,673	5,970	426	55		8,404
Transfers		1,141	204	181	3		1,529
Balance at December 31, 2023	(9,630)	(162,284)	(622,519)	(62,139)	(18,362)	0	(874,934)

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.

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Note that the Group obtained grants in relation to certain investments made by the various Group companies in 2023 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 2023

The most significant movements under this heading during the year ended December 31, 2023:

- A decrease of 9,849 thousand euros due to translation differences.
- A decrease of 87,673 thousand euros due to depreciation charges.
- Additions of 142,800 thousand euros related to capital expenditure, essentially investments in technical upgrades and new facilities at the factories. The consolidated management report includes information about the most significant investments recognized under this heading in 2023.
- In 2023, the Group also sold or otherwise derecognized assets with a carrying amount of 15,813 thousand euros and reversed previously recognized impairment losses by 239 thousand euros.
- A decrease of 119 thousand euros due to transfers.

Movements in 2022

The most significant movements under this heading during the year ended December 31, 2022:

- An increase of 1,091 thousand euros due to exchange gains and of 8,162 thousand euros due to the monetary correction of the assets of La Loma Alimentos de Argentina.
- A decrease of 85,401 thousand euros due to depreciation charges and of 4,007 thousand euros due to impairment charges recognized against certain assets.
- Additions of 119,133 thousand related to capital expenditure, essentially investments in technical upgrades and new facilities at the factories.
- An increase of 19,709 thousand euros due to business combinations.
- In 2022, the Group derecognized assets with a carrying amount of 1,214 thousand euros.
- A decrease of 21,704 thousand euros due to the deconsolidation (sale) of the property, plant and equipment of Roland Monterrat.

The depreciation and impairment charges recognized on property, plant and equipment in the 2023 and 2022 consolidated financial statements break down as follows:

- In 2023: 87,673 thousand euros of depreciation charges and 239 thousand euros of impairment allowance reversals.

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- In 2022: 85,401 thousand euros of depreciation charges; 4,007 thousand euros of new impairment allowances and 204 thousand euros of impairment allowance reversals.

The derecognition of items of property, plant and equipment in 2023 generated losses, on the one hand, of 1,850 thousand euros (2022: 1,351 thousand euros) and gains of 1,867 thousand euros (2022: 232 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:

<u>Thousands of euros</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Accum. depreciation & impairment	Total	Financial liability (Note 12)
Balance at December 31, 2021	9,141	61,743	10,380	1,929	5,455	(29,273)	59,375	(64,148)
Business sales (exits)		(1)	(5,361)	(118)		4,620	(860)	361
Additions	(13)	2,235	1,524	578	1,687		6,011	(6,042)
Decreases		(1,067)	(359)	(323)	(1,288)	2,950	(87)	103
Translation differences	86	1,504	(49)	(10)	26	(388)	1,169	(1,362)
Transfers		(56)			5	49	(2)	(1)
Depreciation charges						(10,967)	(10,967)	
Finance costs								(1,766)
Lease payments								11,826
Balance at December 31, 2022	9,214	64,358	6,135	2,056	5,885	(33,009)	54,639	(61,029)
Business sales (exits) (Note 5)							0	
Additions	39	6,201	1,308	601	1,542		9,691	(9,691)
Decreases		(4,359)	(740)	(741)	(1,444)	6,841	(443)	463
Translation differences	(95)	(1,122)	14	1	(44)	535	(711)	869
Transfers			15		(15)		0	
Depreciation charges						(10,552)	(10,552)	
Finance costs								(1,703)
Lease payments								11,564
Balance at December 31, 2023	9,158	65,078	6,732	1,917	5,924	(36,185)	52,624	(59,527)

The reconciliation of the opening and closing balances of accumulated depreciation and impairment allowances (thousands of euros):

<u>Accumulated impairment and depreciation</u> <u>Thousands of euros</u>	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Total
Balance at December 31, 2021	(1,837)	(16,117)	(6,947)	(1,051)	(3,321)	(29,273)
Business sales (exits)				4,502	118	4,620
Additions	(517)	(7,077)	(1,453)	(440)	(1,480)	(10,967)
Decreases			992	359	315	2,950
Translation differences	(65)	(322)	25	7	(33)	(388)
Transfers		(66)	22		93	49
Balance at December 31, 2022	(2,419)	(22,590)	(3,492)	(1,051)	(3,457)	(33,009)
Business sales (exits)						0
Additions	(515)	(6,892)	(1,356)	(505)	(1,284)	(10,552)
Decreases			3,959	732	838	6,841
Translation differences	66	462	(7)	(6)	20	535
Transfers		(112)			144	0
Balance at December 31, 2023	(2,868)	(25,173)	(4,123)	(756)	(3,265)	(36,185)

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In 2023, the Group recognized depreciation charges of 10,552 thousand euros (2022: 10,967 thousand euros).

The breakdown of the Group's lease liabilities by year of maturity and currency of denomination is as follows (thousands of euros):

CURRENCY	2024	2025	2026	2027	2028	Other	TOTAL
EUR	3,630	2,533	2,104	1,702	1,294	6,859	18,122
USD	4,311	4,354	4,370	4,388	4,545	7,357	29,325
GBP	961	576	460	811	455	4,594	7,857
INR	53	60	60	60	67	0	300
DKK	16	0	0	0	0	0	16
HUF	28	28	28	26	0	0	110
MAD	3	168	168	168	169	2,824	3,500
THB	158	115	24	0	0	0	297
Total	9,160	7,834	7,214	7,155	6,530	21,634	59,527

In 2023 and 2022, the Group recognized the following expenses in connection with short-term leases and leases over low-value assets.

Lease Expense in 2023 (Thousands of euros)	2023			2022		
	Short-term contracts	Low-value contracts	Total expense	Short-term contracts	Low-value contracts	Total expense
<u>Contracts not capitalized:</u>						
Buildings and offices	443		443	598		598
Plant and machinery	0		0	22		22
Warehouses	1,773		1,773	1,347		1,347
Industrial equipment	1,417	706	2,123	1,720	689	2,409
Other non-industrial equipment	245	571	816	55	224	279
Vehicles	314		314	273		273
Total	4,192	1,277	5,469	4,015	913	4,928
Lease expense in future years						
- In 2024	2,554	768	3,322			
- Between 1 and 5 years		1,050	1,050			
- Over 5 years		72	72			
	2,554	1,890	4,444			

It did not incur variable lease payments of significant amount.

11. INVESTMENT PROPERTIES

The reconciliation of the carrying amount of the Group's investment properties at the beginning and end of 2023 and 2022, detailing the depreciation and impairment allowances recognized in each year, is provided below (thousands of euros):

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<u>Carrying amounts</u>	Land	Buildings	Total
Balance at December 31, 2021	17,758	1,640	19,398
Balance at December 31, 2022	17,758	1,624	19,382
Balance at December 31, 2023	16,776	1,558	18,334

	Gross carrying amounts			Depreciation and impairment		
	Land	Buildings	Total	Land	Buildings	Total
Balance at December 31, 2021	18,385	5,273	23,658	(627)	(3,633)	(4,260)
Additions			0		(16)	(16)
Decreases	0	0	0	0	0	0
Balance at December 31, 2022	18,385	5,273	23,658	(627)	(3,649)	(4,276)
Additions	34	0	34	(465)	(14)	(479)
Decreases	(1,352)	(97)	(1,449)	801	45	846
Balance at December 31, 2023	17,067	5,176	22,243	(291)	(3,618)	(3,909)

The depreciation charge recognized in 2023 amounted to 14 thousand euros (2022: 16 thousand euros), while impairment charges amounted to 465 thousand euros (2022: zero).

In 2023, the Group sold two investment properties, recognizing a gain of 277 thousand euros (Note 7). There were no significant movements under this account in 2022.

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.

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As a result, the inputs used to determine these properties' fair value should be deemed level 3 for IFRS fair value hierarchy purposes. The fair value of the Group's investment properties at year-end 2023 was an estimated 46 million euros (year-end 2022: 48 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:

	31/12/2023			31/12/2022		
	Total	Non-current	Current	Total	Non-current	Current
<i>Classification for statement of financial position purposes</i>						
- Financial assets	9,575	4,011	5,564	6,102	3,986	2,116
- Trade and other receivables	438,907	0	438,907	474,625	0	474,625
- Derivatives	2,225	0	2,225	1,457	0	1,457
TOTAL FINANCIAL ASSETS	450,707	4,011	446,696	482,184	3,986	478,198
<i>Classification for measurement purposes</i>						
<i>Financial assets at amortized cost:</i>						
- Trade and other receivables	438,907	0	438,907	474,625	0	474,625
- Loans to associates	1,122	1,122	0	1,122	1,122	0
- Loans to third parties	975	752	223	930	687	243
- Deposits and guarantees	6,359	1,019	5,340	2,908	1,035	1,873
<i>Financial assets at fair value through profit or loss</i>						
- Shares in non-Group companies	1,119	1,118	1	1,142	1,142	0
- Derivatives	2,225	0	2,225	1,457	0	1,457
TOTAL FINANCIAL ASSETS	450,707	4,011	446,696	482,184	3,986	478,198

Deposits and guarantees

The balance recognized under "Deposits and guarantees" includes the deposits posted before government agencies in multiple countries to guarantee goods import quotas. The year-on-year increase in 2023 is attributable to one-off situations related with applications for import quotas under the regulations and schedules in place in each country.

Loans to third parties

There were no significant movements in 2023 or 2022. Of the total recognized under this heading: (i) 477 thousand euros (year-end 2022: 513 thousand euros) is denominated in euros; (ii) 483 thousand euros (403 thousand euros) is denominated in US dollars; and (iii) 15 thousand euros (14 thousand euros) is denominated in Mexican pesos. The maturity schedule for these non-current loans is: (i) 223 thousand euros in 2024; and (ii) 752 thousand euros in 2025.

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Trade and other receivables

The breakdown of this heading at year-end 2023 and 2022 (in thousands of euros):

ITEM	31-12-23	31-12-22
Trade receivables	432,993	469,331
Due from associates	1,952	725
Miscellaneous receivables	12,254	15,285
Provision for impairment	(8,292)	(10,716)
TOTAL	438,907	474,625

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, 2023, the ageing analysis of trade receivables is as follows (thousands of euros):

Ageing analysis	Gross	Impairment allowance	Net amount
Within 3 months	422,457	(1,361)	421,096
Past due by between 3 and 6 months	5,700	(1,348)	4,352
Past due by between 6 and 12 months	2,318	(1,768)	550
Past due by between 12 and 18 months	202	(202)	0
Past due by between 18 and 24 months	350	(350)	0
Past due by > 24 months	1,966	(1,966)	0
	432,993	(6,995)	425,998

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 2023 (2022): (i) net reversals of impairment allowances of 1,490 thousand euros (net additions of 2,537 thousand euros); (ii) the utilization of 1,264 thousand euros (1,020 thousand euros); (iii) the net recognition of zero euros (149 thousand euros) due to business combinations; and (iv) translation losses of 330 thousand euros (gains of 14 thousand euros).

There were no other significant movements in any other financial assets since December 31, 2022.

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12.2 Financial liabilities

The breakdown of the Group's financial liabilities is provided below (in thousands of euros):

	31/12/2023			31/12/2022		
	Total	Non-current	Current	Total	Non-current	Current
<i>Classification for statement of financial position purposes</i>						
- Financial liabilities	903,467	175,108	728,359	947,997	553,164	394,833
- Trade and other payables	430,825	0	430,825	438,370	0	438,370
- Derivatives	773	0	773	2,843	0	2,843
TOTAL FINANCIAL LIABILITIES	1,335,065	175,108	1,159,957	1,389,210	553,164	836,046
<i>Classification for measurement purposes:</i>						
<u>Financial liabilities at amortised cost:</u>						
- Trade and other payables	430,825	0	430,825	438,370	0	438,370
- Bank borrowings	561,512	91,221	470,291	662,324	471,719	190,605
- Borrowings from other entities	12,594	9,775	2,819	10,791	7,803	2,988
- Lease liabilities (Note 10)	59,527	50,367	9,160	61,029	52,341	8,688
- Deposits and guarantees	501	57	444	676	649	27
<u>At fair value through profit or loss</u>						
- Financial liabilities structured as share options	269,333	23,688	245,645	213,177	20,652	192,525
- Derivatives	773	0	773	2,843	0	2,843
TOTAL FINANCIAL LIABILITIES	1,335,065	175,108	1,159,957	1,389,210	553,164	836,046

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 2023. 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):

	31/12/2023	31/12/2022
Trade accounts payable	341,489	359,824
Other liabilities	44,825	38,597
Employee benefits payable	44,193	39,005
Payable to associates	318	944
TOTAL	430,825	438,370

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.

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Bank borrowings

There were no significant movements in the Group's non-current bank borrowings in 2023 with respect to year-end 2022:

At December 31, 2022, Ebro Foods, S.A. recognized non-current loans in a total amount of 350 million euros. The four non-current loans comprising that balance were all arranged at the end of 2021, carry interest at an average rate of 0.45% and mature in December 2024, so that they were reclassified to current borrowings at year-end 2023. The Group plans to repay those loans at maturity, either cancelling them using existing funds or refinancing them.

To finance its new factory in La Rinconada, Herba Ricemills, S.L.U. 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. The Group had drawn down that financing by 18 million euros at December 31, 2023 (year-end 2022: 27 million euros).

The Group's Italian subsidiary, Garofalo, has a number of non-current bank loans to finance its capital expenditure totalling 22.6 million euros, which mature between 2025 and year-end 2027 and bear interest at an average rate of 1.13%.

The Group's French subsidiary, Lustucru Premium Group, has non-current bank loans totalling 54.5 million euros, which mature between 2025 and year-end 2028 and bear interest at an average rate of Euribor plus 0.35%.

As for current borrowings, the most significant development in 2023 was 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 2022, and the same can be said of the collateral and covenant requirements. The spreads applied to benchmark rates were slightly higher than in 2022.

The breakdown of the Group's bank borrowings by business segment or company and the corresponding maturities (in thousands of euros):

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Breakdown of bank borrowings by segment or company	31-12-22	31-12-23	2025	2026	2027	2028	Other
- Of Ebro Foods, S.A	349,872	0	0	0	0	0	0
- Of Herba Group	20,902	13,988	12,783	636	444	125	0
- Of Ebro Group France	69,500	54,600	14,900	13,900	12,900	12,900	0
- Of Garofalo Group (Italy)	31,445	22,633	10,499	8,631	3,503	0	0
- Of Arotz Foods, S.A.	0	0					
Non-current bank borrowings	471,719	91,221	38,182	23,167	16,847	13,025	0
- Of Ebro Foods, S.A	14,453	375,634					
- Of Herba Group	113,129	51,684					
- Of Ebro Group France	21,122	14,968					
- Of Garofalo Group (Italy)	41,895	28,003					
- Of Tilda Group (UK)	6	2					
Current bank borrowings	190,605	470,291					
Total bank borrowings	662,324	561,512					

The breakdown of the above borrowings by currency of denomination is as follows (thousands of euros):

CURRENCY	31-12-22	31-12-23
EUR	592,638	522,477
USD	21,104	22,091
GBP	40,070	11,816
INR	187	266
THB	6,984	4,769
MAD	1,340	92
HUF	1	1
Total	662,324	561,512

As for the rest of the Group's bank borrowings, at year-end 2023, the various companies had arranged unsecured credit facilities with an aggregate limit of 381 million euros (year-end 2022: 432 million euros), of which 98 million euros (184 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):

At December 31, 2023	Amount drawn down	Amount undrawn	Total limit
CREDIT FACILITIES ARRANGED			
Reverse factoring, receivables discounting and trade finance	8,180	88,019	96,199
Bank guarantee lines (Note 22)	66,352	61,850	128,202
Consolidated Group total	74,532	149,869	224,401

At December 31, 2022	Amount drawn down	Amount undrawn	Total limit
CREDIT FACILITIES ARRANGED			
Reverse factoring, receivables discounting and trade finance	0	93,595	93,595
Bank guarantee lines	66,371	72,311	138,682
Consolidated Group total	66,371	165,906	232,277

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Some of 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 a prepayment 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, 2023, the Group recognized 269,333 thousand euros of financial liabilities structured as options over non-controlling interests (year-end 2022: 213,177 thousand euros) broken down as follows (refer to Note 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 2023 and 2022 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 those 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 2023.

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	31/12/2022	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassific. current/non-curr.	31/12/2023
Reconciliation of flows 2023										
Current borrowings	190,605	-113,858		-5,520				8,566	390,498	470,291
Non-current borrowings	471,719	10,000							-390,498	91,221
Lease liabilities	61,029	-11,564	-463	-869		9,691		1,703		59,527
Dividend payable	0									0
Derivatives	2,843	-400			-1,670					773
Guarantees and deposits received	676	-175								501
Other financial liabilities	223,968	1,803			56,156					281,927
Total liabilities arising from financing activities	950,840	-114,194	-463	-6,389	54,486	9,691	0	10,269	0	904,240

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Financial liabilities Reconciliation of flows 2022	31/12/2021	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassif. current/non-curr.	31/12/2022
Current borrowings	256,947	-126,385		-1,295				4,520	56,818	190,605
Non-current borrowings	523,463	5,007						67	-56,818	471,719
Lease liabilities	64,148	-11,826	-464	1,363		6,042		1,766		61,029
Derivatives	1,270	-4,087		-355	6,015					2,843
Guarantees and deposits received	84	948		-356						676
Other financial liabilities	199,783	7,684			16,375			126		223,968
Total liabilities arising from financing activities	1,045,695	-128,659	-464	-643	22,390	6,042	0	6,479	0	950,840

Below is a schedule of the maturities of all of these financial liabilities including all expected actual cash flows, estimated as of December 31, 2023 (thousands of euros):

	Statement of financial position 31-12-23
- Bank borrowings	561,512
- Borrowings from other entities	12,594
- Lease liabilities	59,527
- Deposits and guarantees	501
- Financial liabilities under vendor call options	269,333
- Derivatives	773
TOTAL FINANCIAL LIABILITIES	904,240
<u>Estimated future flows:</u>	
2024	735,500
2025	72,586
2026	33,499
2027	27,620
2028	23,666
Other	29,793
TOTAL FUTURE FLOWS	922,664

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 factors in key business performance indicators such as consolidated 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.

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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 Group is subject to capital requirements under certain long-term loan agreements and that it is in compliance with these covenants.

In recent years, the Group has been concentrating its activities in its key businesses by means of strategic acquisitions, while keeping leverage low.

NET DEBT (Thousands of euros)	2021	2022	2022/2021	2023	2023/2022
Equity	2,101,627	2,164,438	3.0%	2,185,159	1.0%
Net debt	504,723	762,635	51.1%	570,404	-25.2%
Average net debt	865,418	645,809	-25.4%	657,683	1.8%
Leverage	24.0%	35.2%	46.7%	26.1%	-25.9%
Leverage (average net debt) (1)	41.2%	29.8%	-27.5%	30.1%	0.9%
EBITDA-A	301,860	334,622	10.9%	387,171	15.7%
Coverage	1.67	2.28		1.47	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The accompanying Group management report provides the definition and reconciliation of the alternative performance measures shown in this table (net debt and average net debt).

Group leverage (expressed as net debt over equity attributable to equity holders of the parent) increased in 2022 as a result of the significant volume of working capital needed to tackle the inflationary pressures, which gradually began to ease in the second half of 2023. These exceptional circumstances, coupled with their astute management, translated in relatively high working capital levels in recent years but also steady earnings growth. This performance is reflected in the fact that the Group's debt coverage ratio remains well under 2 times EBITDA-A (defined in the Group management report).

Financial risk management and use of financial instruments

The main financial instruments used by the Group are bank loans, bank overdraft facilities, equity instruments, derivative financial instruments, cash and short-term deposits. In addition, the Group has other financial assets and liabilities such as trade accounts receivable and payable.

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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, Control and Sustainability 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 consolidated earnings: the estimated impact on 2023 profit of such a change would be 2.4 million euros (2.7 million euros in 2022).

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Average net debt was stable year-on-year but the remuneration earned on *ad-hoc* cash balances was higher and more constant as rates stabilised. As a result, potential rate increases were assumed to have a slightly smaller impact than the year before, considering that they would be passed through proportionately to asset positions.

The main assumptions used to perform this sensitivity analysis are as follows:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of upward or downward movements in interest rates.
- The only input varied is the rate of interest, with all other variables held constant in the model.

Effect of changes in interest rates

	2023				2022			
Income/(expense)	-0.50%	-0.25%	0.25%	0.50%	-0.50%	-0.25%	0.25%	0.50%
Profit before tax	2,442	1,220	-1,220	-2,442	2,736	1,368	-1,368	-2,736

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 and UK, the carrying amounts of the Group's assets and liabilities are significantly exposed to changes in the USD / EUR and GBP / EUR exchange rates.

The Group is exposed to changes in commodity prices depending on its ability to pass price increases on to its customers. It is also exposed to fluctuations in exchange rates, particularly the US dollar (the benchmark currency for a significant portion of its business), and to movements in interest rates. The Group regularly reassesses its exposure to these risks and their potential impact on its key earnings and financial position indicators and strategy.

The US dollar depreciated by 3.48% against the euro in 2023. That had a relatively moderate impact on the consolidated financial statements in respect of the assets and business transactions not hedged, specifically generating exchange losses of around 36 million euros.

In addition, the Group has investments in the UK which could be impacted in the medium term by that country's exit from the European Union, depending on the terms of the negotiations between the two parties. This subsidiary's and the Group's risk committees are monitoring this situation continually, trying the minimize the potential impact of movements in the exchange rate by arranging an appropriate hedging strategy for its business transactions. In 2023, the pound sterling appreciated against the euro by 2.06%, generating exchange gains of around 6.7 million euros.

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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 applicable going forward. The trade and cooperation agreement reached is deemed provisional. It provides a framework for trade relations but leaves numerous aspects of the future relationship between the EU and the UK open.

Although the free trade agreement goes a long way to dissipating 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.

Nevertheless, the Group does not expect any potential future disagreements to have a material impact on its financial statements as its most significant activity in the UK market is the sale of rice and related products that are considered staples; it therefore believes that even if new tariffs are imposed on the UK by the European Union, it will be possible to source rice from other markets in which the Group has a presence; moreover, much of the rice sold in the UK market is basmati and long-grain rice sourced from India/Pakistan and the US, respectively. The Group's non-current assets in the UK (including its manufacturing facilities) account for 12.64% of the Group total, while the revenue generated in the UK market in 2023 represented around 14.07% 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 (Lustucru, 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)	
	2023	2022
USD	153,890	143,855
EUR	7,604	12,656
THB	343,845	14,052
GBP	200	94

Generally (for example, at year-end 2022), the Group is net long on US dollars; these contracts hedge raw material contracts benchmarked against the dollar entered into by Group subsidiaries that operate in a different local currency. At year-end 2023, in contrast, the Group was net short on US dollars. The euro positions are held by Group companies with functional currencies other than the euro which trade in euros, mainly UK companies.

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Below is a sensitivity analysis, measured in terms of the impact on profit and loss, with respect to the Group's key exposures to exchange rate risk by currency and type of instrument. The instruments grouped under "Other financial instruments" are loans or cash positions denominated in the currency referenced that is different from the functional currency of the Group company that holds them and 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 qualify 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

Due to derivatives:

	2023				2022			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(expense)								
Profit before tax	-655	-353	376	755	-511	-245	277	580

Effect of changes in the sterling relative to the euro

Due to derivatives:

	2023				2022			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(expense)								
Profit before tax	1,105	871	-871	-1,105	907	476	-476	-907

Due to other financial instruments:

	2023				2022			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(expense)								
Profit before tax	4,343	2,171	-2,171	-4,343	3,813	1,906	-1,906	-3,813

Effect of changes in the dollar relative to the euro, sterling and Baht

Due to derivatives:

	2023				2022			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(expense)								
Profit before tax	3,181	1,397	-1,659	-3,725	-2,518	-1,278	1,302	2,428

Due to other financial instruments:

	2023				2022			
	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Income/(expense)								
Profit before tax	101	51	-51	-101	1,097	549	-549	-1,097

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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 and EUR/GBP exchange rates on the Group's net debt (excluding the derivatives shown in the table above). The position in US dollars is one of net cash so that appreciation of this currency implies a reduction in the Group's net debt. The position in pound sterling at year-end 2023 is one of net borrowings, so that the result of the sensitivity analysis is the opposite.

Impact on borrowings

Changes in the USD

	2023				2022			
+ 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	18,517	9,258	-9,258	-18,517	4,628	2,314	-2,314	-4,628

Changes in the sterling

	2023				2022			
+ 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	-4,073	-2,036	2,036	4,073	-3,813	-1,906	1,906	3,813

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 analyses the Group's borrowings at year-end 2023 by maturity.

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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 analyses 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 year-end, in thousands of euros, other than its accounts payable and receivable and its cash and cash equivalents, whose carrying amounts are deemed an approximation of their fair value (in the case of financial assets, their fair value coincides with their carrying amount).

<u>Financial assets</u>	31/12/2023		31/12/2022	
	Carrying amount	Fair value	Carrying amount	Fair value
- Loans to associates	1,122	1,122	1,122	1,122
- Loans to third parties	975	975	930	930
- Deposits and guarantees	6,359	6,359	2,908	2,908
- Shares in non-Group companies	1,119	1,119	1,142	1,142
- Derivatives	2,225	2,225	1,457	1,457
	11,800	11,800	7,559	7,559

<u>Financial liabilities</u>	31/12/2023		31/12/2022	
	Carrying amount	Fair value	Carrying amount	Fair value
- Borrowings	574,106	562,587	673,115	653,258
- Lease liabilities	59,527	59,527	61,029	61,029
- Deposits and guarantees	501	501	676	676
- Financial liabilities structured as share options	269,333	269,333	213,177	213,177
- Derivatives	773	773	2,843	2,843
	904,240	892,721	950,840	930,983

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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

	<u>31/12/ 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets				
Equity instruments	1,119	-	1,119	-
Derivatives	2,225	-	2,225	-
Financial liabilities				
Other financial liabilities	269,333	-	-	269,333
Derivatives	773	-	773	-

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 2023 and 2022 (in thousands of euros):

ITEM	31-12-23	31-12-22
Cash on hand and at banks	132,408	140,548
Short-term deposits and cash equivalents	197,580	44,402
TOTAL	329,988	184,950

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 329,988 thousand euros at December 31, 2023 (184,950 thousand euros at year-end 2022).

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 3.5% in 2023 (2022: 1.1%).

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14. INVESTMENTS IN ASSOCIATES

The movements under this heading in 2023 and 2022 (in thousands of euros) are shown below:

Associate	Balance at 31/12/2022	Additions due to investments	Decreases due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2023
Riso Scotti, S.p.a.	34,743			(400)	4,050	0	0	38,393
Associates of Riviana Foods Inc.	8,487			(786)	1,341	(308)	0	8,734
Other companies	5	0	0	0	0	0	0	5
	43,235	0	0	(1,186)	5,391	(308)	0	47,132

Associate	Balance at 31/12/2021	Additions due to acquisitions	Decreases due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2022
Riso Scotti, S.p.a.	35,186			(1,000)	557	0	0	34,743
Associates of Riviana Foods Inc.	7,811			(1,187)	1,382	481	0	8,487
Other companies	5	0	0	0	0	0	0	5
	43,002	0	0	(2,187)	1,939	481	0	43,235

There were no significant movements under this heading in 2023 or 2022.

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, 2023, are as follows (in thousands of euros):

Thousands of euros	31/12/2022	31/12/2023
Trademarks, other intangible assets and goodwill	53,126	52,263
Property, plant and equipment	54,280	52,983
Other non-current assets	14,201	14,019
Current assets	107,354	84,281
Cash	14,959	56,712
Non-current, non-financial liabilities	-20,426	-20,214
Financial liabilities	-76,930	-74,572
Current, non-financial liabilities	-59,367	-69,165
Non-controlling interests	-339	-325
	86,858	95,982
Ownership interest acquired	40%	40%
	34,743	38,393
Revenue	310,500	326,670
Profit for the year	1,393	10,125
No. of employees	285	278

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15. GOODWILL

The movements under goodwill in 2023 and 2022 (in thousands of euros) are shown below:

Segment	CGU or groups of CGUs	31/12/2022	Additions	Decreases & other	Impairment losses	Translation differences	31/12/2023
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,205				48	1,253
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)	80,491				1,656	82,147
Rice	Riviana Group (US)	299,231				(10,399)	288,832
Pasta	Ebro Group France	137,671					137,671
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		807,072	0	0	0	(8,695)	798,377

Total gross carrying amount	864,007	0	0		(8,695)	855,312
Accumulated impairment losses	(56,935)					(56,935)

Segment	CGU or groups of CGUs	31/12/2021	Additions	Decreases & other	Impairment losses	Translation differences	31/12/2022
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,336				(131)	1,205
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)	84,964				(4,473)	80,491
Rice	Riviana Group (US)	281,794				17,437	299,231
Pasta	Ebro Group France	152,791		(15,120)			137,671
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		809,359	0	(15,120)	0	12,833	807,072

Total gross carrying amount	866,294	0	(15,120)		12,833	864,007
Accumulated impairment losses	(56,935)					(56,935)

There were significant movements in both reporting periods that were attributable to exchange differences on the goodwill allocated to the Group's US and UK subsidiaries, mainly. The decrease in goodwill in 2022 was also brought about by the sale of Roland Monterrat that year.

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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 2023 and 2022 (by an independent expert, Kroll); 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 each CGU's management, 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.

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- 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 2023 (2022) were:

Segment	CGU	Pre-tax rate		Post-tax rate		Growth rate, "g"	
		2023	2022	2023	2022	2023	2022
Rice	Frozen Foods (Germany and Denmark)	8.25%	8.13%	6.38%	6.38%	2.40%	2.45%
Rice	UK Business	10.75%	10.13%	8.13%	7.75%	2.55%	2.55%
Rice	Ingredients (Belgium and Netherlands)	8.75%	7.75%	7.13%	6.38%	2.30%	2.40%
Rice	SOS Business (Spain)	9.63%	9.63%	7.75%	7.75%	2.35%	2.40%
Rice	Geovita (Italy and France)	10.38%	10.13%	8.25%	8.13%	2.30%	2.35%
Rice	Transimpex (Germany)	8.25%	8.13%	6.38%	6.38%	2.40%	2.45%
Rice	Riviana Group (US)	10.00%	9.25%	8.00%	7.50%	2.30%	2.50%
Rice	Tilda Group (UK)	10.13%	9.63%	8.13%	7.75%	2.55%	2.55%
Pasta	Ebro Group France	8.75%	7.75%	7.13%	6.38%	2.35%	2.40%
Pasta	Garofalo (Italy and international)	10.75%	10.63%	8.25%	8.25%	2.30%	2.35%
Pasta	Bertagni (Italy)	10.63%	10.25%	8.13%	8.13%	2.30%	2.35%
Other	Harinas Santa Rita (Spain)	9.63%	9.63%	7.75%	7.75%	2.35%	2.40%

The key assumptions used to value each cash-generating unit (CGU) include: (i) the average rate of sales revenue growth modelled 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, modelled as a percentage of projected EBITDA-A; (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 2023 or 2022. Moreover, the results of the impairment tests were satisfactory in both reporting periods.

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	1.25%	-0.5%
Rice	Ingredients (Belgium and Netherlands)	0.5%	-0.5%
Rice	SOS Business (Spain)	0.25%	-0.5%
Rice	Geovita (Italy and France)	0.25%	-0.25%
Rice	Transimpex (Germany)	1.5%	-0.5%
Rice	Riviana Group (US)	a)	a)

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Rice	Tilda Group	0.25%	-0.25%
Pasta	Ebro Group France	1.75%	-0.5%
Pasta	Garofalo (Italy and international)	0.75%	-0.5%
Pasta	Bertagni (Italy)	1.0%	-0.5%
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 2023 and 2022 (in thousands of euros):

ITEM	31-12-23	31-12-22
Goods held for resale	18,072	23,269
Raw materials	385,191	414,304
Consumables and replacement parts	16,058	17,225
Containers	36,367	43,290
Work in progress	32,998	63,593
Finished goods	241,838	285,352
By-products and waste	5,360	7,174
Prepayments to suppliers	58,021	64,452
TOTAL GROSS CARRYING AMOUNT OF INVENTORIES	793,905	918,659
Inventory impairment provision	(18,613)	(7,544)
TOTAL CARRYING AMOUNT OF INVENTORIES	775,292	911,115

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 27,246 thousand euros of rice from rice growers and cooperatives at year-end 2023 (38,988 thousand euros at year-end 2022). The Group was also contractually committed to raw material and packaging material purchases in the US, Canada, France, Spain and Italy totalling 121,537 thousand euros (year-end 2022: 114,088 thousand euros).

The provision for the impairment of inventories increased in 2023 due to price volatility in certain raw material varieties in some international markets. The net provision for inventory impairment recognized in 2023 was 13,122 thousand euros (2022: 1,870 thousand euros), while 1,915 thousand euros of previously recognized provisions were utilized (2022: 3,155 thousand euros); no amounts were derecognized due to business disposals (2022: 571 thousand euros); and exchange gains on inventories amounted to 138 thousand euros (2022: losses of 225 thousand euros).

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17. SHARE CAPITAL, RESERVES, EARNINGS PER SHARE AND DIVIDENDS

17.1 Capital and reserves

Share 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. gleaned the information regarding its significant shareholders and their shareholdings from the information they themselves provide directly to the Parent 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 are as follows:

Significant shareholder	2023					2022				
	% 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.	14.522	0.000	14.522	0.000	14.522	14.522	0.000	14.522	0.000	14.522
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
Hercalanz Investing Group, S.L.	9.073	0.000	9.073	0.000	9.073	9.000	0.000	9.000	0.000	9.000
Grupo Tradifin, S.L.	7.961	0.000	7.961	0.000	7.961	7.961	0.000	7.961	0.000	7.961
Empresas Comerciales e Industriales Valencianas, S.L.	7.827	0.000	7.827	0.000	7.827	7.827	0.000	7.827	0.000	7.827
José Ignacio Comenge Sánchez-Real (through Mendibea 2002, S.L.)	0.002	5.381	5.383	0.000	5.383	0.002	5.362	5.364	0.000	5.364
Artemis Investment Management, LLP	0.000	4.082	4.082	0.000	4.082	0.000	3.160	3.160	0.000	3.160

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.

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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 25.4 million euros (24.8 million euros at year-end 2022) 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 2022: 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:

	31-12-23	31-12-22
RIVIANA Group (US)	109,065	145,048
Herba companies	(14,525)	(12,462)
Tilda Group (UK and UAE)	11,665	5,007
Ebro Alimentación Mexico	(152)	(163)
Garofalo Group (Italy) - International business	(69)	(7)
Ebro Group France - International business	159	223
TOTAL	106,143	137,646

Own shares

In 2023, 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).

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In 2023, under the scope of the employee share plan, it bought back 41,000 shares, sold 1,187 and delivered 39,813 own shares to employees. The Company did not hold any own shares at December 31, 2023.

In 2022, the Parent was likewise empowered 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 2022, under the scope of the employee share plan, it bought back 42,500 shares, sold 852 and delivered 41,648 own shares to employees. The Company did not hold any own shares at December 31, 2022.

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:

	31/12/2023	31/12/2022
Profit from continuing operations attributable to ordinary equity holders of the parent	186,964	122,976
Profit from discontinued operations attributable to ordinary equity holders of the parent	0	(917)
Profit attributable to ordinary equity holders of the parent	186,964	122,059
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)	186,964	122,059

	2023	2022
	Thousands	Thousands
Weighted average number of ordinary shares for basic EPS (*)	153,865	153,865
Effects of dilution from:		
Stock 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.

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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

Distribution of the dividends approved at the Annual General Meeting of June 6, 2023 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2022 profit and unrestricted reserves of 0.57 euros per share (before withholding tax), payable in the course of 2023 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 withholding tax) on April 3, June 30, and October 2, 2023.

18. DEFERRED INCOME

The heading essentially includes grants related to assets and other items of deferred income that are not individually material. The movements under this heading in 2023 and 2022 (thousands of euros):

	Government grants		Other deferred income		TOTAL	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
Opening balance	10,448	10,306	471	20	10,919	10,326
Grants received	6,304	1,026	0	0	6,304	1,026
Additions due to GHG allowances	0	0	0	0	0	0
Other increases/decreases	444	(384)	(471)	646	(27)	262
Translation differences	1	(2)	0	0	1	(2)
Reclassified to profit or loss from continuing operations	(1,397)	(497)	0	(195)	(1,397)	(692)
Closing balance	15,800	10,448	0	471	15,800	10,919

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 increases in both years relate to grants awarded to companies in France and Italy to help fund the expansion of their factories.

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	1,130	4,294	10,376	15,800

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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:

	31-12-23 Total	31-12-22 Total
Opening balance	25,187	35,088
Translation differences	(70)	360
Disposals	0	(538)
Amounts utilized and paid	(12,624)	(11,160)
Amounts transferred to other accounts	344	(642)
Surplus provisions and employee departures	0	(142)
Amount provided for in the year for actuarial changes	(1,751)	(10,456)
Amount provided for in the year for unwind of discount	1,169	1,076
Amount provided for in the year for employee benefits expense	10,140	11,601
Amount provided for in the year for other operating expenses	4	0
Closing balance	22,399	25,187

The breakdown by type of post-employment commitment (in thousands of euros):

	31-12-23	31-12-22
Defined benefit obligations	9,297	10,417
Retirement bonuses and similar obligations	8,934	8,957
Senior management bonus schemes (Note 23)	4,168	5,813
TOTAL	22,399	25,187

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)
Ebro Belgium (Herba) (Belgica)	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 Foods, GmbH (Germany)		Yes (a)		Yes (a)		
Euryza (Herba) (Germany)		Yes (a)				
Transimpex (Herba) (Germany)		Yes (a)				
Ebro Group Neth. (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.

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- (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):

	31-12-23	31-12-22
Ebro Group France	3,825	3,728
Herba Rice Group (Herba)	2,329	2,190
Garofalo (Italy)	383	367
Riviana American Group (Riviana)	2,192	2,431
Ebro Foods, S.A.	190	238
Other minor obligations	15	3
TOTAL	8,934	8,957

19.1.1 Ebro Foods, S.A.

The balance at year-end 2023 in respect of Ebro Foods, S.A. totals 190 thousand euros (year-end 2022: 238 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 externalise this obligation. The expense recognized in this respect was 13 thousand euros in 2023 (2022: 38 thousand euros), while the payments made totalled 61 thousand euros (2022: zero).

19.1.2 Ebro France Group companies

The Ebro Group France companies have obligations to their employees, mainly in respect of (i) retirement bonuses (provisions of 3,666 and 3,574 thousand euros at year-end 2023 and 2022, respectively); and (ii) long-service bonuses (159 and 154 thousand euros at year-end 2023 and 2022, respectively).

Those provisions were recognized based on actuarial calculations performed internally. The related total net expenditure recognized in 2023 amounted to 395 thousands euros (2022: 1,116 thousand euros); note that 78 thousand euros (2022: 829 thousand euros) was charged directly in equity as actuarial losses.

These provisions are funded in-house, albeit not by specific assets. The interest rate applied in 2023 was 3.17% (3.77% in 2022).

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19.1.3 Herba Group companies

The collective bargaining agreements applicable at the subsidiaries in Italy, Belgium, Thailand and India include termination benefit obligations (voluntary or otherwise) for their employees. Those provisions were recognized based on actuarial calculations performed internally in some instances and externally in others.

The related provision at year-end 2023 amounted to 2,329 thousand euros (2,193 thousand euros at year-end 2022). Expenditure in 2023 was 585 thousand euros (2022: 463 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 2023 was 2,241 thousand euros (2022: 2,214 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 2023 stood at 2 thousand euros (zero euros at year-end 2022). Net expenditure in 2023 was 77 thousand euros (2022: 82 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 externalisation continues to be recognized through settlement. The provision is updated annually on the basis of external actuarial calculations. The related provision at year-end 2023 amounted to 383 thousand euros (367 thousand euros at year-end 2022). The discounting of this provision implied a finance cost of 13 thousand euros in 2023 (2022: 2 thousand euros), actuarial losses charged directly to equity of 8 thousand euros (actuarial gains credited in equity of 70 thousand euros in 2022) and payments totalling 8 thousand euros (2022: 17 thousand euros). The expense recognized in 2023 in respect of the obligation externalized since 2008 amounted to 552 thousand euros (2022: 554 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 2,680 thousand euros in 2023 (2022: 2,476 thousand euros).

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19.2 Pension and other defined benefit obligations

The breakdown by company:

Defined benefit Thousands of euros	31/12/2023			31/12/2022		
	Pension commitments	Other commitments	Total	Pension commitments	Other commitments	Total
Riviana Group (US & Canada)	5,244	-4,641	603	4,241	-4,517	-276
Ebro Belgium (Herba) (Belgica)	75		75	198		198
S&B Group (Herba) (UK)	2,552		2,552	2,808		2,808
Ebro Germany (Germany)	1,325		1,325	1,891		1,891
Euryza (Herba) (Germany)	3,669		3,669	4,689		4,689
Transimpex (Germany)	1,073		1,073	1,107		1,107
	13,938	-4,641	9,297	14,934	-4,517	10,417

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 2023 and 2022:

Thousands of euros	TOTAL		Europe		US & Canada	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
Provisions for pensions - obligations						
Opening balance	56,842	80,264	18,213	28,370	38,629	51,894
Charge for the year	3,590	3,773	694	648	2,896	3,125
Actuarial changes	544	-21,301	-1,297	-7,816	1,841	-13,485
Benefits paid	-3,675	-9,976	-764	-2,067	-2,911	-7,909
Transfers between plans	0	1,803	0	0	0	1,803
Translation differences	-1,114	2,279	194	-922	-1,308	3,201
Closing balance	56,187	56,842	17,040	18,213	39,147	38,629
Provisions for pensions - plan assets						
Opening balance	-46,425	-62,118	-7,520	-14,852	-38,905	-47,266
Return on plan assets	-1,941	-1,212	-350	-251	-1,591	-961
Contributions by employer	-1,229	-1,383	-778	-707	-451	-676
Actuarial changes	-2,122	12,335	-325	5,534	-1,797	6,801
Benefits paid	3,675	9,976	764	2,067	2,911	7,909
Transfers between plans	0	-1,803	0	0	0	-1,803
Translation differences	1,152	-2,220	-137	689	1,289	-2,909
Closing balance	-46,890	-46,425	-8,346	-7,520	-38,544	-38,905
Closing balance - benefit asset	9,297	10,417	8,694	10,693	603	-276

	TOTAL		Europe		US & Canada	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
Net annual cost by component						
Current service cost	1,070	1,842	37	209	1,033	1,633
Borrowing costs	2,508	1,929	657	439	1,851	1,490
Expected return on plan assets	-1,941	-1,212	-350	-251	-1,591	-961
	1,637	2,559	344	397	1,293	2,162
Actuarial changes recognized directly in consolidated equity: (gains)/losses	-1,580	-8,967	-1,623	-2,282	43	-6,685

Actuarial assumptions	31-12-23	31-12-22	31-12-23	31-12-22
	Discount rate	3.30% - 4.60%	1.50% - 4.90%	4.90% - 5.14%
Future salary increases	2.00% - 3.00%	1.50% - 3.10%	2.50% - 3.00%	2.50% - 3.00%
Expected return on plan assets	3.30% - 4.60%	1.50% - 4.90%	4.90% - 5.14%	4.89% - 5.46%

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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 2023 and 2022 (in thousands of euros) are shown below:

<u>Movements under other provisions</u>	31-12-23	31-12-22
	Total	Total
Opening balance	15,506	15,538
Translation differences	27	(85)
Other transfers	79	(304)
Amounts utilized and payments	(2,025)	(1,605)
Additions with a charge to profit or loss	2,392	2,235
Unused amounts reversed with a credit to profit or loss	(590)	(238)
Business sales/exits	0	(35)
Closing balance	15,389	15,506

An analysis by underlying concept and company/business (in thousands of euros):

<u>Breakdown of other provisions by concept</u>	31-12-23	31-12-22
Lawsuits and disputes	14,842	14,655
Modernization and restructuring plan	441	655
Misc. other contingencies of insignificant amount	106	196
	15,389	15,506

	31-12-23	31-12-22
Ebro Foods, S.A.	10,976	11,240
Lustucru Group France	1,582	550
Herba Group	1,538	2,165
Riviana Group	441	655
Garofalo Group	766	767
Ebro Group Germany	47	50
Other	39	79
	15,389	15,506

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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.

On February 21, 2024, the National High Court notified its ruling of February 13, 2024 with respect to the appeal lodged against the Disciplinary Ruling of 2019. In that new ruling, the National High Court partially upholds the appeal presented by Puleva Food, S.L.: (i) ruling that some of the conduct attributed to the latter has prescribed, and (ii) finding that its participation in the practices at the heart of the matter was only substantiated in two out of the three practices contemplated by the CNMC in its Disciplinary Ruling of 2019. On the basis of those findings, the National High Court has asked CNMC to recalculate the fine in light of the outcome of the appeal.

Ebro Foods, S.A. is currently assessing the new situation with its legal counsel and considering what measures to take with respect to the recent National High Court ruling. Although the Company believes that the recalculation of the fine ordered by the National High Court could result in a lower amount, it has decided to continue to recognize the provision recorded in 2014 in light of the uncertainty around its amount and the timing of the CNMC's decision.

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.

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20.2 Status of other lawsuits and disputes

In addition to the lawsuits outlined in section 20.1 above, at year-end 2023, the Group had recognized provisions for other lawsuits and disputes in the amount of 4,413 thousand euros (year-end 2022: 4,266 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):

	31-12-23	31-12-23
Tax and customs assessments signed under protest	1,769	1,748
Judicial review contingencies	13,042	12,436
Other lawsuits	1,242	1,646
	16,053	15,830

21. TAXES

Year-end balances receivable from and payable to the tax authorities (in thousands of euros):

	Receivable		Payable	
	31-12-23	31-12-22	31-12-23	31-12-22
VAT and personal income tax	32,733	33,945	(9,169)	(9,990)
Social security	4	33	(4,221)	(3,513)
Grants pending collection	3,447	5,770		
Other tax authorities	2,370	26,728	(356)	(1,242)
Total receivable/payable	38,554	66,476	(13,746)	(14,745)
Income tax - tax payable/refundable	26,472	19,414	(17,680)	(14,364)

The balance receivable from other tax authorities of 26,728 thousand euros at December 31, 2022 included 25,295 thousand euros due from the French tax authorities related with payments made on account in 2022 as a result of the sale of the Panzani business in 2021. That balance was collected in full on March 1, 2023.

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: 25.83%; the US: 24%; Germany: 30%; the Netherlands: 25.5%; Italy: 28%; Argentina: 25% (30% in 2022); and the UK: 23% (19% in 2022).

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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, 2023 was 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 2023 was 25.14% (27.04% in 2022).

The breakdown of the tax expense accrued by the Group in 2023 and 2022 (in thousands of euros) is provided below:

	31/12/2023		31/12/2022	
	Accounting	Tax	Accounting	Tax
Accounting profit before tax from continuing operations	273,857	273,857	185,807	185,807
Profit before tax from discontinued operations	0	0	(1,019)	(1,019)
Profit/(loss) before tax recognized in equity	1,751	1,751	10,456	10,456
	275,608	275,608	195,244	195,244
Permanent differences	(8,730)	(8,730)	19,249	19,249
Tax losses generated during the year	1,595	1,595	4,855	4,855
Utilization of individual tax losses	(9,282)	(9,282)	(10,242)	(10,242)
Accounting profit adjusted for permanent differences	259,191	259,191	209,106	209,106
Temporary differences		(12,140)		(14,014)
Tax losses generated during the year		611		7,988
Utilization of tax losses		(985)		(2,997)
Adjusted taxable profit	259,191	246,677	209,106	200,083
Impact of differing tax rates (taxable income)	(15,724)	(17,056)	(19,534)	(19,970)
Taxable income of the Group	243,467	229,621	189,572	180,113
Tax calculated at statutory rate of 25%	60,867	57,405	47,393	45,028
Tax credits utilized	(1,400)	(1,400)	0	0
Tax payable	59,467	56,005	47,393	45,028
Adjustments in respect of prior-year's income tax	(687)		(830)	
Restatement of net deferred taxes due to changes in tax rates	2,151		(2,471)	
Restatement of net deferred taxes	975		5,295	
Inspection assessments and fines	(41)	163	(356)	(336)
Equivalent tax charges	7,414	7,446	3,671	5,239
Adjustment in respect of prior year's tax payable		0		(541)
Total tax expense	69,279	63,614	52,702	49,390
Tax expense, continuing operations	68,846		50,242	
Tax expense, discontinued operations	0		(102)	
Tax expense, recognized directly in equity	433		2,562	
	69,279		52,702	

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STATEMENT OF PROFIT OR LOSS - INCOME TAX	31/12/2023	31/12/2022
Current tax expense, continuing operations	56,005	45,130
Current tax expense, sale of discontinued operations	0	(102)
Total deferred tax expense	2,971	(271)
Tax expense deferred in equity	491	2,636
Restatement of prior-year's income tax	(687)	(830)
Restatement of net deferred taxes	3,126	2,824
Equivalent tax charges	7,414	3,671
Inspection assessments and fines	(41)	(356)
	69,279	52,702

Tax expense recognized directly in equity	31/12/2023	31/12/2022
Change in fair value of financial assets	0	0
Change due to actuarial gains/(losses)	433	2,562
	433	2,562

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 2023 and 2022:

- A decrease of 1,963 thousand euros in 2023 (2022: decrease of 10,544 thousand euros) due to the tax effect of actuarial losses/gains on pension commitments, recognized directly in equity.
- A decrease of 11,736 thousand euros (2022: 11,299 thousand euros) due to the amortization for tax purposes of the goodwill arising on the acquisition of foreign companies.
- A decrease of 7,938 thousand euros (3,465 thousand euros in 2022) in relation to temporary differences at the Riviana group (USA), 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.
- A decrease of 3,269 thousand euros (2022: 3,479 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 Italy and the US and the recognition in different periods for accounting versus tax purposes of items in provision accounts.
- An increase of 1,194 thousand euros (a 1,560 thousand euro decrease in 2022) in relation to temporary differences at the Ebro France group, due mainly to movements under provisions, offset by property, plant and equipment depreciation charges.
- A decrease of 4,134 thousand euros (increase of 3,575 thousand euros in 2022) in consolidation adjustments due to different accounting criteria applied in preparing the separate versus the consolidated annual financial statements.
- An increase of 170 thousand euros (2022: increase of 2,014 thousand euros), mainly in relation to other companies, due to the origination and/or utilization for tax purposes of provisions recognized and/or reversed during the year, the recognition and/or reversal of 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.

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The permanent differences correspond basically to:

- In 2022: an increase of 19,244 thousand euros due to the loss generated on the sale of Roland Monterraat, which was not deductible for tax purposes.
- The remaining 8,730 thousand euro net decrease in 2023 (2022: net increase of 5 thousand euros) relates to amounts equivalent to tax that do not compute for income tax calculation purposes, the effect of expenses that are not deductible in determining tax profit, the deductibility for tax purposes of losses on non-current financial assets, the reversal of certain provisions that were not deductible for tax purposes when they were recognized in prior years and income that is not considered taxable (in relation to certain grants and the Patent Box relief).

In 2023, the Group utilized 1,400 thousand euros of tax credits (2022: zero). The tax credits utilized in 2023 derived mainly from new product development efforts, charitable donation deductions, deductions under double taxation treaties and tax relief on the reinvestment of gains generated by asset sales (still-unused credits generated prior to 2014).

Until and including 2014, it was possible in Spain to certify deductions in respect of reinvestments; those deductions were eliminated in 2015. Between 2013 and 2006, both inclusive, the Spanish tax group reinvested qualifying proceeds 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:

	31/12/2023			31/12/2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Opening balance: continuing operations	48,794	(227,290)	(178,496)	46,270	(222,220)	(175,950)
Transfers	(3,296)	2,540	(756)	512	(373)	139
Translation differences	(361)	2,770	2,409	1,249	(3,503)	(2,254)
Disposals / derecognitions	0	0	0	(550)	3,022	2,472
Charged / credited in statement of profit or loss	1,152	(4,122)	(2,970)	1,983	(1,707)	276
Charged / credited to equity	(365)	(102)	(467)	(1,728)	(646)	(2,374)
Restatements	(1,047)	(2,281)	(3,328)	1,058	(1,863)	(805)
Closing balance	44,877	(228,485)	(183,608)	48,794	(227,290)	(178,496)

The breakdown of deferred taxes into their most significant components at year-end is provided in the next table:

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	31/12/2023		31/12/2022	
	Deferred tax		Deferred tax	
	assets	liabilities	assets	liabilities
Property, plant and equipment	625	(55,245)	216	(59,677)
Investment properties	5,644	0	9,133	(25)
Goodwill	3,009	(86,655)	2,688	(82,746)
Other intangible assets	5,421	(78,092)	4,726	(76,253)
Inventories	8,391	(365)	8,881	(269)
Receivables and accruals (assets)	2,513	(934)	3,142	(1,392)
Pensions and similar obligations	4,069	(953)	6,276	(926)
Other non-current provisions	584	(526)	409	(630)
Payables and accruals (liabilities)	9,582	(364)	7,813	(156)
Unused tax credits and tax losses	5,039	0	5,510	0
Tax assessments	0	(2,972)	0	(2,972)
Accrual of tax credits	0	(2,379)	0	(2,244)
TOTAL	44,877	(228,485)	48,794	(227,290)

The Spanish tax group has its books open to inspection from 2016 in respect of corporate income tax and from 2020 in respect of all other 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 2019 or 2020.

The directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations.

Annulment of Royal Decree-Law 3/2016.

In January 2024, Spain's Constitutional Court ruled that some of the measures enacted via Royal Decree-Law 3/2016, of December 2, 2016, specifically those amending the Corporate Income Tax Act in Spain, were unconstitutional.

Royal Decree-Law 3/2016 modified several aspects of Spain's corporate income tax regime by eliminating some tax credits. The Constitutional Court has since ruled that three of those modifications are unconstitutional:

- The ceiling on the utilization of tax losses by companies with annual revenue in excess of 20 million euros.
- The limit on relief for double taxation.
- The obligation to include in taxable income the amount of deductible impairment losses on equity investments in fifths over a period of five years.

Ebro Foods, S.A., as the parent of the Spanish tax group, had and has appealed its tax returns for 2016 to 2020 (both inclusive), alleging the unconstitutionality of Royal Decree-Law 3/2016, although the amounts involved in those years are not material with respect to the financial statements of the Parent and its Group as a whole, so that the Group has not recognized any impact in the consolidated financial statements for 2023.

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International Tax Reform. Pillar Two Model Rules

The Pillar Two legislation has been enacted or substantively enacted in several jurisdictions in which the Group operates. That legislation will be effective in annual periods beginning on or after January 1, 2024. The Group falls under the scope of the legislation that has been enacted or substantively enacted and has assessed its potential exposure to the Pillar Two rules in 2024.

Specifically, its assessment of its potential exposure to the Pillar Two rules is based on the most recent tax returns, country-by-country tax reports and the financial statements of the entities comprising the Group. Based on that assessment, the Group has identified its potential exposure to Pillar Two rules in respect of the earnings obtained in Thailand and the United Arab Emirates. Its potential exposure originates from the Group's two subsidiaries in those jurisdictions, in which the effective tax rate under Pillar Two rules is under 15%. The effective Pillar Two rate in those jurisdictions is below the 15% threshold on account of certain 'tax holidays' and other tax credits received by those subsidiaries. However, the earnings generated in those countries are not material with respect to total consolidated tax income; the Group estimates potential expenditure for supplementary tax of between 0.5 and 1.5 million euros in 2024, although the final amount will depend on the subsidiaries' income and expenses and on trends in the related exchange rates.

Unused tax losses and tax credits

At year-end 2023, the Group companies had 102 million euros of unused tax losses, 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, as depicted in the following schedule, which also shows the Group companies' unused tax credits (in thousands of euros):

EBRO FOODS GROUP	Dec. 31, 23 - Tax credits in respect of:			
Tax credits by country	Unused tax losses	Unused tax losses	Unused tax credits	Total assets
	BASE	TAX PAYABLE	TAX PAYABLE	TAX PAYABLE
Thousands of euros				
US	7,859	1,651	13,232	14,883
France	11,787	3,045	168	3,213
Italy	0	0	5,105	5,105
Sweden	8,973	1,974	0	1,974
Spain	35,355	8,839	4,114	12,953
Netherlands	4,190	779	0	779
Belgium	234	59	0	59
Germany	23,057	3,497	0	3,497
UK	7,035	1,759	0	1,759
Morocco	3,167	666	0	666
Argentina	564	141	0	141
Cambodia	129	26	0	26
	102,350	22,436	22,619	45,055
Recognized as tax assets (capitalized)		4,958	5,157	10,115
Not recognized as tax assets		17,478	17,462	34,940
		22,436	22,619	45,055

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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 being contested (albeit not the related fines). The assessments signed under protest have been appealed.

As for these 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 have so far been handed down on six of the seven lawsuits comprising this part of the assessments (friendly agreements between Spain and other countries in order to avoid double taxation) which have not given rise to significant outflows of resources for the Ebro Group.

There were no new significant developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2022 or 2023.

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 one 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:

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	31/12/2023	31/12/2022
Within one year	1,022	1,052
After one year but not more than five years	63	70
More than five years	49	65
Total	1,134	1,187

Capital commitments

Capital expenditure contracted for (machinery purchases and upgrades) at the end of the reporting period but not yet incurred totalled 62,147 thousand euros (54,423 thousand euros at year-end 2022).

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):

	31/12/2023	31/12/2022
Bank guarantees: Provided to courts and other bodies in relation to claims and tax deferrals (notes 20 & 21)	16,097	19,450
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	50,255	46,921
TOTAL	66,352	66,371

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

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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 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 will be 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, GmbH., the Ebro Group acquired 55% of Germany's Transimpex, mbH., also committing to acquire the outstanding 45%.

The total investment for 100% of Transimpex amounted to 23,622 thousand euros, of which 9,361 thousand euros was paid for in 2017. The Group committed to paying the outstanding 14,261 thousand euros three years from the close, by September 30, 2020, from which date (and with no time limit but with a notice requirement of 12 months) 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.

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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 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 current financial liability (measured in accordance with the method described in Note 2 of the table above).

- Santa Rita Harinas - The Ebro Group acquired 52% of Santa Rita Harinas, S.L. for 4,778 thousand euros in July 2016. The Group took effective control of Santa Rita Harinas, S.L. on July 13, 2016, which was also the date of its first-time consolidation.

In addition, the Group 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 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 provided a put option over 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 current financial liability (measured in accordance with the method described in note 2 of the table above).

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- 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 totalled 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 current financial liability (measured in accordance with the method described in "Note 2" at the start of this Note 22).

The Group's investment commitments with respect to these companies and the expected timeline of the potential future payments are summarised below:

Thousands of euros		Group	Group
	Total	1	2
Commitments at January 1, 2023	213,177	20,652	192,525
- Dividends paid in 2023	-7,717	-1,700	-6,017
- Share of profit/(loss) in 2023 (a)	12,260		12,260
- Share of other income and expenses recognized in equity	-87		-87
- Expenses/losses related to derivatives and financial instruments (note 7.3)	4,736	4,736	
- Option settlement (payment)	0	0	0
- Change in fair value in 2023 (a)	46,964		46,964
Commitments at December 31, 2023	269,333	23,688	245,645
Estimated payment timeline			
- Potential payments in 2024	245,645		
- Potential payments in 2025	23,688		
	269,333		

- 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 AND RESULTING YEAR-END BALANCES

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 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.

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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 2023.

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	2023 Amount	2022 Amount
Sociedad Anónima DAMM (Estrella de Levante, S.A.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	2,321	1,796
Sociedad Anónima DAMM (COCEDA, S.L., formerly called Cia. Cervecera Damm, S.L.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	7,115	6,697

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	2023 Amount	2022 Amount
Antonio Hernández Callejas (Luis Hernández González)	Relative	Ebro Foods, S.A.	Lease (expense)	47	45
Antonio Hernández Callejas	--	Ebro Foods, S.A.	Temporary assignment of rights of use (expense)	76	0
Antonio Hernández Callejas (Imirton, S.L.)	Company	Ebro Foods, S.A.	Sale of goods (finished and in-progress)	1	0
Antonio Hernández Callejas (Hacienda las Casetas, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	12
Demetrio Carceller Arce (Disa Energy, S.L.U.)	Company	Herba Ricemills, S.L.U.	Purchase of services	4,045	7,263

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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	2023 Amount	2022 Amount
Demetrio Carceller Arce (Disa Península, S.L.U.)	Company	Herba Ricemills, S.L.U.	Purchase of services	44	0
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	0	1
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in- progress)	3,258	943
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in- progress)	540	330
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	260	32
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in- progress)	104	65
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	104	65
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	R&D transfers and licence agreements	268	219
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	16	19
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in- progress)	185	35
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Provision of services	8	14
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	La Loma Alimentos, S.A.	Purchase of goods (finished and in- progress)	0	126
Grupo Tradifín S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arrozeiras Mundiarroz, S.A.	Purchase of services	2	0

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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	2023 Amount	2022 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz 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)	1	9
Grupo Tradifin S.L. and Heralianz 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)	0	219
Grupo Tradifin S.L. and Heralianz 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)	0	29
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in-progress)	0	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	0	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in-progress)	0	35
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	16	1
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	22	13
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of services	6	0

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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	2023 Amount	2022 Amount
Grupo Tradifin S.L. and Heralianz 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)	0	86
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in-progress)	0	10
Grupo Tradifin S.L. and Heralianz 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)	0	101
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	0	10
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in-progress)	0	37
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	22	17
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	16	1
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of services	6	0
Grupo Tradifin S.L. and Heralianz 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)	106	687
Grupo Tradifin S.L. and Heralianz 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)	325	42
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in-progress)	104	65

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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	2023 Amount	2022 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	104	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in-progress)	185	35
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	0	23
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	0	20
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	2	13
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Dehesa Norte, S.L.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz 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)	32	692
Grupo Tradifin S.L. and Heralianz 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)	83	68
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in-progress)	173	10
Grupo Tradifin S.L. and Heralianz 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)	226	80
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	172	10
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in-progress)	196	35

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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	2023 Amount	2022 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Provision of services	2	16
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz 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)	84	11
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Ebro Foods Belgium, N.V.	Purchase of goods (finished and in-progress)	173	65
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Ebro Foods Belgium, N.V.	Sale of goods (finished and in-progress)	172	65
Grupo Tradifin S.L. and Heralianz 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)	260	29
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Ebro Ingredients, B.V.	Purchase of goods (finished and in-progress)	186	35
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	0	1
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Provision of services	2	13
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Mundi Riso, S.R.L.	Purchase of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Riceland Magyarorszag, Kft	Provision of services	1	0
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate, S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	452	441

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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	2023 Amount	2022 Amount
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	31	33
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Zudirro, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	67	627
Grupo Tradifin S.L. and Heralianz 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)	0	76
Grupo Tradifin S.L. and Heralianz 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)	0	302
Grupo Tradifin S.L. and Heralianz 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)	0	123
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispagrains Agro SL)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	1,033	4,825
Grupo Tradifin S.L. and Heralianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispagrains Agro SL)	Company	Herba Ricemills, S.L.U.	Purchase of services	34	0
Grupo Tradifin, S.L. (Cabher 96, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1

23.3 Other transactions with significant shareholders and directors/executives: dividends received from Ebro Foods, S.A.

Framed by Ebro Foods, S.A.'s general dividend policy, the following amounts were paid in 2023 (2022) (expressed in thousands of euros):

- Dividends paid to significant shareholders (excluding those that were directors as at December 31, 2023): 22,721 (22,186)
- Dividends paid to directors (and persons related thereto) and officers: 40,661 (40,350)

The dividends paid to directors and officers include the dividends paid to the direct holders of the shareholdings reported as indirect by certain directors.

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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 2023 and 2022 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	2023 Amount	2022 Amount
Félix Hernández Callejas (*) (Hernández Barrera Servicios, S.A)	Herba Ricemills, S.L.U.	Provision of services	4	4
Félix Hernández Callejas (Hernández Barrera Servicios, S.A)	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1
Félix Hernández Callejas (Hernández Barrera Servicios, S.A)	Herba Ricemills, S.L.U.	Purchase of services	336	319

Note that Hernández Barrera Servicios, S.A. is also a related party of the director, Grupo Tradifín, S.L. Mr. Félix Hernández Callejas and Grupo Tradifín, S.L. are directors of Hernández Barrera Servicios, 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 by Ebro Foods, S.A. and its Group companies with Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2023 and 2022 (amounts in thousands of euros):

Ebro Group company with which the transaction was performed	Type of transaction	2023 Amount	2022 Amount
Ebro Foods, S.A.	Services rendered (income)	6	4
Ebro Foods, S.A.	Dividends received	400	1,000
Arotz Foods, S.A.	Purchase of goods (finished and in-progress)	13	83

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Ebro Group company with which the transaction was performed	Type of transaction	2023 Amount	2022 Amount
Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	488	444
Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	4,914	8,329
Herba Ricemills, S.L.U.	Sale of PP&E, intangible and other assets	0	121
Herba Ricemills, S.L.U.	Other expenses	0	5
Herba Ricemills, S.L.U.	Finance income	0	25
Herba Ricemills, S.L.U.	Provision of services	12	0
Herba Foods, S.L.U.	Finance cost	54	0
Transimpex	Sale of goods (finished and in-progress)	51	0
Transimpex	Purchase of goods (finished and in-progress)	931	0
Mundi Riso, S.R.L.	Purchase of goods (finished and in-progress)	823	1,423
Mundi Riso, S.R.L.	Sale of goods (finished and in-progress)	2,444	2,681
Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	105	139
Geovita Functional Ingredients, S.R.L.	Purchase of goods (finished and in-progress)	54	134
Geovita Functional Ingredients, S.R.L.	Sale of goods (finished and in-progress)	169	307
Herba Bangkok, S.L.	Sale of goods (finished and in-progress)	237	1,756
Ebro Ingredients, BV	Sale of goods (finished and in-progress)	604	243
Ebro Ingredients, BV	Purchase of goods (finished and in-progress)	0	63

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 itemised in article 229 of Spain's Corporate Enterprises Act.

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

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- Grupo Tradifín, S.L. holds (i) a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive; and (ii) a 100% direct interest in Arrozales Los Moriscos, 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 an indirect interest of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Arrozales Los Moriscos, S.L. through her direct shareholding of 33.25% in Grupo Tradifín, S.L., where she serves as chief executive officer.

Ms. Blanca Hernández Rodríguez does not hold any positions at either Instituto Hispánico del Arroz, S.A. or Arrozales Los Moriscos S.L.

- Heralianz Investing Group, S.L. holds a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is the chief executive.
- Mr. Félix Hernández Callejas (the natural person who represents Heralianz 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 Heralianz Investing Group, S.L., on whose board he serves. Mr. Félix Hernández Callejas is the Vice-Chairman and CEO 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 Heralianz Investing Group, S.L. Antonio Hernández Callejas does not hold any position at Instituto Hispánico del Arroz, S.A.

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

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

23.8 Changes in the Board of Directors

Below is a list of the changes in the composition of the Board of Directors and its committees between December 1, 2023 and March 22, 2024 (the date of authorising these consolidated financial statements for issue):

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- On December 10, 2023, Mr. Fernando Castelló Clemente resigned as director, with effect from December 31, 2023. Mr. Castelló Clemente was an independent director and a member of the Audit, Control and Sustainability Committee and member and chair of the Nomination and Remuneration Committee.
- On January 31, 2024, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, agreed to use its co-option powers to appoint Ms. Elena Segura Quijada to fill the vacancy left by Mr. Fernando Castelló Clemente. Ms. Segura Quijada likewise qualifies as an independent director. Elena Segura Quijada was also appointed a member of the Audit, Control and Sustainability Committee and of the Nomination and Remuneration Committee to fill the vacancies on both committees created by the resignation of Mr. Castelló Clemente.
- Lastly, on January 31, 2024, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, agreed to appoint Ms. Mercedes Costa García as Chairwoman of the Nomination and Remuneration Committee, a position held by Mr. Fernando Castelló Clemente at the time of his resignation. Ms. Costa García is an independent director and has been a member of the Nomination and Remuneration Committee since September 27, 2017.

23.9 Director and officer remuneration

Director remuneration. - The remuneration earned by the members of the Board of Directors of Ebro Foods, S.A. totalled 8,085 thousand euros in 2023 (2022: 7,249 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2023	2022
TYPE OF REMUNERATION		
Attendance fees	329	333
Fixed remuneration received in their capacity as directors	2,850	2,850
Total director remuneration	3,179	3,183
Wages, salaries and professional fees	4,906	4,066
Termination and other benefits	0	
Total executive director remuneration	4,906	4,066
TOTAL REMUNERATION	8,085	7,249
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

Article 22 of the Company's Articles of Association 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.*

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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 29, 2024, 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 2023 at the upcoming 2024 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 2023 (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	384	27	1,508	3,398	5,317
Carceller Arce, Demetrio	362	26			388
Barreiro Pérez-Pardo, Belén	154	22			176
Carceller Arce, María	119	18			137
Castelló Clemente, Fernando (director until December 31, 2023)	201	30			231
Comenge Sánchez-Real, José Ignacio	146	19			165
Corporación Financiera Alba, S.A.	119	18			137
Costa García, Mercedes	193	30			223
Empresas Comerciales e Industriales Valencianas, S.L.	119	18			137
Fernández Alonso, Javier	305	29			334
Grupo Tradifín, S.L.	193	30			223
Hercalians Investing Group, S.L. (*)	146	19			165
Murtra Millar, Marc Thomas	289	27			316
Xuclà Costa, Jordi	119	18			137
TOTAL	2,849	331	1,508	3,398	8,086 (**)

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(*) Heralianz 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.

(**) Total director remuneration in 2023 amounted to 8,084,680 euros, before tax, which, rounded to thousands of euros comes out at 8,085 thousand euros. 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 2023, 1,898 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2021, the last year of that plan, a figure representing up to 50% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2021 financial statements and paid in 2023.
- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2023, the 2023 financial statements recognize a provision of 1,125 thousand euros in respect of the provisional estimate of the amount corresponding to 2023 under the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Business Plan, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2025.

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.

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Officer remuneration - A total of 10 people were considered officers of Ebro Foods, S.A. at year-end 2023 (year-end 2022: 10); in 2023, those executives accrued total remuneration (fixed wages and salaries, annual bonuses and, as applicable, deferred annual bonuses) of 2,874 thousand euros (2022: 2,582 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 2023 (also five at year-end 2022). Their total aggregate pre-tax remuneration in 2023 was 2,067 thousand euros, 772 thousand US dollars and 443 thousand Canadian dollars (1,884 thousand euros, 705 thousand US dollars and 358 thousand Canadian dollars in 2022), corresponding to fixed wages and salaries and annual bonuses.

Nine 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 Business Plan at December 31, 2023 (9 at year-end 2022). Total aggregate remuneration effectively collected under that scheme in 2023 (corresponding to that accrued by nine executives in 2021) amounted to 1,441 thousand euros and 286 thousand US dollars, a figure representing up to 50% of the bonuses earned during the three-year term of the 2019-2021 Scheme and which had been provided for in the 2021 financial statements.

In addition, the financial statements for the year ended December 31, 2023 recognize a provision of 731 thousand euros and 246 thousand US dollars by way of provisional estimate of the amount that will be accrued by the 10 officers covered by the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Business Plan (excluding the Chairman of the Board of Directors). The amounts provided for, which represent up to 25% of the Deferred Annual Bonus Scheme for 2022-2024, will be paid, in keeping with the plan rules, in 2025.

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 175 thousand euros in 2023 (193 thousand euros in 2022), are effective until April 30, 2024 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 as follows 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, optimise 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 implementing in-house management systems and monitoring 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 simple agricultural food processes that have a low impact on the environment and entail minimum risk of accidental contamination. The most significant environmental aspects pertaining to the Group can be categorised as follows:

1. Emissions into the air: mainly particles derived from the handling of cereals and greenhouse gas (GHG) emissions originated by 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.

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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.

Precautionary principle

The guidelines underpinning the precautionary principle are set down in the Group's Code of Conduct and its Sustainability, Environment and Corporate Social Responsibility Policy. In both documents, Ebro Foods expresses its firm commitment to respecting and protecting the environment and preserving biodiversity. Elsewhere, it ensures that the Group companies comply with the environmental regulations applicable to their business activities and any other commitments assumed voluntarily and deploys environmental sustainability programmes to address specific matters.

Provisions and guarantees for environmental claims

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.

Environmental assessment and certification processes

One of the Ebro Group's top environmental management priorities is absolute compliance with the regulations applicable to its business activities.

Indeed, all of the Ebro Group's facilities operate under the certifications, specifications and permits pertinent to their respective geographic markets and they manage their environmental aspects accordingly.

Moreover, the following workplaces have certified their environmental management systems under the UNE-EN-ISO 14001 standard:

1. San Juan de Aznalfarache (Herba Ricemills)
2. Coria del Rio (Herba Ricemills)
3. Los Palacios (Herba Ricemills)
4. La Rinconada (Herba Ricemills)
5. Isla Mayor (Herba Ricemills)
6. Gagnano (Pastificio LucioGarofalo)

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Climate change: risk mitigation and reduction of the Ebro Group's carbon footprint

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) and the viability of transport, logistics and product distribution operations and implies an increase in the energy requirement associated with our productive processes, among other things. Climate variables are, therefore, a fundamental part of the environmental criteria the Ebro Group layers into its management strategy.

Against this backdrop, in 2023, the Group began to analyse the organisation's climate risks and opportunities following the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), which furnishes guidelines for identifying, managing, reporting and monitoring the main physical and transition risks to which the Group may be exposed as a result of climate change, as well as the related potential business and development opportunities.

The scope of that analysis included both the rice and pasta (wheat) businesses, including the processing factories, the main warehouse facilities and the regions where the Group sources these raw materials in Spain and internationally.

The climate scenarios used were the RCP 8.5 (pessimistic pathway) and RCP 4.5 (stabilisation pathway) scenarios drawn up by the Intergovernmental Panel on Climate Change (IPCC), while the time horizons modelled were to 2030, 2040 and 2050, in line with the various national and international commitments in the climate change field.

The traditional scenarios used for reference were the conservative Stated Policies Scenario (STEPS) and The Net Zero Emissions Scenario (NZE), which assumes that the global energy sector achieves net zero emissions in 2050 and is consistent with limiting the rise in the global temperature to 1.5°C.

A. STRATEGY

The Group's exposure to physical and transition risks was assessed by analysing the probability of occurrence of the risks identified in the various climate scenarios and the exposure and vulnerability of the Group's facilities, sourcing markets and business activities. No single risk factor was classified as critical or high.

The Group's most significant physical risks are changes in precipitation and temperature patterns, although they are categorised as moderate risks for the business.

In both instances, crop yields would be affected directly, as would, therefore, producers' sales prices. Other risks relate to the fact that rice and wheat are the primary food source in some of the Group's supply markets, which, in a situation of scarcity, could lead to bans or limits on exports; this is particularly a risk in Southeast Asia.

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The requirement to calculate Scope 3 emissions including the supply chain, the high costs associated with the required energy transition and potential changes in demand from end consumers are the transition risks to which the Group is most exposed, albeit in all instances categorised as non-material, as the Group is already working to the mitigate them all.

Elsewhere, climate change implies a number of associated opportunities which the Group has also analysed. The goal is to take advantage of those considered most feasible and position the Group appropriately for the disruption implied by climate change. For each opportunity the Group analysed its level of feasibility (technical and economic) and its current level of development. The main opportunities identified are:

- The development of energy efficiency plans and the addition of renewable energy generation capacity for self-consumption at the productive facilities.
- The extraction of synergies among the packaging, emissions-abatement and raw material rationalisation targets.
- The development of sustainable farming programmes with suppliers.

B. MANAGEMENT

Based on this first analysis and thanks to the matrices created to this end, the climate risks faced by Ebro Foods have been integrated into the Group’s ERM. Moreover, the matrices are complemented by a risk map (precipitation, high temperatures, floods, drought and wildfires) associated with the supply and industrial regions assessed and by a series of heat maps, which are key to monitoring unfolding risks and timely detection of significant changes in any of the risks identified.

Quantification of the financial impact of the most significant risks identified is extremely complex as the task requires analysing a significant number of variables in addition to those that are strictly climate-related and whose isolation from the assessment is very complicated to perform.

To that end, the Group conducted a detailed bibliographical study of the main environmental variables that could affect rice and durum wheat prices, as Ebro Foods purchases agricultural commodities from suppliers all around the world.

Physical risks

A synopsis of the measures identified for mitigating the main risks and developing the most feasible opportunities is provided below.

Physical risks	Measures
<p>The Group’s most significant identified physical risks are changes in precipitation and temperature patterns; they are categorised as a</p>	<p>Ebro Foods boasts the following competitive advantages:</p> <ul style="list-style-type: none"> ✓ Sufficient raw material buffer stocks for addressing ad-hoc supply shortages. ✓ A well-diversified supply chain.

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Physical risks	Measures
moderate risk for the business.	<ul style="list-style-type: none"> ✓ It can switch up its rice and wheat supply markets. ✓ When raw material prices are high, the Group also has the ability to pass those prices through to its end prices.

Transition risks

As all of the identified transition risks were classified as non-material, no specific measures have had to be drawn up to mitigate their impact. Nevertheless, Ebro Foods is working on the following initiatives:

Transition risks	Measures
<ul style="list-style-type: none"> - Potential compulsory quantification of indirect GHG emissions (supply chain) - CSRD: double materiality assessment - Scope 3: emissions associated with the supply chain 	<p>Ebro Foods has already performed its double materiality assessment and calculated its Scope 1, 2 and 3 GHG emissions.</p> <p>It is also part of emissions-abatement initiatives in the logistics sector such as Lean & Green and will have completed its registration with the SBTi by year-end 2024.</p>
High costs associated with the transition to low-emissions technology	<p>The nature of Ebro Foods' business activities means that the organisation is not highly dependent on fossil fuels.</p> <p>At present all of the dryers across Ebro Foods's facilities are fuelled using natural gas, and the production of instant rice products in the US also uses this fuel source.</p> <p>As for the electricity it consumes, the Ebro Foods Group is already partially self-sufficient at some of its factories and approximately 7% of the energy it purchases is certified renewable power.</p>
Changes in end consumer conduct and preferences (demand for locally produced/zero emissions / ecological / more sustainably made products)	<p>- The Ebro Group sells products with these attributes under all of its trademarks. This is not currently considered a risk of particular significance as a number of specific studies looking at rice and pasta consumer trends suggest demand for products with these attributes is not growing substantially. Permanent state of alert in order to anticipate changes in consumer conduct.</p>

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	- Strategic commitment to differentiation and value creation at the brand level by leveraging innovation.
Opportunities	Measures
Development of energy efficiency plans at the productive facilities	The Group companies invest periodically in boosting their energy efficiency. In the last three years, capital expenditure on energy efficiency totalled 2.2 million euros and the Group plans to extend this investment thrust going forward.
Adding renewable energy generation capacity (solar, biomass, CHP) at its productive facilities depending on the conditions prevailing in each country, while continuing to purchase certified green energy.	<p>In 2023, a little over 4% of the energy consumed directly by the Group was generated at the photovoltaic solar and CHP facilities located in the following productive facilities:</p> <p><u>Photovoltaic:</u></p> <ul style="list-style-type: none"> • Arotz: Navaleno • Bertagni: Avio and Vicenza • Ebro Frost Germany: Offingen • Ebro India: Taraori • Garofalo: Gragnano • Geovita: Bruno • Herba Bangkok: Nong Khae • Herba Ricemills: Rinconada and Algemesí • Mundiriso: Vercelli • Riviana Foods: Colusa • Transimpex: Lamsheim <p><u>CHP (combined heat and power)</u></p> <ul style="list-style-type: none"> • Bertagni: Avio and Vicenza • Ebro Frost Germany: Offingen • Garofalo: Gragnano • Geovita: Vilanova Monferrato <p>This investment thrust is also expected to continue in the coming years. Over 7% of the electricity purchased (indirect consumption) in 2023 came with renewable energy certifications.</p>
Generation of synergies across the packaging, emissions-abatement and raw material rationalisation targets.	<p>The Group has articulated its Sustainability Plan, HEADING FOR 2030, around the following packaging-related targets:</p> <ul style="list-style-type: none"> ✓ Increased use of recyclable and reusable materials. ✓ Reduced volume of packaging materials. ✓ Use of paper and board sourced from sustainably managed forests (FSC / PFSC). ✓ Use of recycled board. ✓ Decreased use of single-use plastics. ✓ Search for plant-based alternatives to plastic.
- Development of sustainable farming programmes in the Group's key supply markets.	The Ebro Group is working actively to foster and research environmentally sustainable farming practices in a number of rice and wheat producing regions in order to contribute to environmental preservation, protect biodiversity and mitigate the effects of climate change.

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Opportunities	Measures
- Promotion of sustainable farming standards.	This task involves standalone initiatives as well as <i>ad-hoc</i> partnerships with stakeholders, as well as membership of the two most important international platforms in this area: SAI Platform (SAI-P) and Sustainable Rice Platform (SRP).

C. **METRICS AND OBJECTIVES** At the date of authorising these consolidated financial statements for issue, this phase of the projects was still in progress and is slated for completion during the second quarter of 2024.

Scope 1, 2 and 3 GHG emissions measurement

To measure the Scope 1 and 2 GHG emissions components of the Group’s carbon footprint (figures it has been tracking since 2021), the Group has an ISO 14064-1:2019-certified GHG inventorying system which encompasses all Ebro Group companies. Those emissions are calculated using activity data extracted for each company/factory and emissions factors taken from official sources which are then applied to all of the Group’s factories. All greenhouse gases (CO2, CH4, N2O, HFC, PFC, SF6 and NF3) are included in that calculation.

In 2023, the Group completed its first measurement of its Scope 3 emissions, following the calculation and reporting criteria established in the GHG Protocol, and had that measurement externally verified.

To do so, it started from an initial analysis of the applicability and relevance of the various categories of Scope 3 emissions defined in the GHG Protocol (screening), which then served as the basis for performing the detailed calculations for the various companies comprising the Group.

Thanks to that initial analysis, the Group was able to perform more detailed calculations for the categories that were determined to be more material in scale in relation to the Group’s total carbon footprint and to define and apply decarbonisation levers.

As a result, the Group’s Scope 3 emissions calculation is based on analysis performed using activity data for the various Group companies and primary information provided directly by its suppliers.

That measurement revealed that Scope 3 emissions represent 96% of the Group’s overall carbon footprint.

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GHG emissions	2023	
Scope 1 emissions	168,777	3%
Scope 2 emissions	84,619	1%
Scope 3 emissions	5,417,308	96%
Total emissions (MT of CO₂eq)	5,670,705	

Note: more detailed information is available in chapter 10 (Environmental commitment) of the Group's non-financial statement

Next steps: Having completed measurement of its Scope 3 emissions, in 2024, the Group plans to, firstly, define its SBTi emissions-reduction targets for the Group as a whole and, secondly, develop its first Decarbonisation Plan, with an initial boundary of Spain.

▪ Scope 1 and 2 decarbonisation drivers

The Group has already embarked on a number of initiatives designed to reduced its Scope 1 and 2 emissions. Those initiatives are:

- 1) The installation of photovoltaic plants for self-consumption.
- 2) The installation of combustion plants fuelled by renewable biomass (rice husks, charcoal and wood chips) to generate heat energy.
- 3) The installation of CHP plants.
- 4) The purchase of certified green electricity.

In 2023, the Group commissioned four new photovoltaic power facilities at Bertagni, Herba Bangkok, Herba Ricemills and Riviana Foods.

List of the Ebro Group's photovoltaic, biomass and CHP facilities

Company	Factory	PV	Biomass	CHP
Arotz	Navaleno	x		
Bertagni	Avio	x		x
	Vicenza	x		x
Ebro Frost Denmark	Orbaek		x	
Ebro Frost Germany	Offingen	x		x
Ebro Frost UK	Beckley			
Ebro India	Taraori	x	x	
Garofalo	Gragnano	x		x
Geovita	Bruno	x		
	Villanova Monferrato			x
Herba Bangkok	Nong Khae	x		
Herba Ricemills	Algemesí	x		
		x		

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	Rinconada San Juan		x	
Mundiriso	Vercelli	x		
Riviana Foods	Colusa	x		
S&B	Fullbourn			
	Regent			
Tilda	Classic			
	Jazz			
Transimpex	Lambsheim	x		

In 2023, an increase of 25% in the purchase of certified green electricity, self-generation using solar power and the use of renewable fuels meant that the Group forewent 13,170 metric tonnes of carbon dioxide equivalent, 41% more than in 2022.

Activity	2023	2023	2022	2022
	MWh	Emissions foregone	MWh	Emissions foregone
Certified green electricity	23,871	5,103	21,290	4,117
PV self-generation	5,420	2,497	1,767	685
Biomass	27,551	5,570	22,493	4,547
Total (MT of CO₂eq)	56,843	13,170	45,550	9,350

▪ Scope 3 decarbonisation drivers

Having calculated its Scope 3 emissions and identified the most important categories and decarbonisation drivers for the Group, as outlined above, in 2024, the Group will set specific targets for reducing emissions in one or more of the following categories:

- Purchase of goods and services
- Upstream and downstream transportation
- End of useful life
- Waste

Notwithstanding that effort, the Group has already embarked on a clear and defined pathway articulated around measures and initiatives designed to reduce its Scope 3 emissions.

Key measures underway for reducing Scope 3 emissions

▪ Purchase of goods and services (Category 1)

In this specific category, the Group has significant expertise championing and researching environmentally sustainable rice-farming practices applicable across its main supply markets.

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The main objectives of these programmes are to take better care of the environment, foster biodiversity and mitigate the effects of climate change.

This 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 2023:

Company	Crop	Country	Project name	Metrics
Herba Ricemills	Rice	Spain	Origins	<ul style="list-style-type: none"> - Training on best practices - Rationalisation of resources - Engaging women and youths in farming practices
			Oryzonte	<ul style="list-style-type: none"> - Reduced use of water via AWD - Reduction in GHG emissions: - 60% in 255 hectares via AWD - Enhanced biodiversity - SRP verification
		Pakistan	SRP verification	<ul style="list-style-type: none"> - SRP verification - Certified seeds - Laser levelling - Intermittent watering (AWD) - Reduced water consumption
Ebro India	Rice	India	Organic farming	<ul style="list-style-type: none"> - Organic certification - Fair Trade certification
			Control farming & EKTA	<ul style="list-style-type: none"> - Training on best practices - Reduced use of pesticides - Certified seeds - Laser levelling
			Best practices	<ul style="list-style-type: none"> - Intermittent watering (AWD) - Reduced water consumption - Biological pest control - Reduced GHG emissions
			Stop Stubble Burning	<ul style="list-style-type: none"> - Use of fungi to produce bio-enzymes developed by the Indian Agricultural Research Institute (IARI), which can decompose straw stubble in around 25 days, so preparing the soil for the next crop. - Reduction of around 20-25% in the use of fertilisers
Mundiriso	Rice	Italy	FSA verification	<ul style="list-style-type: none"> - FSA verification

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Company	Crop	Country	Project name	Metrics
Herba Bangkok	Rice	Thailand	SARI-T	<ul style="list-style-type: none"> - Training on best practices - Water productivity gains - Increased number of women in farming - Biological pest control - Reduced GHG emissions - SRP verification
Herba Bangkok	Rice	Thailand	Green Climate Fund	<ul style="list-style-type: none"> - Reduced GHG emissions - Climate-smart technology and practices - Carbon credits by way of additional income
La Loma /Neofarms	Rice	Argentina	Organic farming	<ul style="list-style-type: none"> - Organic rice verification
Riviana Foods	Rice	US	Regenerative farming	<ul style="list-style-type: none"> - Reduction in water usage of 3-7% - Reduced GHG emissions: methane emissions cut by 32-80%, depending on the number of drying episodes (AWD) - FSA verification
Garofalo	Durum wheat	Italy	Sustainable durum wheat	Use of climate-smart technology to: <ul style="list-style-type: none"> - Rationalise the use of fertilisers - Rationalise the use of pesticides - Rationalise the use of water

The Sustainable Aromatic Rice Initiative - Thailand (SARI-T), developed in order to improve the livelihood of 1,200 rice growers in the province of Roi Et and to produce sustainable, high-quality fragrant rice (Hom Mali) concluded after six years. The work performed and farmers included in this project will continue their efforts under a new project, called “Strengthening Climate-Smart Rice Farming, Green Climate Fund”, which is slated to begin in 2024.

▪ Upstream and downstream transportation (Categories 4 & 9)

The work to reduce emissions in this category is being tackled from the ground and sea logistics standpoints.

- Emissions associated with ground transportation in Spain. Under the scope of the Group’s membership of Lean & Green, in 2023 it continued to work to reduce its logistics carbon footprint. Having defined the base year as 2019 and the key performance indicator as total MT of CO₂e/MT of products transported for sale, the progress has been very remarkable:

🇪🇺 2020: reduction of 6.06%.

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- ✚ 2021: reduction of 0.14% (recalculated upon receipt of new data from suppliers).
- ✚ 2022: reduction of 35.83%.
- ✚ 2023: calculation in progress.

- As for the emissions associated with shipping logistics, the Group has received primary data from its logistics supplier, Ecco-freight, which has devised a calculation tool, Eccoprint, which includes transportation (rail and/or road) from the source factory to the port of departure and from the port of destination to the Group's factories.

In 2023, an increase of 25% in the purchase of certified green electricity, self-generation using solar power and the use of renewable fuels meant that the Group forewent 13,170 metric tonnes of carbon dioxide equivalent, 41% more than in 2022.

Thanks to the choice of more environmentally-efficient routes over alternative routes with higher carbon footprints, the Group forewent the emission of 24,764 MT of CO₂e.

- End-of-life treatment of products sold (Category 12)

The main steps taken to reduce emissions in this category relate to changes in the materials used to package the Group's products. Framed by the Group's commitment to making all its packaging fully recyclable by 2030, the dry rice products sold under the Arroz SOS, SOS specialty rice, La Fallera, Sabroz and La Cigala brands in Spain, the Risella trademark in Finland, and one of the Group's best-selling formats, its Brillante rice pots, are already 100% recyclable.

As part of this same commitment, the Group worked on another three important packaging recyclability projects in 2023.

1. Group subsidiary Pastificio Lucio Garofalo developed a new packaging line made using recycled plastic (content: 30%) obtained via chemical recycling, which differs from mechanical recycling and opens up unprecedented scope for recycling waste fractions that are currently hard to recycle, such as plastic obtained from domestic garbage collection.

In fact, chemical recycling breaks up the molecules that comprise the polymers that form the various types of plastic used in packaging, turning them into a raw material equivalent to a virgin material that can be used to make new plastic.

Initially, this new packaging is being used for five products: spaghetti, penne, fusilli, farfalle and elicoidale, the brand's goal being to gradually increase the number of products packaged using this new product, as well as the percentage of recycled plastic content.

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As part of this programme, Garofalo joined the LifeGate Zero Impact project articulated around three concepts: calculating, reducing and offsetting. Participation in this initiative will allow Garofalo to offset all of the carbon emissions generated by making and selling its products' primary packaging for sale in the Italian market.

Those emissions will be offset by purchasing carbon credits for the Rimba Raya Reserve development project (Indonesia), which is working to conserve the tropical peat swamp forest, a region of major importance for biodiversity as it is a habitat for 94 threatened species itemised on the IUCN Red List, including the Bornean orangutan, the Sunda pangolin and the clouded leopard.

2. In Ebro Benelux began work on the Sustainable Boil in the Bag Solution, the goal of which is to replace the material currently used in this product category (HDPE, fossil based) with a bioplastic (PLA), made from corn starch. This initiative will also have a positive impact on the emissions-reduction effort as bioplastics have the unique property of neutralising CO₂.
3. In 2023, the Group continued to conduct tests and search for alternative materials for its pouches to guarantee the current food conservation properties offered by the triplex bases currently in use: polyester/polyamide/polypropylene (PET/PA/PP) and polyester/high barrier polyester/polypropylene (PET/PET HB/PP), and also for the compact 1 kg and 0.5 kg polypropylene formats.

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 shredding and recycling commitments.

- Waste (Category 5)

Here the focus is on increasing the volume of waste that is recovered and reducing food waste in our operations.

At the Group level, in 2023, the volume of waste eliminated decreased by 34% from 2022, while the volume recovered increased by 18%.

It is worth highlighting the significant change in how Herba Ricemills (Spain) manages its waste. Indeed, in 2023, 95% of the waste generated by this company was managed via recovery operations.

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As for food surplus (understood as products apt for consumption that, for a variety of reasons such as packaging defects, proximity to expiry dates, etc., are not apt for sale to consumers), the main in-house management policy within the Group is to donate to food banks.

The Ebro Group also participates actively in the initiative run by the Spanish association of food manufacturers and retailers, AECOC, to prevent food waste under the slogan, 'Food is not for wasting'.

That project has three main goals:

- Establishing prevention and efficiency practices all along the food chain so as to reduce waste.
- Making the most of food waste generated at the various stages of the value chain (redistribution, reuse and recycling).
- Raising awareness in society about this issue and the need to reduce food waste.

The initiative is supported by over 600 FMCG manufacturers and distributors, logistics and transportation players, business associations, consumer organisations and other institutions and is coordinated by AECOC.

The programme aims to create visibility around what companies are doing to avoid food waste and promote best practices in order to mitigate the problem. Every year in Spain, 7.7 million tonnes of food go to waste. This initiative therefore aims to increase consumer awareness of the problem implied by food waste globally and engage citizens in the effort so that every individual plays their part in reducing waste.

Unquestionably, stringent regulatory requirements in the short and medium term, as embodied by i) Law 7/2021 on Climate Change and Energy Transition in Spain; ii) the new Corporate Sustainability Reporting Directive (CSRD); and iii) the Commission's proposal for a Corporate Sustainability Due Diligence Directive (CSDDD) will provide impetus to the Group's efforts and targets around climate change between now and 2025, driving the design of a climate action plan aligned with the Paris Agreement to ensure that the Group's business model and strategy are compatible with the transition towards a sustainable economy.

To tackle these issues and monitor the latest trends and regulatory developments in this area, the Group has gone into active listening mode, ensuring its presence in the most important forums, including dedicated taskforces set up under the umbrella of the United Nations Global Compact and the Climate Change Cluster championed by Forética (www.foretica.org).

Within that last 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.

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The results of the Group's assessment of its environmental and climate change risks, and other risks it deems relevant, are included in the business plans, budgets and projections used to analyse the return on its assets. To date, the Group has not detected any potential material impact on their measurement or useful lives. Likewise, the environmental and carbon footprint reduction commitments outlined in this note do not have a significant impact on the measurement of the Group's assets or their useful lives. However, although that assessment was made using the best information available at the reporting date, its complexity implies the need for constant monitoring, which could lead to the modification of these estimates in the future.

As of the date of authorising these consolidated financial statements for issue, the Group is not aware of any obligations of an environmental nature that could give rise to a material liability in its consolidated financial statements.

25. NON-CURRENT ASSETS HELD FOR SALE AND PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS

The Group had no assets classified as held for sale or discontinued operations at December 31, 2023 or 2022.

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 2023 and 2022 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2023 amounted to 2,224 (2022: 2,089) thousand euros; those corresponding to other assurance services amounted to 120 thousand euros (2022: 92 thousand euros).
- The fees for other services totalled 196 thousand euros (2022: 254 thousand euros).

27. OTHER DISCLOSURES

Disclosures required under article 42 *bis* of Regulation 1065/2007 of July 27, 2017

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

Disclosures for Ebro Foods, S.A.:

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COMPANY	A/C ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2023 (€)	AVERAGE BALANCE 4Q23 (€)	% INTEREST	CURR.
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	CREDITO EMILIANO SPA	Naples	Italy	April-21	18,274.21	200,376.59	100%	EUR
	IBAN	CITITMXXXX	IT31V0356601600000136084453	CITIBANK	Milan	Italy	diciembre-23	0.00	0.00	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	agosto-06	16,795.22	22,328.42	100%	USD
Ebro Riviana Guatemala SL	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	marzo-21	30,952.51	57,472.39	100%	GTQ
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	agosto-11	2,397.55	2,604.17	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	agosto-11	0.00	0.00	100%	USD
Mundiriz	Other	BMCEMAMCXXX	0117350000032100060709.08	BANK OF AFRICA	Larache	Morocco	2001	1,086,858.71	756,367.98	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	22,391.14	35,937.20	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 03 66600 60709 24	BANK OF AFRICA	Larache	Morocco	2009	716.43	716.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 503 66500 12519 27	BANK OF AFRICA	Larache	Morocco	2015	145,818.31	147,725.34	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	marzo-18	65,657.47	44,549.56	100%	MAD
	Other	CAIXAMAMCXXX	003 640 6400000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	septiembre-21	6,412.67	6,449.53	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	0117350000032100006819.76	BANK OF AFRICA	Larache	Morocco	2007	7,893.92	39,488.44	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	octubre-21	2,464.32	5,300.45	100%	MAD
	Other	CAIXAMAMCXXX	003 640 6400000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	septiembre-21	-92,140.99	-91,775.62	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	1.1735E+20	BANK OF AFRICA	Larache	Morocco	2002	1,963.46	3,934.86	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 03 210 00 13562 23	BANK OF AFRICA	Larache	Morocco	febrero-17	69,753.80	69,753.80	100%	MAD

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 35.7 days in 2023 and 32.7 days in 2022. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

2023		
Payments made (€000)		487,801.1
	% of total	
Payments made within deadline (€000)	96%	467,976
No. of invoices settled within deadline	95%	39,447
Average payment period	Days	35.7
Paid transactions ratio	Days	35.7
Outstanding transactions ratio	Days	36.9

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2022		
Payments made (€000)		501,532.5
	% of total	
Payments made within deadline (€000)	97%	488,681
No. of invoices settled within deadline	96%	37,537
Average payment period	Days	32.7
Paid transactions ratio	Days	32.7
Outstanding transactions ratio	Days	39.7

28. EVENTS AFTER THE REPORTING PERIOD

Other than the developments with respect to the CNMC Disciplinary Ruling, as outlined in Note 20, there have been no significant events or developments between the end of the reporting period and the date of authorising the accompanying consolidated financial statements for issue.

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APPENDIX: DISCLOSURES REQUIRED UNDER ARTICLE 42 BIS OF REGULATION
1065/2007 OF JULY 27, 2017
(extension of Note 27)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2023 (€)	AVERAGE BALANCE LAST QUARTER (€)	% INTEREST	CURR.
Herba Ricemills, S.L.U.	IBAN	CITIGB2L	GB42 CITI 1850 0811 2932 65	CITIBANK NA	London	UK	12/05/2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB20 CITI 1850 0811 2932 73	CITIBANK NA	London	UK	12/05/2006	0.00	0.00	100%	USD
Herba Foods	IBAN	CITIGB2L	GB26 CITI 1850 0811 2301 15	CITIBANK NA	London	UK	18/05/2006	-35,190,639.09	-19,546,165.01	100%	GBP
	IBAN	CITIGB2L	GB04 CITI 1850 0811 2301 23	CITIBANK NA	London	UK	18/05/2006	12,457,798.09	10,170,760.62	100%	USD
Agromeruan	IBAN	CITIGB2L	GB48 CITI 1850 0811 2301 07	CITIBANK NA	London	UK	18/05/2006	26,018,343.57	10,337,036.87	100%	EUR
	Other	BMCEMAMCXXX	0117350000032100006819.76	BANK OF AFRICA	Larache	Morocco	2007	7,893.92	39,488.44	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	01/10/2021	2,464.32	5,300.45	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	01/09/2021	-92,140.99	-91,775.62	100%	MAD
Anglo Australian Rice LTD	IBAN	BARCGB22	GB93BARC20510130115193	BARCLAYS BANK	Liverpool	UK	01/11/1986	14,716.00	14,716.00	100%	GBP
	IBAN	BARCGB22	GB54BARC20510159121999	BARCLAYS BANK	Liverpool	UK	01/08/2001	0.00	0.00	100%	EUR
Arrozerais 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	UK	26/07/2006	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB40CITI18500811247905	CITIBANK NA	London	UK	26/07/2006	0.00	0.00	100%	EUR
	IBAN	BESCP2PL	PT50000702450011754000839	NovoBanco	Coruche	Portugal	14/02/1994	31,887.64	91,067.45	100%	EUR
	IBAN	BESCP2PL	PT500007024500117541011558	NovoBanco	Coruche	Portugal	15/12/1997	0.00	0.00	100%	USD
	IBAN	BBVAPTPL	PT5000190000020004690004	BBVA (Portugal)	Lisbon	Portugal	18/02/1992	596.73	711.73	100%	EUR
Bertolini Import und E., GMBH	IBAN	COBADEFF	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	01/01/2013	276,354.95	119,202.33	100%	EUR
	IBAN	CITIBEXX	BE53570128815553	CITIBANK NA	Brussels	Belgium	15/06/2006	0.00	0.00	100%	EUR
Ebro Foods Belgium, N.V.	IBAN	CITIGB2L	GB72CITI18500811229966	CITIBANK NA	London	UK	14/06/2006	0.00	0.00	100%	USD
	IBAN	GKCCBEFF	BE73552273580060	Belfius Bank	Antwerp	Belgium	02/05/1996	281,980.31	319,441.81	100%	EUR
	IBAN	GKCCBEFF	BE73552273580060 USD	Belfius Bank	Antwerp	Belgium	02/05/1996	0.00	0.00	100%	USD
	IBAN	KREDFE88	BE15734074042230	KBC	Brussels	Belgium	28/11/2023	2,485.54	2,485.54	100%	EUR
Ebro Foods GMBH	IBAN	COBADEFF	DE05200400000623709300	Commerzbank	Hamburg	Germany	01/07/2011	88,698.25	2,599,098.41	100%	EUR
Ebro Rice Handling, BVBA	IBAN	CITIBEXX	BE75570130425551	CITIBANK NA	Brussels	Belgium	14/04/2008	0.00	0.00	100%	EUR
EF Alimentación, S de RL de CV	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	7 Aug. 2011	2,397.55	2,604.17	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	7 Aug. 2011	0.00	0.00	100%	USD
Ebro Foods Nederland Holding, B.V.	IBAN	KREDNL2X	NL62KRED0633029009	KBC Bank NV Nederland	Rotterdam	Netherlands	01/11/2023	33,798.04	33,798.04	100%	EUR
	IBAN	CITIGB2L	GB79CITI18500811230034	CITIBANK NA	London	UK	26/07/2006	215,365.83	-36,641.59	100%	EUR
Ebrofrost Denmark A/S (formerly, Danrice)	IBAN	CITIGB2L	GB79CITI185008113428915	CITIBANK NA	London	UK	23/04/2013	44,458.22	41,617.78	100%	USD
	IBAN	JYBADXXX	DK5650600001063204	Jyske Bank A/S	Odense	Denmark	01/01/2014	457,281.52	460.34	100%	DKK
	IBAN	JYBADXXX	DK50601180222	Jyske Bank A/S	Odense	Denmark	01/06/2023	2,193.93	1,849.68	100%	USD
	IBAN	JYBADXXX	DK3450600001063212	Jyske Bank A/S	Odense	Denmark	01/01/2014	1,040,980.00	1,607.00	100%	EUR
Ebrofrost Germany, GmbH (antigua Keck Spezialitäten)	IBAN	BYLADEM1GZK	DE83720518400000161315	Sparkasse Günzburg/Krumbach	Günzburg	Germany	1 June 2023	1,084,137.30	1,914,963.98	100%	EUR
	IBAN	COBADEFFXX	DE11720400460110102100	Commerzbank	Frankfurt	Germany	26/06/2023	744,984.56	372,492.28	100%	EUR
	IBAN	CITIDEFFXX	DE28502109000221094662	Citibank	Frankfurt	Germany	27/10/2023	0.00	0.00	100%	EUR
Ebrofrost Holding GmbH	IBAN	BYLADEM1GZK	DE49720518400040319345	Sparkasse Günzburg/Krumbach	Günzburg	Germany	01/06/2013	78,103.17	259,039.66	100%	EUR
	IBAN	CITIDEFFXX	DE74502109000221095677	Citibank	Frankfurt	Germany	20/10/2023	0.00	0.00	100%	EUR
Ebrofrost UK Limited	IBAN	BYLADEM1GZK	DE27720518400040428187	Sparkasse Günzburg/Krumbach	Günzburg	Germany	16/10/2015	152,130.62	257,194.98	100%	EUR
Ebro Foods Nederland Brands, B.V.	IBAN	CITIGB2L	GB44CITI18500818166455	Citibank NA	London	UK	13/09/2017	-1,499,686.95	-1,551,254.03	100%	GBP
	IBAN	CITINL2X	NL37CITI026064566	Citibank	Amsterdam,	Netherlands	18/01/2012	82.25	-1,264.91	100%	EUR
	IBAN	CITIGB2L	GB83CITI18500814059840	Citibank	London	UK	31/12/2014	0.00	0.00	100%	USD
	IBAN	RABONL2U	NL25RABO0310990335	Rabobank	Utrecht	Netherlands	11/07/2016	943.32	979.24	100%	EUR
Ebro India Private Limited	IBAN	HDFCINBB	50200001041939 (Bank deposit)	HDFC Bank Ltd	TARAORI	India	24/05/2013	1,154.00	0.00	100%	INR
	IBAN	CITIINBX	521059001	Citibank	New Delhi	India	18/09/2013	40.00	7,923.00	100%	INR
	IBAN	BOFAOND6216	24871013	Bank of America	New Delhi	India	24/08/2014	176.00	398.00	100%	INR
	IBAN	CITIINBX	refer PCFC Loan Sheet	Citibank	New Delhi	India	15/03/2015	366.00	0.00	100%	INR
	IBAN	INDB0000073	259996544504	IndusInd Bank	Karnal	India	14/03/2017	4,407.00	0.00	100%	INR
	IBAN	INDB0000073	259996544504	IndusInd Bank	Karnal	India	14/03/2017	1.00	4.00	100%	INR
	IBAN	UCBA0002323	23230210001110	UCO Bank	Karnal	India	06/05/2017	0.00	1.00	100%	INR
	IBAN	HSBC0110005	054708284001	HSBC	New Delhi	India	20/11/2018	8,123.00	0.00	100%	INR
	Other	HDFCINBB	50200001041939	HDFC Bank Ltd	TARAORI	India	24/05/2013	484.20	1,495.38	100%	INR
	Other	CRLY0000002	02006017100000	Credit Agricole	New Delhi	India	21/12/2019	1.00	135.00	100%	INR
	Other	CHASOINBX02	5622411725	JP Morgan	New Delhi	India	26/06/2020	291.00	627.00	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/01/2020	233.00	0.00	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/11/2020	3,285.00	0.00	100%	INR
	Other	CHASOINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	23/07/2020	275.00	0.00	100%	INR
	Other	CHASOINBX02	refer PCFC Loan Sheet	JP Morgan	New Delhi	India	29/07/2020	2,110.00	0.00	100%	INR
	Other	CHASOINBX02	Refer PCFC Loan Sheet	JP Morgan	New Delhi	India	29/07/2020	0.00	0.00	100%	INR
	Other	HSBC0110005	Refer PCFC Loan Sheet	HSBC	New Delhi	India	20/11/2018	0.00	0.00	100%	INR
	Other	BOFAOND6216	Refer PCFC Loan Sheet	Bank of America	New Delhi	India	24/08/2014	172.00	0.00	100%	INR
	Other	CRLY0000002	2006017100000	Credit Agricole	New Delhi	India	21/12/2019	3,591.00	0.00	100%	INR
	Other	BOFAOND6216	refer PCFC Loan Sheet	Bank of America	New Delhi	India	24/08/2014	870.00	0.00	100%	INR
	Other	HSBC0110005	refer PCFC Loan Sheet	HSBC	New Delhi	India	20/11/2018	134.00	1,288.00	100%	INR
	Other	HSBC0110005	refer PCFC Loan Sheet	HSBC	New Delhi	India	20/11/2018	335.00	0.00	100%	INR
	Other	MHCBINBXXX	H10-792-104288	Mizuho	New Delhi	India	26/05/2020	5.00	16.00	100%	INR
	Other	HSBC0400002	019051887002	ICICI Prudential	New Delhi	India	21/11/2013	2,176.00	0.00	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02/11/2020	116.00	0.00	100%	INR

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COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2023 (€)	AVERAGE BALANCE LAST QUARTER (€)	% INTEREST	CURR.
Ebrosur, SRL	CBU	BSCHARBA	034753/2	Banco Santander Rio SA	Buenos Aires	Argentina	15/06/2016	0.00	0.00	100%	ARG
	CBU	BSCHARBA	034754/9	Banco Santander Rio SA	Buenos Aires	Argentina	15/06/2016	0.00	0.00	100%	USD
Euryza GMBH	IBAN	COBADEHXXX	DE0420040000621702000	Commerzbank AG	Hamburg	Germany	2000	14,699.44	187,571.14	100%	EUR
	IBAN	CITIDFFXXX	DE83502109000214587009	Citigroup	Frankfurt	Germany	01/02/2007	-34,315.48	0.00	100%	EUR
Euro Rice Flour, B.V.	IBAN	ABNANL2A	NL15ABNA0240369394	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	10,350.74	9,888.63	100%	EUR
Fentus 61 GmbH	IBAN	COBADEHXXX	DE47 2004 0000 0626 0509 00	Commerzbank AG	Hamburg	Germany	01/02/2017	14,854.07	6,363.90	100%	EUR
Herba Bangkok, S.L.	Other	CITITHBX	126385-5-015	CITIBANK NA	Bangkok	Thailand	11/06/2008	168,430.57	1,495,449.29	100%	THB
	Other	CITITHBX	126385-0-005	CITIBANK NA	Bangkok	Thailand	11/06/2008	0.00	0.00	100%	THB
	Other	CITITHBX	5-126385-104 USD	CITIBANK NA	Bangkok	Thailand	25/09/2015	5,019,403.44	3,726,697.74	100%	USD
	Other	CITITHBX	N/A	CITIBANK NA	Bangkok	Thailand	11/06/2008	4,741,250.95	1,580,416.98	100%	THB
	Other	BNPATHBK	00010 000632 040 83	BNP Paribas Bank	Bangkok	Thailand	02/10/2006	47,117.56	35,308.01	100%	THB
	Other	BNPATHBK	00010 000632 000 09	BNP Paribas Bank	Bangkok	Thailand	02/10/2006	1,309.74	1,309.74	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	16,326.77	560,011.14	100%	THB
	Other	BOFATH2X	33243 025 USD	Bank of America	Bangkok	Thailand	03/08/2016	945,182.39	683,331.78	100%	USD
	Other	BOFATH2X	N/A	Bank of America	Bangkok	Thailand	03/08/2016	0.00	0.00	100%	THB
	Other	KRTHHBK	092-0-03203-6	Krungsri Bank PCL	MEA Ploenchit	Thailand	25/08/2006	100,339.68	77,908.99	100%	THB
Herba Cambodia Co, Ltd	Other	ABAAKHPP	000206556	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	11/07/2016	189,894.91	350,694.87	100%	USD
	Other	ABAAKHPP	000373587	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	02/02/2018	5,181.40	5,177.27	100%	KHR
Herba Germany GMBH	IBAN	COBADEHXXX	DE96 2004 0000 0622 0057 00	Commerzbank AG	Hamburg	Germany	2005	-19.31	177.05	100%	EUR
	IBAN	CITIDFFXXX	DE60502109000214588005	Citigroup	Frankfurt	Germany	01/12/2006	0.00	0.00	100%	EUR
Herba Ingredients Belgium B, BV	IBAN	KREDBEBB	BE29735042745864	KBC Bank NV	Brussels	Belgium	06/04/2016	584,321.74	298,344.97	100%	EUR
Herba Ingredients Belgium C, BV	IBAN	KREDBEBB	BE11 7380 1830 6548	KBC Bank NV	Brussels	Belgium	30/06/2006	12,251.68	74,002.70	100%	EUR
Herba Ingredients Belgium F, BV	IBAN	KREDBEBB	BE55736064832844	KBC Bank NV	Brussels	Belgium	02/12/2019	36,069.75	55,832.45	100%	EUR
Herba Ingredients, B.V.	IBAN	CITINL2X	NL08CIT10266059171	CITIBANK NA	Amsterdam	Netherlands	10/01/2013	32,107.52	-266,032.56	100%	EUR
	IBAN	CITIGB2L	GB84CIT118500813594416	CITIBANK NA	London	UK	10/01/2013	0.00	-18,872.82	100%	USD
	IBAN	CITIGB2L	GB82CIT118500810232335	CITIBANK NA	London	UK	13/12/2018	0.00	0.00	100%	GBP
	IBAN	KREDBEBB	BE19731041645812	KBC Bank NV	Brussels	Belgium	22/01/2016	17,786.88	16,673.81	100%	EUR
Herba Ingredients SC, BV	IBAN	DEGRBEBB	BE05676528001375	Degroof Petercam	Brussels	Belgium	11/05/2021	0.00	0.00	100%	EUR
Herba Ingredients Netherlands, BV	IBAN	KREDBEBB	BE56 7380 0432 3188	KBC Bank NV	Brussels	Belgium	19/10/2001	225,764.02	109,968.58	100%	EUR
Indo European Foods Limited	IBAN	CITIGB2L	NL45CIT10266055295	CITIBANK NA	Amsterdam	Netherlands	14/02/2012	0.00	8,969.04	100%	EUR
	Other	203909	44044299	Barclays Bank	Leicestershire	UK	12/08/2021	-9.06	0.11	100%	EUR
	IBAN	203909	GB42BARC20390965944844	Barclays Bank	Leicestershire	UK	31/05/2019	-39.24	117,117.58	100%	EUR
	IBAN	203909	GB19BARC20390943390527	Barclays Bank	Leicestershire	UK	22/02/2017	159,912.08	682,599.01	100%	GBP
	Other	203909	80119482	Barclays Bank	Leicestershire	UK	12/08/2021	249,711.32	287,486.92	100%	GBP
	Other	203909	43804211	Barclays Bank	Leicestershire	UK	20/08/2019	11.74	937,840.13	100%	USD
	Other	600	14249046	Citibank	London	UK	May 2022	0.00	0.00	100%	GBP
	Other	401279	GB93HBUK40127690427760	HSBC	Birmingham B1	UK	May 2023	242,906.48	106,294.95	100%	EUR
	Other	402715	GB67HBUK40271525633524	HSBC	West Yorkshire	UK	May 2023	672,893.24	684,558.38	100%	GBP
	Other	402715	GB89HBUK40271525633516	HSBC	West Yorkshire	UK	May 2023	41,989.79	41,989.79	100%	GBP
	Other	401776	GB40HBUK40127690427744	HSBC	Birmingham B1	UK	May 2023	14,322.46	379,724.05	100%	USD
	IBAN	203909	GB94BARC20390988126644	Barclays Bank	Leicestershire	UK	31/05/2019	18.52	525,053.55	100%	USD
International Pulse Ingrid. Co. BV	IBAN	ABNANL2A	NL37ABNA0240369386	ABN AMRO Bank NV	Amsterdam	Netherlands	11/03/2010	10,897.86	10,698.43	100%	EUR
Joseph Heap Property	IBAN	BARCGB22	GB52BARC20510170619930	BARCLAYS BANK	Liverpool	UK	01/02/2004	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB41BARC20510170416428	BARCLAYS BANK	Liverpool	UK	01/11/1986	0.00	0.00	100%	GBP
Katania Magrheb, SARL	Other	BMCEMAMCXXX	011 735 0000 03 210 00 13562 23	BANK OF AFRICA	Larache	Morocco	01/02/2017	69,753.80	69,753.80	100%	MAD
La Loma Alimentos, S.A.	CBU	SCBLUS33XXX	000 - 000336637	Banco Santander Rio SA	Buenos Aires	Argentina	23 July 2013	-51.80	0.91	100%	ARG
	CBU	BSCHARBA	000-00035161/0	Banco Santander Rio SA	Buenos Aires	Argentina	20 Jan. 2017	55.80	47.62	100%	ARG
	CBU	BSCHARBA	000-036430/6	Banco Santander Rio SA	Buenos Aires	Argentina	3 May 2018	0.00	0.00	100%	USD
	CBU	BSCHARBA	000-036429/0	Banco Santander Rio SA	Buenos Aires	Argentina	03/05/2018	0.00	0.00	100%	USD
	CBU	BERAARBXXX	42006614643	Nuevo Banco de Entre Rios	Concordia	Argentina	22 May 2002	1,879.63	2,904.67	100%	ARG
	CBU	BFRPARBXXX	068-000848/6	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	965.71	1,396.21	100%	USD
	CBU	BFRPARBXXX	068/0314544/9	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	21,045.15	179,152.00	100%	ARG
	CBU	BFRPARBXXX	068/314545/6	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	0.21	0.42	100%	ARG
	Securities deposit	BFRPARBXXX	068/0314544/9	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	37,716.93	79,959.87	100%	ARG
	IBAN	BBVAESMM	ES3801826204582012463035	BANCO FRANCES	Seville	Spain	13/11/2019	38,221.89	34,138.17	100%	USD
	CBU	BFRPARBXXX	068-322072/2	BBVA Banco Francés S.A.	Concordia	Argentina	01/05/2023	1.18	2.28	100%	ARG
	CBU	NACNARBACON	15602120124490	BNA	Concordia	Argentina	01/09/2023	29.67	79.21	100%	ARG
	IBAN	BBVAESMM	ES1301826204590201548417	BANCO FRANCES - Spanish	Seville (SUC)	Spain	01/11/2023	0.00	763.58	100%	EUROS
	CBU	BFRPARBXXX	068-000003/6	BBVA Banco Francés S.A.	Concordia	Argentina	24/10/2018	353.82	395.02	100%	EUROS
	PRE-FINANCING	BBVAESMM	ES3801826204582012463035	BBVA Spain	Seville	Spain	13/11/2019	-4,474,263.88	-5,897,791.47	100%	USD

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Mediterranean Food Labels, BV	IBAN	CITINL2X	NL59CITI0266064558	Citibank	Amsterdam,	Netherlands	17/01/2012	0.00	0.00	100%	EUR
Mundi Riso, S.R.L.	IBAN	CITITMX	IT12D035660160000122474011	CITIBANK NA	Milan	Italy	27/06/2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB22CITI18500811257250	CITIBANK NA	London	UK	14/06/2006	0.00	0.00	100%	USD
	IBAN	BAPPI2187	IT32Q05034100000000005783	BANCO BPM S.P.A.	Vercelli	Italy	27/03/1996	20,182.39	146,080.66	100%	EUR
Mundi Riz, S.A.	IBAN	BAPPI2187	IT76U0503410000USD100003375	BANCO BPM S.P.A.	Vercelli	Italy	26/01/2017	25.92	26.57	100%	USD
	Other	BMCEMAMCXXX	0117350000032100060709.08	BANK OF AFRICA	Larache	Morocco	2001	1,086,858.71	756,367.98	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	22,391.14	35,937.20	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 03 66600 60709 24	BANK OF AFRICA	Larache	Morocco	2009	716.43	716.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 503 66500 12519 27	BANK OF AFRICA	Larache	Morocco	2015	145,818.31	147,725.34	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	01/03/2018	65,657.47	44,549.56	100%	MAD
Neofarms Bio, S.A.	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	01/09/2021	6,412.67	6,449.53	100%	MAD
	CBU	BFRPARBAXXX	0170068826000000084796	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	73.41	257.93	100%	USD
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	24,564.93	131,375.57	100%	ARG
	CBU	BFRPARBAXXX	0170068820000031454250	BBVA Banco Francés S.A.	Concordia	Argentina	24 Oct. 2018	0.45	0.91	100%	ARG
	CBU	BFRPARBAXXX	017006882100000000296	BBVA Banco Francés S.A.	Concordia	Argentina	14/01/2019	1,317.19	1,470.56	100%	EUROS
			Securities deposit	BBVA Banco Francés S.A.	Concordia	Argentina		6,149.72	5,577.60	100%	ARG
		BBVAESMM	ES5701826204542012468030	BANCO FRANCES	Seville	Spain	24/03/2020	199,197.70	579,150.43	100%	USD
N&C Boost, NV	IBAN	GKCCBEBB	BE49552273940071	Belfius Bank	Antwerp	Belgium	02/05/1996	1,124,845.17	1,136,291.96	100%	EUR
	IBAN	GKCCBEBB	BE12055950094292	Belfius Bank	Antwerp	Belgium	02/05/1996	0.00	0.00	100%	EUR
	IBAN	COBADEFFXXX	DE7020040000621701200	Commerzbank AG	Hamburg	Germany	01/07/2001	28,711.27	20,352.47	100%	EUR
Reiskontor Handels, GMBH	IBAN	KREDBEBB	BE28738107281820	KBC Bank NV	Brussels	Belgium		317,259.87	292,114.24	100%	EUR
Rice&Cereals Consultancy, BV	IBAN	CITIHUHX	HU96 1080007 54873009	Citibank	Budapest	Hungary	13/04/2006	485,592.65	350,707.71	100%	HUF
Riceland Magyarorszag	IBAN	CITIHUHX	HU09 1080007 64873017	Citibank	Budapest	Hungary	13/04/2006	0.00	0.00	100%	EUR
Risella OY	IBAN	CITIFHX	FI9571307001700049	Citibank Int. Plc Finland	Helsinki	Finland	23/05/2006	0.00	0.00	100%	EUR
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	0117350000032100060728.48	BANK OF AFRICA	Larache	Morocco	2002	1,963.46	3,934.86	100%	MAD
SBS Commodities, BV	IBAN	ABNANL2A	NL34ABNA0240369440	ABN AMRO Bank NV	Amsterdam,	Netherlands	11/03/2010	9,740.32	9,129.57	100%	EUR
Suntra Rice BV	IBAN	ABNANL2A	NL56ABNA0240369432	ABN AMRO Bank NV	Amsterdam,	Netherlands	11/03/2010	10,198.58	9,690.19	100%	EUR
S&B Herba Foods, Ltd.	IBAN	CITIGB2L	GB04CITI18500811230026	CITIBANK NA	London	UK	06/02/2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB06CITI18500811229990	CITIBANK NA	London	UK	06/06/2012	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB18CITI18500811247913	CITIBANK NA	London	UK	06/02/2006	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB66BARC20000020118044	BARCLAYS BANK	London	UK	01/04/1992	541,336.00	186,487.00	100%	GBP
	IBAN	BARCGB22	GB42BARC20000085332255	BARCLAYS BANK	London	UK	01/10/1998	0.00	0.00	100%	EUR
TAG Nahrungsmittel, GMBH	IBAN	BARCGB22	GB19BARC20000086447199	BARCLAYS BANK	London	UK	01/04/1992	0.00	0.00	100%	USD
TBA Suntra Beheer B.V.	IBAN	COBADEFFXXX	DE12200400000623705100	Commerzbank	Hamburg	Germany	01/08/2011	14,996.08	7,094.53	100%	EUR
TBA Suntra B.V.	IBAN	ABNANL2A	NL25ABNA0240369408	ABN AMRO Bank NV	Amsterdam,	Netherlands	11/03/2010	1,188.68	1,209.14	100%	EUR
	IBAN	ABNANL2A	NL59ABNA0240369378	ABN AMRO Bank NV	Amsterdam,	Netherlands	11/03/2010	3,488.41	3,603.67	100%	EUR
	IBAN	ABNANL2A	NL11ABNA0242125360	ABN AMRO Bank NV	Amsterdam,	Netherlands	01/04/2011	5,358.02	5,358.02	100%	USD
Transimpex Warenhandelsgesell-Schaft, GmbH	IBAN	CITINL2X	NL62CITI0266064698	CITIBANK NA	Amsterdam,	Netherlands	21/02/2012	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500813090817	CITIBANK NA	London	UK	21/02/2012	0.00	0.00	100%	USD
	IBAN	COBADEFFXXX	DE70 5454 0033 0703 0075 00	Commerzbank AG	Ludwigshafen	Germany	01/10/2017	2,908,564.86	3,118,632.89	100%	EUR
	IBAN	SOLDAESI1HDB	DE47 6725 0020 0009 1217 22	Sparkasse	Heidelberg	Germany	01/07/2008	652,014.85	1,912,242.38	100%	EUR
	IBAN	COBADEFF545	DE14 5454 0033 0209 9901 00	Commerzbank AG	Ludwigshafen	Germany	01/03/2006	2,978,946.35	1,073,071.96	100%	EUR
	IBAN	GENODE61MA2	DE11 6709 0000 0015 1800 05	VR Bank Rhein-Neckar eG	Mannheim	Germany	01/03/1996	14,331.02	16,808.59	100%	EUR
	IBAN	HYVEDEMM489	DE40 6702 0190 0007 0683 28	Hypo Vereinsbank	Mannheim	Germany	01/06/1999	732,649.28	2,278,794.61	100%	EUR
Vogan, LTD	IBAN	HYVEDEMMXXX	DE03 7002 0270 0874 3304 42	Hypo Vereinsbank	Mannheim	Germany	01/10/1999	510,515.79	264,499.60	100%	USD
	IBAN	HYVEDEMM489	DE90 6702 0190 0030215605	Hypo Vereinsbank	Mannheim	Germany	01/04/2021	3,341.66	3,341.66	100%	GBP
	IBAN	BARCGB22	GB23BARC20748190929786	BARCLAYS BANK	Sandy	UK	01/06/1987	0.00	0.00	100%	GBP

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1. COMPANY 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 more than 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 (i) Europe, the Mediterranean basin, the Gulf of Guinea, the Southern Cone and Southeast Asia, via the Herba Group companies and Lustucru Riz; and (ii) 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 Lustucru Premium 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.

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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 Committees of the subsidiaries (on which the heads of the various business areas and the CEO and COO sit) are 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 potato flakes, pulses, quinoa and other 'ancient grains' are gradually being added to the mix.

Rice is the most widely-eaten 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 four major regions which produce different varieties of rice: the US, south of Europe, Southeast Asia and Argentina, the latter used to reduce seasonality in the procurement of certain European varieties and generate a significant source of organic rice.

Premium 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 81 brands which it sells in 63 countries. It has a manufacturing and sales presence in 16 of those markets. In the remaining 47 it has a sales presence only. Its manufacturing operations encompass a total of 80 facilities, including factories, offices and warehouses.

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List of countries with a sales and manufacturing presence

Germany	Argentina
Belgium	France
Cambodia	Netherlands
Canada	India
Denmark	Italy
Spain	Morocco
US	Portugal
Thailand	UK

List of countries with a sales presence only

Angola	Colombia	Greece	Jordan	Puerto Rico	Togo
Saudi Arabia	Costa Rica	Haiti	Kuwait	Qatar	Yemen
Algeria	Cuba	Hungary	Lebanon	Czech Republic	
Austria	Curacao	Ireland	Libya	Romania	
Bahamas	Egypt	Iceland	Lithuania	Saint Martin	
Bahrain	United Arab Emirates	US Virgin Islands	Mozambique	South Africa	
Bermuda	Estonia	Israel	Oman	Sweden	
Brazil	Finland	Jamaica	Panama	Switzerland	
Chile	Ghana	Japan	Peru	Tunisia	

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 complementary products.
- Cementing its position as a benchmark business group across its various businesses, leading the markets in which the Group sees potential.
- Spearheading innovation in the geographies in which it is present.

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- 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 legal, 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 tenets 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. Searching for organic and M&A-led growth in markets with high consumption levels and/or high growth potential.

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- Identifying and developing new markets and product categories with a strategic focus on new fresh products, convenience products and new and more value-added ingredient ranges.
 - Developing products that offer a fuller culinary experience by adding new formats, flavours and meal solutions.
 - Leading in mature markets by focusing strategically on product and service quality-based differentiation. Expanding and spearheading the premium category by leveraging the huge potential implicit in our flagship brands.
 - Expanding our geographic footprint and rounding out of the product/country matrix:
 - Searching 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).
 - Expanding its 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) 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 our commitment to managing the business sustainably and responsibly, we are working to integrate sustainability criteria into all of our operations and strategic decisions. To that end, the Group's Sustainability Plan, HEADING FOR 2030, guides our actions all along the value chain, from production to the consumer experience. HEADING FOR 2030 focuses on three main lines of initiative:

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- **People.** We are implementing plans specifically designed to foster our professionals' well-being at work by committing strategically to continuous learning and career development in order to retain talent, while seeking out novel ways of achieving work-life balance, flexibility, equality, inclusion, diversity and occupational health and safety. Within this line of action, the Group is also backing a number of programmes and initiatives designed to foster respect for human rights, social well-being, equal opportunities, education and socio-economic progress in its business communities.
- **Health and well-being.** Our commitment to the promotion of healthy materialises in a broad 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.** In order to preserve and protect the environment, we are working actively to minimize our impact by addressing our own productive processes as well as our logistics and supply operations. Specifically, we are collaborating with different stakeholders on sustainable farming programmes, paying particular attention to mitigating and adapting for the effects of climate change and we are going to lengths to reduce our carbon footprint, by fostering energy efficiency measures, embracing clean energy and pursuing a number of initiatives designed to ensure the Group's transition to a circular economy model, such as making our packaging recyclable, replacing plastics, actively managing food waste and recovering waste.

2. BUSINESS PERFORMANCE AND RESULTS

General backdrop

The economy performed better than initially expected in 2023. Growth did slow and there are still significant spots of inflation but the global economy avoided the dreaded stagflation and proved more resilient than anticipated. Existing geopolitical tensions (war in Ukraine) continued and were joined by new conflicts in the Middle East. Nevertheless, the job markets held up better than expected and the last savings buffers set aside by consumers during the pandemic, coupled with elimination of the bottlenecks created by the latter, gave global GDP growth a small boost.

The global economy is estimated to have expanded by 2.6% in 2023, performing unevenly from one economy to the next. The US beat all forecasts, delivering growth of 2.5%, compared to 1.9% in 2022, whereas growth in the European Union fell to 0.4% (2022: 3.4%), dragged down by the German economy, which contracted by 0.3%.

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The slowdown in growth qualified as the sought-after “soft landing”, having controlled the worst of the surge in inflation in 2022. The main central banks, led by the Fed, persisted in raising rates until the summer, at which point they decided to pause their tightening for fear of provoking a recession.

The indicators out so far for 2024 suggest that the advanced economies continue to move at different speeds: production data, consumer confidence and employment point to hesitation in the eurozone, in contrast with strong momentum in the US, in line with the trend observed towards the end of 2023.

Consumer trends

With the pandemic behind us, some of the consumer trends it sparked (surge in e-commerce) remain with us, although the pace of transformation is slowing. Nevertheless, new events continued to shake the market - war in Ukraine, rampant inflation, the crisis in the Middle East - creating a sense of instability.

Inflation gave the hard discounters and private label brands a bigger share of the retail pie, marked by a growing number of sales outlets and increasing market share. This trend makes it virtually impossible to aspire to a presence at 100% of the retailers and current market sentiment makes it hard to defend prices.

Hospitality consumption has fully recovered. Despite inflation, the need to socialise, a hedonistic spirit and a taste for convenience continue to surmount budget restrictions.

The general trends pivot around:

Personalisation of the consumer experience, sustainability, health, pleasure and price

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.

A number of desires are coming into play when shopping: products need to be healthy but also convenient and high quality. In parallel, demand for sustainable products is growing, little by little.

Social changes

Although we are seeing many changes, price remains the key driver of spending decisions.

- a. Demographic changes. The older generations have more power. The 'baby boomers' have transformed this segment of the population, which currently has greater purchasing power and different aspirations and needs (exercise and health) from those traditionally associated with this age group. At the same time, the younger generations (Gen Z) feed themselves very differently than their elders.
- b. Reduction in the number of household members and constant growth in single-person households; new formats and product and service personalisation.

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- c. The new generations are paying more attention to their surroundings, sustainability and the environment, but they are not willing to pay a lot more for those attributes.
- 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.).

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.

The technology revolution has radically changed how brands are communicated. From the message to the medium. The emergence of influencers as a channel and of recommendations as a strategy have also changed how brands are managed. Advertising budgets are moving online, currently accounting for more than 50% of the Group's campaigns. Lastly, the advent of artificial intelligence is set to imply a new revolution across the board.

Geopolitical situation: conflict in the Middle East and war in Ukraine

More than two years on from the invasion of Ukraine by the Russian Federation on February 24, 2022, global uncertainty remains high. Since October 2023, the conflict between Israel and some of the regions around it has further undermined geopolitical stability and added more uncertainty to the financial and energy markets.

The difficulty in predicting how these conflicts will play out and their obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the denouement of the conflicts and the international response to them could have on the Group's businesses. These situations continue to affect the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), the price of energy and other essential products and exchange rates.

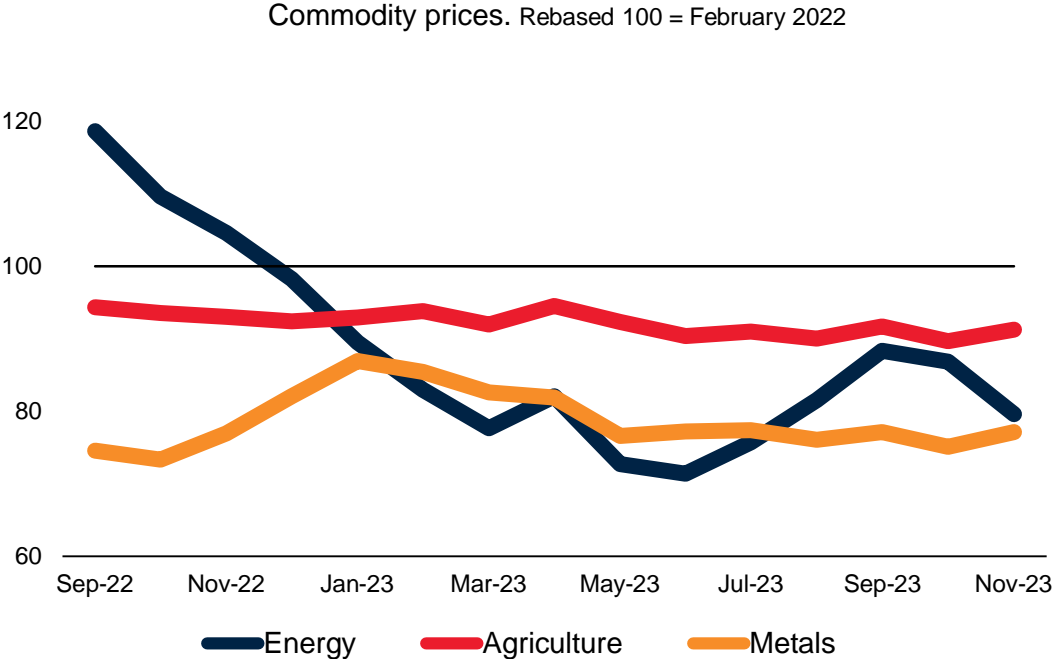
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It is worth pointing out that the Ebro Group has proven particularly resilient in the face of such dramatic events. Thanks to the characteristics of the products it makes and sells and its geographic footprint, neither the value of its assets nor its ability to generate free cash flow suffered a material impact beyond the effects of the general economic situation.

Commodity markets and transportation

Despite the geopolitical conflicts commented on above, the prices of the main commodities continued to trend lower in 2023 due to a drop in demand, albeit remaining above pre-pandemic levels.



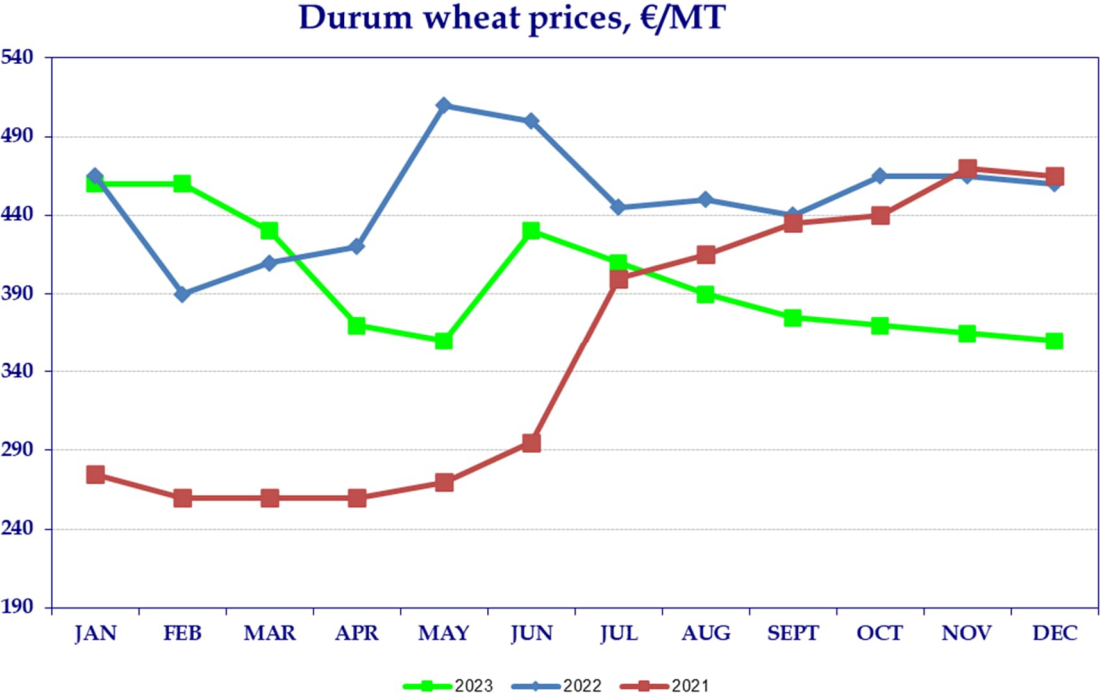
Source: World Bank

Energy prices, particularly oil prices, corrected considerably as demand in the main developed economies and China slumped on the back of lower growth. As a result, those economies were able to keep their gas reserves at over 90% of capacity. From the second half of the year on, oil prices were highly volatile as a result of announced production cuts by OPEC+ and the tensions unleashed in the Middle East.

Agricultural commodity prices trended lower in general, easing 9% for the year thanks to strong harvests and a modicum of stability around the conflict in Ukraine, which involves some of the world’s largest producers. That downward trend contributed to a slight let-up in the food price index, although prices remained at historically high levels. Inflation, and the efforts made to curb it, triggered conflicts among the main market players (producers, industry and retailers) and governments, concerned about the higher cost of food staples.

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Following an abundant and good quality 2022/23 harvest, durum wheat prices trended lower in 2023, ticking slightly higher for a time at the start of the 2023/24 out of fear of a poor harvest in Canada (the world's top exporter). Weakness across the main producer countries was partially offset by an abundant crop in Turkey, which has emerged as the world's second-largest exporter of durum wheat. Nevertheless, prices remain significantly above the average for the last 10 years and carryover stocks remain at record lows.

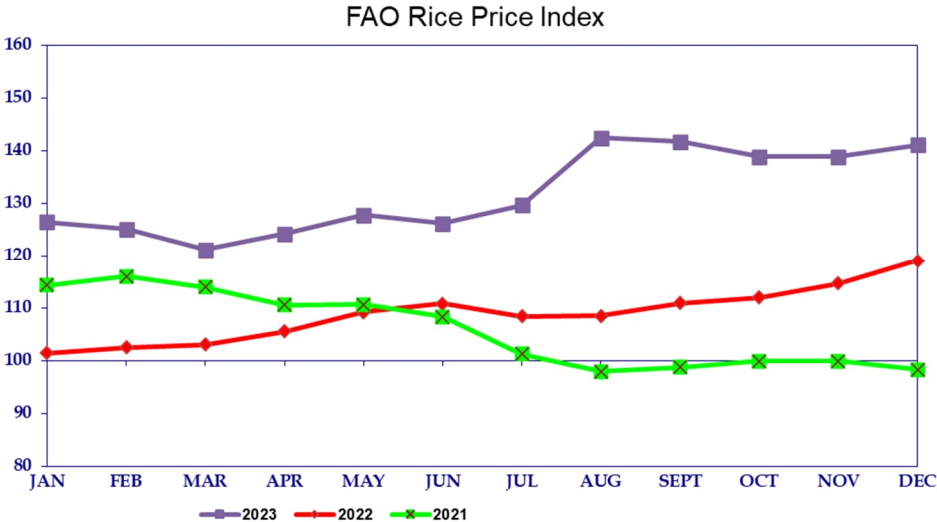


Source: Terre.net and Ebro data

In contrast to the generalised downtrend in the prices of the agricultural commodities of greatest importance to global trade, and specifically within the grains category, rice prices increased by an average of 21% in 2023, even though the global harvest was as strong as in recent years. The main catalyst for the price increases were the restrictions placed on exports by certain producers in Southeast Asia driven by: i) fears about the effects of El Niño on the new harvests; ii) inflationary pressures on inputs; and iii) the alarm caused by the growth in the prices of staple foods in less developed economies.

The chart below depicts the trend in the FAO international farm-gate rice price index for the last three years, showing an average for the most popular varieties of this grain.

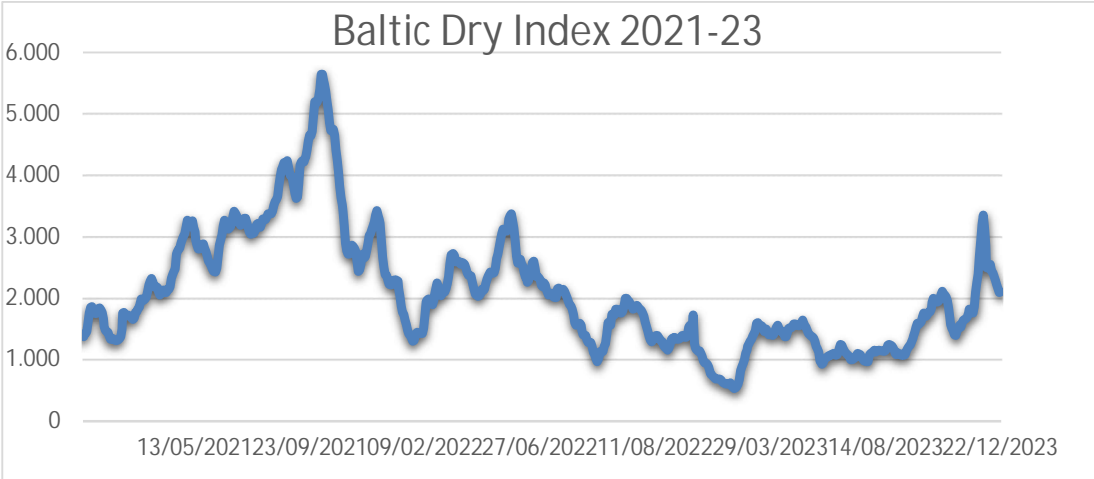
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Source: FAO

The 2022/23 rice harvest was strong once again. According to data published by the Food and Agriculture Organisation (FAO), production was an estimated 521 million tonnes of white rice equivalent, slightly below the previous harvest (526 million tonnes). The forecast for 2023/24 is for a further increase to 525 million tonnes but prices remain tight, albeit varying by variety: Indica rice prices have been trending higher and fragrant and long-grain American rice prices have been trending lower in recent months.

Lastly, shipping costs, which have a significant impact on the cost of rice sourced from Southeast Asia, were pretty volatile, having hit lows in early 2023 (refer to the chart below), as a result of two developments: i) the drought affecting the area around the Panama Canal, forcing a reduction in traffic via this route; and ii) conflict in the Persian Gulf, forcing route changes at the end of the year.



Source: Baltic Dry Index

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Group earnings performance

The Group's key financial indicators are presented below:

STATEMENT OF PROFIT OR LOSS	2021	2022	2022/2021	2023	2023/2022	CAGR 2021-23
Revenue	2,427,068	2,967,672	22.3%	3,084,457	3.9%	12.7%
Advertising	(75,474)	(77,161)	-2.2%	(86,314)	11.9%	6.9%
As a % of revenue	-3.1%	-2.6%	-2.2%	-2.8%		
EBITDA-A	301,860	334,622	10.9%	387,171	15.7%	13.3%
As a % of revenue	12.4%	11.3%		12.6%		
EBIT-A	207,295	233,599	12.7%	284,297	21.7%	17.1%
As a % of revenue	8.5%	7.9%		9.2%		
Profit before tax	198,731	185,807	-6.5%	273,857	47.4%	17.4%
As a % of revenue	8.2%	6.3%		8.9%		
Income tax	(53,512)	(50,242)	6.1%	(68,846)	37.0%	13.4%
As a % of revenue	-2.2%	-1.7%		-2.2%		
Profit for the year from continuing operations	145,219	135,565	-6.6%	205,011	51.2%	18.8%
As a % of revenue	6.0%	4.6%		6.6%		
Profit after tax from discontinued operations	105,027	(917)	-100.9%		-100.0%	-100.0%
As a % of revenue	4.3%	0.0%				
Profit attributable to equity holders of parent	238,629	122,059	-48.8%	186,964	53.2%	-11.5%
As a % of revenue	9.8%	4.1%		6.1%		

STATEMENT OF FINANCIAL POSITION	31/12/21	31/12/22	2022/2021	31/12/23	2023/2022
Equity	2,101,627	2,164,438	3.0%	2,185,159	1.0%
Net debt	504,723	762,635	-51.1%	570,404	25.2%
Average net debt	865,418	645,809	25.4%	657,683	-1.8%
Leverage (3)	41.2%	29.8%		30.1%	
Total assets	3,938,622	3,900,216	-1.0%	3,871,565	-0.7%

	31/12/21	31/12/22	2022-2021	31/12/23	2023/2022
Average working capital	662,058	925,501	-39.8%	942,499	-1.8%
Average capital employed	2,060,319	2,228,932	-8.2%	2,255,729	-1.2%
ROCE (1)	10.1	10.5		12.6	
Capex (2)	120,035	118,808	-1.0%	141,670	19.2%
Average headcount	6,440	6,293	-2.3%	6,323	0.5%

(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, of which 11 (2021) million correspond to discontinued operations

(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

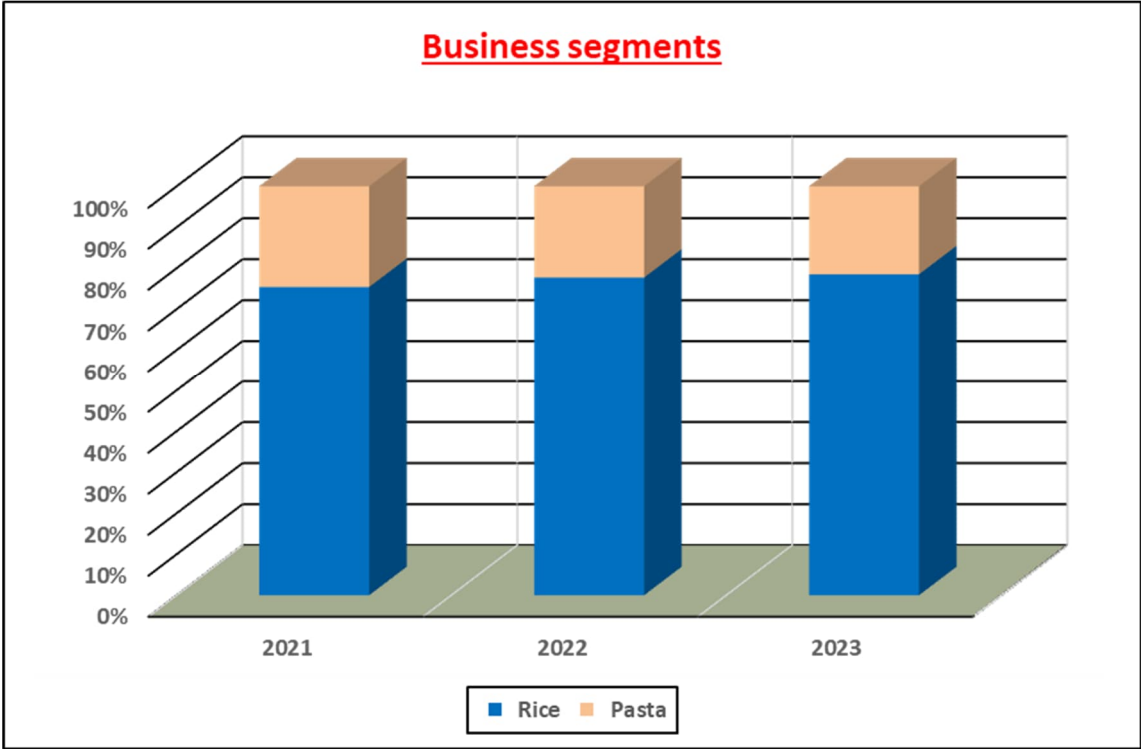
In keeping with the International Financial Reporting Standards, the results of the dry pasta business in France until the sale of that business closed in 2021 and the net gain recognized on that sale were presented within discontinued activities on the consolidated statement of profit or loss for that year and the prior reporting period. The information provided in this management report reflects that circumstance, unless expressly stated otherwise.

Group **revenue** increased by 3.9% from 2022, implying average annual growth over the last three years of 12.7%. That growth was driven mainly by the gradual price increases pushed through in 2022 in response to the increased cost of the Group's main raw materials. The new prices, subject to slight adjustments in the form of promotions and discounts, benefitted revenue for all of 2023. The sale of Roland Monterrat in June 2022 reduced revenue by approximately 28 million euros, while exchange rate trends reduced the topline by 30 million euros.

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The breakdown of revenue and the year-on-year trend by business line is as follows:



The split by business segment was stable. The rice business accounted for 77% of the total. By destination, approximately 34% of sales were generated in North America with the UK and Italy commanding growing shares thanks to momentum around the Tilda (rice) and Garofalo (pasta) brands.

EBITDA-A increased by 15.7% in 2023 (average annual growth of 13.3%) and the margin recovered on the back of the price increases. EBITDA-A includes 4.7 million euros of negative exchange rate effects.

Earnings momentum was very positive across all line items, clearly outperforming recent years. 2023 marked a year of record earnings in all business lines on a like-for-like basis (without considering the net profits of discontinued operations).

That earnings record came despite the run-up in the price of rice and other relevant materials such as potato flakes and dairy derivatives (mitigated in part by the easing in durum wheat prices) and in other major cost categories, including energy and logistics.

Profit before tax registered annual growth of 47.4%. 2022 earnings were negatively affected by the sale of Roland Monterrat (refer to note 5 of the accompanying consolidated financial statements) and exchange losses.

Profit after tax from discontinued operations includes the net profit of the activities classified as discontinued and the gains recognized (in 2021) on the sale of the dry pasta businesses in North America and France.

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ROCE-A (not restated) improved from prior years thanks to the growth in earnings. The reduction in the working capital requirement sustained in the second half of 2023 has still to fully impact the averages used in this calculation.

Statement of financial position, net debt and capital employed metrics

The movements in debt (for the definitions, refer to the end of the management report) are mainly attributable to:

- Strong cash generation in 2023, thanks to record earnings and a reduced working capital requirement in the second half of the year.
- The impact of inflation on the working capital requirement in 2022.
- The sale of the dry pasta businesses in North America and France in 2021 and the payment of an extraordinary dividend that year.

As for working capital and capital employed, the main factors shaping the trend in these indicators were the high inflation and logistics problems encountered in 2021 and 2022, which increased both magnitudes considerably until things returned to normal in the second half of 2023.

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 cyclicity 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 in 2021.

Rice business

STATEMENT OF PROFIT OR LOSS	2021	2022	2022/2021	2023	2023/2022	CAGR 2021-23
Revenue (*)	1,858,919	2,329,486	25.3%	2,443,719	4.9%	14.7%
Advertising (*)	(43,789)	(53,898)	-23.1%	(56,890)	5.6%	14.0%
<i>As a % of revenue</i>	-2.4%	-2.3%		-2.3%		
EBITDA-A (*)	247,680	289,830	17.0%	310,988	7.3%	12.1%
<i>As a % of revenue</i>	13.3%	12.4%		12.7%		
EBIT-A (*)	189,087	222,664	17.8%	242,950	9.1%	13.4%
<i>As a % of revenue</i>	10.2%	9.6%		9.9%		
Capex (*)	74,246	71,152	-4.2%	100,122	40.7%	16.1%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered.

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Despite the fact that the rice harvest remained generous, the prices of the Indica varieties increased successively due to the export restrictions imposed by India, which in recent years has been the largest exporter of rice. Those restrictions, which remain in place, affect non-basmati white and broken rice. India also levied a minimum price on basmati rice exports to prevent a loophole around the restrictions on the other varieties.

Spanish production continued to be affected by the drought and watering restrictions on rice-growing in the Guadalquivir basin, which the Group circumvented by increasing procurement from other parts of Spain and other international rice markets, very notably from Argentina.

In the US, the trend shifted, with the planted acreage increasing after years of shrinkage. That increase was particularly noteworthy in Arkansas and California (where the Group has a presence since it acquired InHarvest), where production increased by 30% and 101%, respectively, from 2022.

US harvest prices (source: USDA)

August-July

\$/cwt	23/24 (*)	22/23	21/22	20/21	19/20
Average price	17.8	19.2	16.1	14.4	13.6
Long grain	16	16.7	13.6	12.6	12
Medium grain	23.3	29.4	24.8	20.1	17.8

(*) Estimate

Revenue from sales increased by 4.9%, thanks to the full-year effect of the price increases, which have since been adjusted slightly in some products where farm-gate prices have eased. Volumes were flat, losing a small amount of share to private-label brands in the less sophisticated products. The healthy trend in sales volumes reflects an astute pricing policy as a result of individual product / customer analysis.

Elsewhere, the Group continues to focus strategically on the products that are leading the market's growth: quality fragrant varieties and quick-to-prepare formats, by: i) adding production capacity in the US and Europe; ii) constant product and recipe innovation; and iii) service excellence.

EBITDA-A increased by 7.3% from 2022, despite negative exchange rate effects of 4.1 million euros. That growth came about despite a significant increase in advertising and channel marketing expenditure designed to fine-tune the price increases.

In addition to the pass-through of higher rice costs to end sales prices, profits also benefitted from a more favourable trend in other inputs, including energy and logistics costs, the latter of growing importance with respect to a considerable portion of the volume of rice sold.

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.

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Capex increased, reflecting: (i) the strategic commitment to higher-growth business lines (microwaveable rice in the US and Spain); (ii) productivity gains in packaging; and (iii) the commitment to using renewable sources of energy (new photovoltaic plants) and alternative sources of supply (expansion of the Argentine facilities).

Pasta business

STATEMENT OF PROFIT OR LOSS	2021	2022	2022/2021	2023	2023/2022	CAGR 2021-23
Revenue (*)	590,781	651,545	10.3%	652,220	0.1%	5.1%
Advertising (*)	(33,181)	(24,904)	24.9%	(31,521)	26.6%	-2.5%
As a % of revenue	-5.6%	-3.8%		-4.8%		
EBITDA-A (*)	68,825	58,478	-15.0%	90,435	54.6%	14.6%
As a % of revenue	11.6%	9.0%		13.9%		
EBIT-A (*)	34,447	26,330	-23.6%	57,261	117.5%	28.9%
As a % of revenue	5.8%	4.0%		8.8%		
Capex (*)	45,266	46,222	2.1%	40,416	-12.6%	-5.5%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered for enhanced comparability.

Durum wheat prices trended lower all year long, shaped by a better 2022/23 harvest. The improvement in the cost of this business's main raw material (which remains at the high end of the historic range) contrasts with the increase in the cost of the other two materials of growing importance in this business: (i) potato flakes, which are used to make gnocchi; and (ii) dairy derivatives, used in the production of filled fresh pasta.

In 2023, **revenue** increased by just 0.1%. Note, however, that in 2022, the business sold by the Group that year, Roland Monterrat, contributed 28 million euros to the pasta business's topline. Prices were kept flat in 2023, having priced in the impact of higher costs in 2022, enabling the Group to defend its business volumes and restore the margins lost the year before.

By market:

- a. In France, the fresh pasta market grew by 5.0% by volume and 13.9% by value. The Group's brands increased their market share to 51.8% by volume (Nielsen 52-week tracker). The pan-fry gnocchi range, in which the Group commands a clear leadership position, remains the key market growth driver, with business volumes increasing by 10% from 2022.
- b. Growth continued at Bertagni: +7% by value and +4% by volume year-on-year. Prices were adjusted definitively at the start of the year, which had a small negative impact in the first half, which was made up for in the second half of the year.
- c. In Canada, the market contracted by 5.6% by volume but grew by 2.1% by value, buoyed by the sharp increase in prices since 2022. Olivieri held onto its leadership grip with a market share of 54.5% by value (Nielsen FDM 52-week tracker). Pan-fry gnocchis continued to spearhead the growth (sales volumes have tripled in four years) so that the Group continued to add new capacity in this product category.

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- d. The Italian dry pasta market was flat in terms of volumes in 2023, expanding by 8.5% by value. The Garofalo brand followed the market, defending its share of 6.6% by volume (Nielsen 52-week tracker), withstanding a complex price scenario.

EBITDA-A jumped by 54.6%. A marked return to profitability. Cost stabilisation meant that the price adjustments made in 2022 restored the profitability lost. Note that profitability improved in both the fresh and dry pasta segments.

Capex (not restated, with 11 million euros corresponding to discontinued operations in 2021) was relatively stable, with the investment thrust concentrated on the expansion of capacity at the gnocchi factories and improvements in packaging and energy efficiency.

2. 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.

Generally, 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. At year-end 2023, a significant portion of the Group's bank borrowings, which fall due at the end of 2024, were reclassified to current borrowings. Nevertheless, the Parent believes that its ability to generate cash and the solidity of its capital structure will allow it to successfully refinance.

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

M&A activity

The Group did not acquire any businesses in 2023. Its last major disposals took place in 2021 when it exited the dry pasta business in North America and the fresh pasta business in France.

Organic growth

The Group underpins its pursuit of growth and innovation with a capex policy that in the last three years has entailed the overhaul and expansion of its productive capacity in the following segments: (i) ready-to-serve rice (pots and pouches); (ii) filled fresh pasta; and (iii) pan-fry gnocchi. Capex (cash outflows) during the past three years:

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Year	Amount (Thousands of euros)
2021	120,035
2022	118,808
2023	141,670

In 2011, 11 million euros corresponded to discontinued operations. In 2024, the Group will virtually finish expansion of its ready-to-serve rice facilities in the US and Spain.

Financial position

The Group's borrowings decreased considerably in 2023 thanks to stabilisation of the inflation unleashed in 2022. Price stabilisation enabled the Group to relax its procurement strategies and release a significant portion of the money tied up in working capital in the second half of 2023. The debt coverage ratio reflects the reduction in borrowings and the increase in cash generation, leaving the Group in a healthy financial position.

NET DEBT (Thousands of euros)	2021	2022	2022/2021	2023	2023/2022
Equity	2,101,627	2,164,438	3.0%	2,185,159	1.0%
Net debt	504,723	762,635	51.1%	570,404	-25.2%
Average net debt	865,418	645,809	-25.4%	657,683	1.8%
Leverage	24.0%	35.2%	46.7%	26.1%	-25.9%
Leverage (average net debt) (1)	41.2%	29.8%	-27.5%	30.1%	0.9%
EBITDA-A	301,860	334,622	10.9%	387,171	15.7%
Coverage	1.67	2.28		1.47	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

Note that 269 million euros of borrowings at December 31, 2023 (213 million euros at year-end 2022 and 197 million euros at year-end 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 main 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 (Thousands of euros)	2021	2022	2022/2021	2023	2023/2022
Cash flows from/(used in) operating activities	17,483	(14,017)	-180.2%	478,486	-3513.6%
Cash flows from/(used in) investing activities	609,712	(139,600)	-122.9%	(127,885)	-8.4%
Cash used in share-based transactions	(186,337)	(97,180)	-47.8%	(97,977)	0.8%
Free cash flow	440,858	(250,797)		252,624	

Cash flows from operating activities revisited healthy levels in 2023. The biggest factor behind the movements observed in the last two years is the investment in working capital (essentially inventories) as a result of constant growth in raw and auxiliary material prices and, subsequently, the release of that incremental working capital from June 2023.

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The other major movements correspond to:

- Investing activities. The movement in capex (as already outlined above). In 2021, the Group collected the proceeds from the sale of its dry pasta assets in North America and France and in 2022 it collected the proceeds from the sale of Roland Monterrat and paid for the acquisition of the InHarvest business.
- Share-based transactions. Payment of dividends. Includes that paid to non-controlling shareholders. In 2021, this heading included the payment of an extraordinary dividend in the amount of 87.7 million euros. No extraordinary dividends have been paid out since then.

3. 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 Parent 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 categorised into four main groups: compliance, operational, strategic and financial/reporting.

The risk categorisation 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 2023, the Group continued to focus on aspects related with the supply chain and inflation in raw material prices, which remain at record levels. Other important, and related, aspects were the impact of pricing by competitors and consumer behaviour. The Group also prioritised cybersecurity and the increasingly sophisticated attempts at fraud related with systems and identity theft. Lastly, the Group identified the matters related with climate change and tightening regulations around this issue as a relevant risk and started to work specifically on their mitigation.

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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 are certified 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. The Group also has 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.

Those controls must encompass the entire supply chain, so that the prevention effort extends back to the point of origin and means of transportation thanks to meticulous selection of suppliers and service providers in third countries, framed by the Group's internal food safety protocols.

- 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); (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); and (iii) seeking out excellence in the logistics chain in order to procure products that meet all of its quality requirements so as to be able to offer unbeatable service.

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- 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 its 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 other raw materials, such as potato flakes and dairy derivatives, as well as auxiliary 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 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 through to the end consumer.

A sizeable share of the financial success reaped in 2023 is attributable to astute management of this risk, with the Group anticipating developments and adapting to the market reality.

- Customer concentration risk. This risk factor affects both the industrial and retail segments. Although in the retail segment the end consumers of the products made by the Group are the individuals who eat its foods, the retailers are concentrating - boosting their purchase 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 and brand strength help 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 defines a strategy for enforcing these thresholds. These levels in turn reflect the overall business strategy.

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- 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.).

Risks related to the environment and strategy:

- Environmental and natural risks.

The Ebro Group's environmental commitment is set down in its Sustainability, Environment and Corporate Social Responsibility Policy: Its own processes have a low impact on the environment and the risks of accidental contamination are likewise very low. Nevertheless, the facilities operate under the scope of civil liability policies that cover damages to third parties caused by sudden and unintentional accidental contamination. In addition, all of the Ebro Group's facilities operate under the certifications, specifications and permits pertinent to their respective geographic markets and they manage their environmental aspects accordingly. Moreover, certain workplaces have certified their environmental management systems under the UNE-EN-ISO 14001 standard.

The effects of potential natural catastrophes 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. Climate change encompasses a range of risks with growing impacts in the short, medium and long term that could have a direct impact on performance of our business activities.

Within its sustainability strategy, the Group is completing the work needed to calculate its carbon footprint (Scope 3), revise its Scope 1 and 2 emissions, define emissions-reduction targets in line with the SBTi and measure the financial impacts of the main climate change risks to which it is exposed.

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Specifically, it has assessed a total of 13 physical and transition risks as having a potentially greater impact on the Group's financial statements. The risks related with farming the main raw materials used by the Group and the possibility that changes in temperatures and/or rain cycles could imply restrictions on the supply of those products and, as a result, increase the prices at which they can be acquired, have been classified as 'moderate', as the Group has a mitigation strategy based on diversifying its supply sources, locating its productive assets in multiple locations and enhancing management of its value chain, which puts it in a privileged position in the sector.

Moreover, the impact of a potential increase in farm-gate prices on the Group's earnings depends on its ability to pass those price increases through to end customers, which in turn is boosted by brand and product differentiation and product and service quality and innovation.

- 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 in 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 intellectual and industrial property protection considerations converge.

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- 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 the conflicts in Ukraine and the Middle East.
- 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 are 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.

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- 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's Spanish companies have a crime prevention model which is monitored and controlled by the Compliance Department. That Department likewise monitors the compliance models in place at other overseas subsidiaries, adjusted for local legislation.

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, HEADING FOR 2030, 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 and Risk Committee, 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. For example, in 2023, it embarked on an analysis of the Group's exposure to the new Pillar Two rules in 2024, which is when the new minimum global tax legislation will take effect.

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.

4. EVENTS AFTER THE REPORTING PERIOD

Other than the developments with respect to the CNMC Disciplinary Ruling, as outlined in Note 20, there have been no significant events or developments between the end of the reporting period and the date of authorising the accompanying consolidated financial statements for issue.

5. GROUP OUTLOOK

As already noted in the section on the general economic environment, the outlook for the global economy in 2024 is for weak growth for the third year in a row.

2023 MANAGEMENT REPORT (figures in thousands of euros)

Within the developed economies we are seeing two speeds: economic momentum in the US is strong but the European Union economies are trying to avoid stagnation.

Inflation appears to be under control but the geopolitical situation makes it impossible to rule out fresh outbreaks in 2024, prompting the central banks to push back plans to ease monetary policy and cut interest rates in order to reactivate the most depressed economies until the second half of the year.

Despite that stabilisation, food prices remain historically high. Consumers have demonstrated their concern over high prices, particularly food prices: they are buying less at higher prices and that has prompted many consumers to rethink their shopping habits. 2023 was marked by growth for the private-label brands and growing interest in products on promotion. To the extent that this situation continues, 2024 will imply another challenge for the industry.

International long-grain rice prices remain above the average for the last two years and are showing no signs of weakness so far in 2024. Only basmati prices have corrected, despite the minimum prices imposed on exports from India.

Durum wheat prices are likewise at historically high levels but are currently fairly stable pending news about the new harvest.

▪ **Rice business**

The rice market continues to grow. Current demographic and, in general, food habit trends are propitious and the number of consumers is growing. The Group aspires to lead that growth, investing strategically in segments that are expanding and that offer consumers value in terms of quality and convenience.

With inflation under control, this year presents an opportunity to: (i) defend sales volumes across the classic product categories with a solid contribution; and (ii) expand the range of products with greater chances of market share growth, like microwaveable rice products.

The Group is strategically committed to: (i) developing a centre of excellence in the production of plant-protein based ingredients in Benelux; (ii) expanding distribution of the Tilda brand as the international benchmark in fragrant and exotic rice varieties; (iii) completing the addition of productive capacity in ready-to-serve products in the US; and (iv) developing new recipes in microwaveable rice products tied with pleasure and convenience.

▪ **Pasta business**

The Group is present in the growth categories of the pasta business: fresh pasta and premium dry pasta. The general increase in prices has weighed on sales of these products for which demand is more elastic. In 2023, price stability allowed the Group to fully replenish its margins and 2024 looks like a year of growth in the customer base.

2023 MANAGEMENT REPORT (figures in thousands of euros)

The main targets for 2024 are:

- Working to build the Garofalo brand into a benchmark premium Italian brand so that it transcends dry pasta labels. Expanding the categories it operates in and the distribution of its products.
- Continuing to record double-digit growth in the gnocchi segment. Deepening the product base through innovation and capacity additions and expanding the concept to more markets.
- Enhancing productivity and factory capacity in fresh products.

6. 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.

7. 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 2023.

In total, R&D expenditure in continuing operations totalled 4.3 million euros in 2023 (2.5 million euros of which funded internally and 1.8 million euros, externally).

Investment in R&D totalled 37.6 million in 2023 and mostly corresponded to: (i) expansion of the microwaveable product factory in the US; (ii) finalisation of the complex processes at the San José de la Rinconada factory; and (iii) new filled fresh pasta and gnocchi processes in France, Italy and Canada.

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 2023 were:

1. The R&D centre located in Lyon. Research focused on the development of fresh pasta, gnocchi, rice, pulse and other grain categories. Last year's work focused on: (i) patented technology for pan-fry gnocchi; (ii) improvements in fresh pasta manufacturing productivity and processes; (iii) expansion of the microwaveable and pan-fry product ranges; and (iv) revamping of the filled fresh pasta product ranges.
2. Bertagni R&D Center in Arcugnano. Work continued to (i) expand the range using the double-filling technology patented by Bertagni; (ii) develop new batching processes; and (iii) improvements in the productivity of and control over key processes.

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3. United States. The US Research Department focuses on developing new products, processes and technologies and adapting them for the idiosyncrasies of the US market. Its work focused on developing (i) a broad range of microwaveable products; (ii) developing and adapting heating processes; (iii) studying product life cycles and expiry; and (iv) testing products and assessing rice varieties suitable for the new productive processes.
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 products 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 at those centres are: (i) studies around vaporising processes for new rice varieties; (ii) development and implementation of industrial processes to eliminate nematodes from rice seeds; (iii) research into and development of new packaging materials to replace plastic and prolong the useful life of products; and (iv) work around fragrant varieties and the volatile organic compounds associated with their organoleptic properties.

8. OWN SHARE TRANSACTIONS

In 2023, 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 2023, under the scope of the employee share plan, it bought back 41,000 shares, sold 1,187 and delivered 39,813 own shares to employees. At December 31, 2023, the Parent did not hold any own shares as treasury stock; nor did any subsidiaries hold any shares in the Parent.

9. 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 35.7 days in 2023 and 32.7 in 2022. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

2023			2022		
Payments made (€000)		487,801.1	Payments made (€000)		501,532.5
	% of total			% of total	
Payments made within deadline (€000)	96%	467,976	Payments made within deadline (€000)	97%	488,681
No. of invoices settled within deadline	95%	39,447	No. of invoices settled within deadline	96%	37,537
Average payment period	Days	35.7	Average payment period	Days	32.7
Paid transactions ratio	Days	35.7	Paid transactions ratio	Days	32.7
Outstanding transactions ratio	Days	36.9	Outstanding transactions ratio	Days	39.7

Share price performance

The Parent's share price performed well in the first half of 2023 but gave up those gains in the second half to end the year roughly where it began. It performed in the opposite way to other shares considered high-growth stocks associated with emerging technologies.

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That would suggest that the market views the Parent's shares as a defensive investment with below average volatility. The sector's performance tends to lag when the stock market is very bullish, somewhat irrespective of the players' earnings performance.

Dividend distributions

At the Annual General Meeting held on June 6, 2023, the Company's shareholders ratified the motion to pay a cash dividend against 2022 profits and unrestricted reserves of 0.57 euros per share (before withholding tax), payable in the course of 2023 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 withholding tax) on April 3, June 30, and October 2, 2023.

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:

	2021	2022	2022/2021	2023	2023/2022
EBITDA-A	301,860	334,622	32,762	387,171	52,549
Depreciation and amortization	(94,565)	(101,023)	(6,458)	(102,874)	(1,851)
EBIT-A	207,295	233,599	26,304	284,297	50,698
Non-recurring income	9,454	1,807	(7,647)	3,848	2,041
Non-recurring expenses	(13,691)	(32,835)	(19,144)	(11,894)	20,941
OPERATING PROFIT	203,058	202,571	(487)	276,251	73,680

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.

EBRO FOODS, S.A. GROUP

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	31.12.21	31.12.22	31.12.23
(+) Non-current financial liabilities	598,509	553,164	175,108
(-) Other current financial liabilities	445,916	394,833	728,359
(+) Available-for-sale financial liabilities	0	0	0
(+) Loans to associates	(1,122)	(1,122)	(1,122)
(-) Deposits payable	(84)	(676)	(501)
(-) Cash and cash equivalents	(539,239)	(184,950)	(329,988)
(-) Derivatives – assets	(527)	(1,457)	(2,225)
(+) Derivatives – liabilities	1,270	2,843	773
TOTAL NET DEBT	504,723	762,635	570,404

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 items 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 accordingly 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.

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2023 MANAGEMENT REPORT (figures in thousands of euros)

Annual Corporate Governance Report

Annual Director Remuneration Report

Non-financial statement



DETAILS OF ISSUER

Year Ended:

[31/12/2023]

Tax Registration Number:

[A47412333]

Name:

[**EBRO FOODS, S.A.**]

Registered Office:

[PASEO DE LA CASTELLANA 20 - 3RD AND 4TH FLOORS - 28046 MADRID]

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the capital of the company 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	92,319,235.00	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.	14.52	0.00	0.00	0.00	14.52
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.	9.07	0.00	0.00	0.00	9.07
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	5.38	0.00	0.00	5.38
MENDIBEA 2002, S.L.	5.38	0.00	0.00	0.00	5.38
ARTEMIS INVESTMENT MANAGEMENT, LLP	4.08	0.00	0.00	0.00	4.08

See Explanatory Note Three in section H of this report.

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.	5.38	0.00	5.38

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

Most significant movements

There were no significant movements in the shareholding structure during 2023.

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 (including loyalty shares)		% voting rights through financial instruments		% total voting rights	Of the total % of voting rights attributed to shares, state where appropriate the % of attributed additional votes corresponding to loyalty shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ANTONIO HERNÁNDEZ CALLEJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEMETRIO CARCELLER ARCE	0.01	0.13	0.00	0.00	0.00	0.14	0.00
MARÍA CARCELLER ARCE	0.02	0.00	0.00	0.00	0.00	0.02	0.00
FERNANDO CASTELLÓ CLEMENTE	1.50	0.00	0.00	0.00	0.00	1.50	0.00
MERCEDES COSTA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total % of voting rights held by board members

46.42

See Explanatory Note Three in section H of this report.

Details of indirect holdings:

Name of director	Name of direct holder	% voting rights attributed to shares (including loyalty shares)	% voting rights through financial instruments	% total voting rights	Of the total % of voting rights attributed to shares, state where appropriate the % of attributed additional votes corresponding to loyalty shares
DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	0.13	0.00	0.00	0.13
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	68.47
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See Explanatory Note Three in section H of this report.

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 2023, Herba Ricemills, S.L.U. (a subsidiary of the Ebro Foods Group) entered into different commercial transactions with subsidiaries of the significant shareholder Sociedad Anónima Damm, for the sale of rice and rice by-products on arm's length terms. See in this respect the information on related party transactions in section D.2 of this Report.

Name of related party	Type of relationship	Brief description
GRUPO TRADIFÍN, S.L.	Commercial	During 2023, 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 related party transactions and comments set out in section D.2 of this Report.
GRUPO TRADIFÍN, S.L.	Contractual	During 2023, 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 related party transactions and comments set out in section D.2 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Commercial	During 2023, 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 Hercalianz Investing Group, S.L. and related parties. See in this respect the information on related party transactions and comments set out in section D.2 of this Report.
HERCALIANZ INVESTING GROUP, S.L.	Contractual	During 2023, 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 Hercalianz Investing Group, S.L. and related parties. See in this respect the information on related party transactions and comments set out in section D.2 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 is a proprietary director of 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 0.963% interest (0.056% direct and 0.907% indirect). He is Executive Chairman of the Board of Sociedad Anónima Damm, Chairman of the Board of Corporación Económica Delta, S.A. and holds other positions in some companies related with Damm. See section C.1.11 of this Report.
ALEJANDRA OLARRA ICAZA	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra Icaza represents the director (and significant shareholder) Corporación Financiera Alba, S.A. on the Board of Directors of Ebro Foods, S.A. Ms Olarra Icaza has an employment relationship with Corporación Financiera Alba, S.A.
JAVIER GÓMEZ-TRENOR VERGÉS	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Javier Gómez-Trenor Vergés represents the director (and significant shareholder) Empresas Comerciales e Industriales Valencianas, S.L. on the Board of Directors of Ebro Foods, S.A. Javier Gómez-Trenor Vergés has an indirect interest of 12.586% in Empresas Comerciales e Industriales Valencianas, S.L. Mr Gómez-Trenor Vergés represents the director and Chairman of the Board of Empresas Comerciales e Industriales Valencianas, S.L. and holds other positions in

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
			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 represents the director (and significant shareholder) Grupo Tradifín, S.L. on the Board of Directors of Ebro Foods, S.A. Ms Hernández Rodríguez has a direct interest of 33.25% in Grupo Tradifín, S.L., of which she is Managing Director. She also holds other positions on the boards of companies related with Grupo Tradifín, S.L. 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., a significant shareholder and director of Ebro Foods, S.A. 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 represents the director (and significant shareholder) Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A. Félix Hernández Callejas has a direct interest of 28.668% in Hercalianz Investing Group, S.L., of which he is Joint and Several Director. He also holds other positions on the boards of companies related with Hercalianz Investing Group, S.L. See section C.1.11 of this Report.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
MARÍA CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	SOCIEDAD ANÓNIMA DAMM	María Carceller Arce is a proprietary director of 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 Sociedad Anónima Damm and represents the director Seegrund B.V. on the Boards of Directors of Corporación Económica Delta, S.A. and Sociedad Anónima Damm. See section C.1.11 of this Report.
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. Mr Comenge Sánchez-Real also has corporate relationships with companies related with Empresas Comerciales e Industriales Valencianas, S.A. See section C.1.11 of this Report.
JORDI XUCLÀ COSTA	ALIMENTOS Y ACEITES, S.A.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES	Jordi Xuclà is a proprietary director of Alimentos y Aceites, S.A., in which Sociedad Estatal de Participaciones Industriales has a direct interest of 91.9625%. Mr Xuclà does not have any significant relationship with Alimentos y Aceites, S.A. or with Sociedad Estatal de Participaciones Industriales. See section C.1.11 of this Report.

Name of related director or representative	Name of related significant shareholder	Name of company in the significant shareholder's group	Description of relationship/office
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso is a proprietary director 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.

The directors Heralianz Investing Group, S.L., Grupo Tradifin, S.L., Corporación Financiera Alba, 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	

Explain the significant changes during the year:

Explain the significant changes

There were no significant changes during 2023.

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	27.45

See explanatory note 3 in section H of this report.

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:

Date of general meeting	Details of attendance				Total
	% in person	% by proxy	% distance voting		
			Electronic vote	Others	
30/06/2021	0.00	61.09	0.02	18.75	79.86
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
29/06/2022	14.64	56.01	0.03	10.78	81.46
Of which free float	0.09	12.94	0.03	0.42	13.48
06/06/2023	14.85	57.27	0.04	10.89	83.05
Of which free float	0.13	13.97	0.04	0.53	14.67

In 2023 the Annual General Meeting was held onsite and online. In addition to attendance in person and the possibility of voting and proxy by means of remote communication prior to the general meeting, the Board resolved to enable online attendance of the General Meeting, allowing shareholders (and their representatives or proxies) to attend and participate in the General Meeting in real time by remote connection, as contemplated in the Articles of Association, the Regulations of the General Meeting and the notice of call.

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-june-2023/>, which is the direct link to the Annual General Meeting of Shareholders held on 6 June 2023.

Furthermore, since the Annual General Meeting held in 2023 was held both online and onsite, the company enabled the corresponding link on the corporate website to the live-streaming of the AGM. The link to the live broadcast of the AGM was maintained active on the website throughout its 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
- Annual General Shareholders' Meeting, referring to the latest general meeting held, whether annual or extraordinary
- Previous general meetings
- 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 concise, explanatory titles, to permit rapid, direct access to those contents 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	29/06/2022	RESOLUTION PASSED AT AGM
FERNANDO CASTELLÓ CLEMENTE		Independent	DIRECTOR	29/05/2012	29/06/2022	RESOLUTION PASSED AT AGM
MARC THOMAS MURTRA MILLAR		Independent	DIRECTOR	31/01/2022	06/06/2022	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
JORDI XUCLÀ COSTA		Proprietary	DIRECTOR	30/03/2022	30/03/2022	COOPTATION
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
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

Total number of directors	14
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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
FERNANDO CASTELLÓ CLEMENTE	Independent	29/06/2022	31/12/2023	Audit, Control and Sustainability Committee, Nomination and Remuneration Committee (Chair)	YES

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 10 December 2023, Fernando Castelló Clemente tendered in writing his resignation as Director for personal reasons, with effect from 31 December 2023. Mr Castelló Clemente was classified as an independent director and was a member of the Audit, Control and Sustainability Committee and member and chair of the Nomination and Remuneration Committee.

See in Explanatory Note One in section H of this report the present composition of the Board of Directors following the changes to the Board and Committees from 31 December 2023 (year-end 2023) to 22 March 2024 (date of approval of this report).

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

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

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 a direct interest of 9.10%.

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

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
DEMETRIO CARCELLER ARCE	CORPORACIÓN ECONÓMICA DELTA, S.A.	Demetrio Carceller Arce was born in Madrid. He has a degree in Business Administration from the Private Financial Studies University 'Colegio Universitario de Estudios Financieros' (CUNEF) of Universidad Complutense de Madrid. He subsequently did an MBA at Duke University (Fuqua School of Business), an American business school in which he is on the Board of Visitors. He is Executive Chairman of Sociedad Anónima Damm and Chairman of Corporación Económica Delta, SA. and DISA Corporación Petrolífera, S.A. He is also Vice-Chairman and member of the Executive Committee of Sacyr, S.A. He chairs the Board of Trustees of the Damm Foundation and is a member of the board of trustees of Fundación Disa and Fundación SERES (Responsible Business and Society 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 30 years' professional experience in national and international companies in the food and drink sector. She is on the Food and Drink Advisory Board of the IESE Business School, the advisory board of Fundación A La Par and Honorary Trustee of Fundación General de la Universidad Complutense de Madrid. Since January 2012, she has been Managing Director of Grupo Rodilla, where she has received several awards for her professional career and business management. Before joining Grupo Rodilla, she held different management positions in Pepsico and McDonald's, receiving the President Award, among others. She is bilingual in German and speaks English.
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	JOSE IGNACIO COMENGE SÁNCHEZ-REAL	José Ignacio Comenge Sánchez-Real was born in San Sebastián. He is an Economist and has a degree in International Banking. He has a lengthy track record in business management and administration in companies operating in different areas of the Spanish economy, including the financial, insurance, beverages and renewable energy sectors. He has been an executive and director in different financial and insurance entities, such as Banco Hispano Americano, Mutua Madrileña and Axa Winterthur, among others. He is Chairman of Ball Beverage Packaging Iberica S.L. and Arbitraje&Inversiones S.L. and Director of ENCE Energía y Celulosa, S.A., CVNE, S.A. (Compañía Vinícola Nacional de España), Olive Partners, S.A., Barbosa&Almeida, S.A. and Coca-Cola European Partners.
JORDI XUCLÀ COSTA	ALIMENTOS Y ACEITES, S.A.	Jordi Xuclà Costa was born in Olot (Gerona). He has a Law degree from the University of Gerona, a PhD in Communication and International Relations from Ramón Llull University and a master's degree in National Defence (CESEDEN), among other qualifications. A jurist and consultant in International Relations, he was formerly a lecturer of Administrative Law at the Universities of Gerona and Barcelona. He formerly held office as Senator-Elect for Gerona, CiU (2000-2004, VII Term), Deputy of the Congress of Deputies (2004-2019) and member of the Parliamentary Assembly of the Western European Union (2008-2011), NATO (2008-2011) and the European Council (2008-2019). He is currently a lecturer

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
		of International Relations at Universidad CEU San Pablo and Ramón Llull University and is on the Board of RENFE Mercancías, in which he previously chaired the Audit and Control Committee. He is a Trustee of the Josep Plà Foundation. Since October 2023 he has been Vice-Chairman of the Spanish Federal Council of European Movement. Among other recognitions, he has been awarded the distinction of Commander of the Order of Civil Merit.
JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA, S.A.	Javier Fernández Alonso was born in Bilbao. He graduated with a BA Summa Cum Laude in Business Management and Administration from Deusto University, majoring in Finance. He began his career in investment banking and M&A at Goldman Sachs in London in 2000 and in 2002 he joined ABN AMOR in Madrid. In 2006 he joined the Investment Department of Corporación Financiera Alba, S.A., where he was appointed Deputy Investment Director in 2007, Chief Investment Officer in 2012 and CEO in 2020, still serving to this day in the latter capacity. He currently represents Corporación Financiera Alba, S.A. on the boards of CIE Automotive, Profand Fishing Holding, Viscofan and the investment vehicles Rioja and Rioja Acquisition (Naturgy). He is also a Director of the private equity vehicle of the Alba Group and is on the Investment Committees of two funds managed by Artá Capital. He has formerly served on the boards of Acerinox, ACS, Dragados, ACS Servicios y Concesiones, Euskaltel, Parques Reunidos and Clínica Baviera, among others.
CORPORACIÓN FINANCIERA ALBA, S.A.	CORPORACIÓN FINANCIERA ALBA, S.A.	Alejandra Olarra 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. She speaks English.
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.
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., an independent investment fund manager following value investment philosophy that promotes ESG criteria; it is a signatory of the

NON-EXECUTIVE PROPRIETARY DIRECTORS		
Name of director	Name of significant shareholder represented or that proposed appointment	Profile
		United Nations Principles for Responsible Investment (PRI) and all its funds are Articles 8 and 9. She is founder and Chair of Techo Hogar Socimi, an innovative welfare company that seeks to help eradicate homelessness. She is also Director of PharmaMar, S.A., on the Boards of Trustees of Proyecto Hombre, COF Virgen de los Reyes 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. PhD in Political Science, Sociology and Social Anthropology from the Autonomous University of Madrid and Master in Social Sciences from the Juan March Institute of Studies and Research. She is the founder and CEO of 40dB, a social and market research consultancy and is on the Scientific Council of Real Instituto Elcano / Elcano Royal Institute. She has over twenty years' experience in studying consumers and society. Drawing on her national and international experience, she has directed projects in Europe and Latin America, as well as a large volume of research into the social impact of ESG, the climate crisis, new technologies and artificial intelligence, inter alia. With a holistic vision of citizens and consumers, she has worked for the FMCG industry, food & beverages industry, retail, entertainment, media, telecommunications, energy, banking, insurance, NGOs and universities. She is the author of "La sociedad que seremos" (Planeta, 2017) and numerous academic publications and is a visiting lecturer for different university courses. She was previously Chair of the CIS [Sociological Research Centre] (2008-2010) and on the Advisory Board of the Spanish Association of Foundations (2016-2023) and the Economic Affairs Advisory Council of the former Deputy Prime Minister Nadia Calviño (2020-2023). She has received numerous acknowledgements and awards. In 2011 she was elected one of the 100 Leading Women by the Tiempo magazine and was in the Top 100 Leading Women in Spain in the category of thinkers and experts in 2016, 2017 and 2018 (and currently has honorary status). In 2019 she was awarded the European Prize for Women Entrepreneurs by the European Association of Economics and Competitiveness.
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.
MARC THOMAS MURTRA MILLAR	Marc Thomas Murtra Millar was born in Blackburn, Lancashire, UK. He has a degree in Industrial Engineering, specialising in Machinery Mechanics, from the School of Industrial Engineers of Barcelona ETSEIB) of the Polytechnic University of Catalonia, and a Master in Business Administration (MBA), majoring in Finance, from the Leonard School of Business of the University of New York. He worked in the civil service for several years, as a specialist in Strategy and Digital Transformation, and has held several directorships. In the private sector, he was formerly Chairman of Closa Investment Bankers, since 2011 he has headed numerous corporate operations in the technology, media and telecommunications (TMT) and industrial sectors and Public Private Partnerships with international investors and enterprises throughout the world. He is also a part-time lecturer of Financial Management and Financial Economics at

	the Pompeu Fabra University. He is Chairman of the Board, the Strategy Committee and the Executive Committee of Indra Sistemas S.A., a Trustee of Fundación La Caixa and a director of Industria de Turbo Propulsores S.A.
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 graduated from IE University in December 2011 with a PhD in Communication Science. She has extensive professional experience as a commercial lawyer in the law firm of José Mario Armero, lecturer and researcher in the field of the entire negotiation process, from start to finish. She is currently Manager of the Negotiation and Mediation Centre and Negotiation lecturer in the Masters programmes, advanced courses and programmes of Executive Education at the IE Business School in Madrid, both on-site and on-line. She is also Director of the Negotiate Forum and a member of the Good Governance Centre at the IE Business School.

Total number of independent directors	4
% of board	28.57

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

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

Name of director	Description of the relationship	Reasoned statement
BELÉN BARREIRO PÉREZ-PARDO	N/A	N/A
FERNANDO CASTELLÓ CLEMENTE	N/A	N/A
MARC THOMAS MURTRA MILLAR	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 (%)			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive					0.00	0.00	0.00	0.00
Proprietary	3	3	4	3	37.50	37.50	50.00	37.50
Independent	2	2	2	2	50.00	50.00	50.00	50.00
Other non-executive					0.00	0.00	0.00	0.00
Total	5	5	6	5	35.71	35.71	42.86	35.71

Following Fernando Castelló Clemente's resignation from the Board as of 31 December 2023 and the incorporation of the new director Elena Segura Quijada as of 31 January 2024: (i) there are now 6 women on the Board of Directors, representing 42.86% of the total members (14); and (ii) there are now 3 female independent directors, which represents 75.00% of the total number of independent directors (4).

The changes that have taken place on the Board of Directors and Committees from 31 December 2023 (year-end 2023) to 22 March 2024 (date of approval of this report) are set out in Explanatory Note One in section H of this report.

See also Explanatory Note Two in section H of this report for the evolution of female presence on the Board over the past two years.

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. Small and medium-sized enterprises, as defined in the Auditing Act, 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.

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 professional 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.

- 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 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, although it is necessary to recover the target set in the Policy on the Selection of Directors and Diversity in the Composition of the Board, that the gender least represented on the Board of Directors of the Company must account for at least 40% of the total Board members. With regard to the evolution and current situation of women on the company's Board of Directors, see Explanatory Note Two in section H 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 non-director 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

See Explanatory Note Two in section H of this report.

- 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 2023, when the re-appointment of a director was contemplated, in accordance with the company's Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors ("the Policy"), the Nomination and Remuneration Committee analysed the composition of the Board of Directors from the point of view of director categories, the presence of women, size and diversity of expertise and profiles.

In this regard, the Nomination and Remuneration Committee:

(i) Assessed the current size of the Board of Directors (set at 14 members by virtue of a resolution adopted at the Annual General Meeting of Shareholders held on 29 July 2020). The Committee considers this size adequate to ensure adequate diversity of expertise, experience and gender in the composition of the Board and an adequate balance between the representation of significant shareholders and minority shareholders on the Board.

(ii) Assessed the extent of compliance with Recommendation 16 of the Code of Good Governance, which stipulates that the proportion of proprietary directors in the total number of non-executive directors should not exceed the proportion of capital represented by those directors in the total capital of the company. Although the proportion of proprietary directors in the total non-executive directors (66.67%) is greater than the proportion of capital represented by those directors in the total capital (57.87%), 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, because there are seven (7) unrelated significant shareholders present or represented on the Board that represent 66.81% of the capital.

In this regard, the Nomination and Remuneration Committee has considered it necessary to take account of the fact that the director Herculianz 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 an executive and director of several subsidiaries in the Ebro Group.

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

(iii) Assessed the extent of compliance with Recommendation 17 of the Code of Good Governance, which stipulates 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, like Ebro Foods, S.A., 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, although it should be borne in mind that 68.47% of the company's total capital is concentrated in the Board.

(iv) Assessed 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%.

(iv) Assessed the fact that all the present directors were appointed on account of their expertise, skills, professional experience, availability and suitability, which were considered adequate for the duties they were to perform.

In view of the diversity of professional profiles of the directors (all specialists in sectors that are both varied and complementary, such as economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and taking into account the extensive knowledge that some of them have of the Group overall, the Nomination and Remuneration Committee considers that the composition of the Board of Directors has adequate diversity of expertise and professional experience to serve the interests of the company and the group.

See Explanatory Note Three in section H of this report regarding the percentages in the capital indicated in this section.

In addition, see Explanatory Note Two in section H of this report regarding the evolution and current situation of women on the Board.

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
[v] 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 Nafía and entered in the Madrid Trade Register. 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 2002, the following actions by Antonio Hernández Callejas require prior authorisation from the Board of Directors or the Executive Committee: - 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; and - for corporate operations, a prior resolution of the Board of Directors is required if they are for more than two million euros, and the Executive Committee must be notified if they are for less than two million euros but more than three hundred thousand euros.
Executive Committee	The Board of Directors has delegated all its powers to the Executive Committee, save any, which may not legally be delegated. This notwithstanding, in accordance with the rules on investments and divestments, strategic expenditure and corporate operations approved by the Board of Directors at its meeting on 21 March 2002, 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	EBRO 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

Name of director	Name of group company	Position	With executive duties?
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, N.V.	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	EBRO RICE HANDLING, BVBA	DIRECTOR	YES
ANTONIO HERNÁNDEZ CALLEJAS	S&B HERBA FOODS, LTD.	DIRECTOR	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 Herculanz 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
- Boost Nutrition, N.V. 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
- Ebro Ingredients Belgium B, BV. Director. With executive duties
- Ebro Ingredients Belgium F, 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
- Vítasan, 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
- Dosbio 2010, S.L.U. Joint and Several 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
DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLÍFERA, S.A.	CHAIRMAN
DEMETRIO CARCELLER ARCE	SACYR, S.A.	VICE-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	S.A. 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
DEMETRIO CARCELLER ARCE	DISTRIBUCIÓN DIRECTA INTEGRAL, S.L.	CHAIRMAN
DEMETRIO CARCELLER ARCE	FUNDACIÓN DAMM	CHAIRMAN
DEMETRIO CARCELLER ARCE	FUNDACIÓN DISA	TRUSTEE
DEMETRIO CARCELLER ARCE	CERVECEROS DE ESPAÑA	CHAIRMAN
DEMETRIO CARCELLER ARCE	ESTRELLA DE LEVANTE FÁBRICA DE CERVEZA, S.A.	REPRESENTATIVE OF DIRECTOR
BELÉN BARREIRO PÉREZ-PARDO	40DB DATA, S.L.	SOLE DIRECTOR
MARÍA CARCELLER ARCE	DAMM RESTAURACIÓN, S.L.	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	S.A. 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	ESTRELLA DE LEVANTE FÁBRICA DE CERVEZA, S.A.	REPRESENTATIVE OF DIRECTOR
MARÍA CARCELLER ARCE	JAPAN INVESTMENT, BV	CHAIR
MARÍA CARCELLER ARCE	IESE BUSINESS SCHOOL	OTHERS
MARÍA CARCELLER ARCE	FUNDACIÓN A LA PAR	OTHERS
MARÍA CARCELLER ARCE	FUNDACIÓN GENERAL DE LA UNIVERSIDAD COMPLUTENSE DE MADRID	TRUSTEE
MARÍA CARCELLER ARCE	DISTRIBUCIÓN DIRECTA INTEGRAL, 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
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	COCA-COLA EUROPACIFIC PARTNERS, LTD	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	BA GLASS, B.V.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	OLIVE PARTNERS, S.A.	DIRECTOR
JOSE IGNACIO COMENGE SÁNCHEZ-REAL	CVNE, S.A.	DIRECTOR
MARC THOMAS MURTRA MILLAR	INDRA SISTEMAS, S.A.	CHAIRMAN

Name of director or representative	Name of company, listed or otherwise	Position
MARC THOMAS MURTRA MILLAR	TESS DEFENCE, S.A.	DIRECTOR
MARC THOMAS MURTRA MILLAR	INDUSTRIA DE TURBO PROPULSORES, S.A.	DIRECTOR
MARC THOMAS MURTRA MILLAR	FUNDACIÓN BANCARIA LA CAIXA	TRUSTEE
JORDI XUCLÀ COSTA	RENFE MERCANCÍAS SME	DIRECTOR
JORDI XUCLÀ COSTA	FUNDACIÓN JOSEP PLA	TRUSTEE
JORDI XUCLÀ COSTA	JORDI XUCLÀ CONSULTORES, S.L.	SOLE 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 1
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	RIEGOS EL PATOR, S.L.	SOLE DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	INVERSIONES CASPATRÓ, S.L.	CHAIRMAN
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 GÓMEZ-TRENOR VERGÉS	DOSVAL, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	FRUVEGA, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	CARTUJA AGRÍCOLA, S.A.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	RIEGOS EL PATOR, S.L.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	OLIVE PARTNERS, S.A.	REPRESENTATIVE OF DIRECTOR
JAVIER GÓMEZ-TRENOR VERGÉS	CITRICULTURA PAS, S.L.U.	REPRESENTATIVE OF 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
JAVIER FERNÁNDEZ ALONSO	CIE AUTOMOTIVE, S.A.	DIRECTOR
JAVIER FERNÁNDEZ ALONSO	VISCOFAN, S.A.	DIRECTOR
GRUPO TRADIFÍN, S.A.	ALDEBARÁN ENERGÍA DEL GUADALQUIVIR, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	ARROZALES LOS MORISCOS, 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.	HACIENDA DEL GUADAIRA, S.L.	SOLE DIRECTOR
GRUPO TRADIFÍN, S.A.	HERNÁNDEZ BARRERA SERVICIOS, S.A.	DIRECTOR
GRUPO TRADIFÍN, S.A.	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	MANAGING DIRECTOR
GRUPO TRADIFÍN, S.A.	LIGHT ENVIRONMENT CONTROL, S.L.	MANAGING DIRECTOR
GRUPO TRADIFÍN, S.A.	OLIVETM RECURSOS BIOMÁSICOS, S.L.	SOLE DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	GRUPO TRADIFÍN, S.L.	MANAGING DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	MAGALLANES VALUE INVESTORS, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	MAGALLANES VALUE INVESTORS UCITS SICV	CHAIR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	PHARMA MAR, S.A.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	REAL CLUB SEVILLA GOLF, S.L.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	TECHO HOGAR SOCIMI, S.L.	DIRECTOR
MARÍA BLANCA HERNÁNDEZ RODRÍGUEZ	TECHO RAICES, S.L.	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	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
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.	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	HERCALIANZ INVESTING GROUP, S.A.	JOINT AND SEVERAL DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HERNÁNDEZ BARRERA SERVICIOS, S.A.	DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HERSOT VENTURES, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HISPAGRAINS AGRO, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	HISPAMARK REAL ESTATE, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	INSTITUTO HISPÁNICO DEL ARROZ, S.A.	VICE-CHAIRMAN
FÉLIX HERNÁNDEZ CALLEJAS	ISLASUR, S.A.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	LABRADOS GUADALQUIVIR, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	LIBECCIO AGRÍCOLA, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	LLANOS RICE, S.L.	REPRESENTATIVE OF DIRECTOR

Name of director or representative	Name of company, listed or otherwise	Position
FÉLIX HERNÁNDEZ CALLEJAS	MAGALLANES VALUE INVESTORS, S.A.	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	RIVERCANT AGRÍCOLA, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	RIVERETA 12, S.L.	REPRESENTATIVE OF DIRECTOR
FÉLIX HERNÁNDEZ CALLEJAS	SARTENEJALES, 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

María Blanca Hernández Rodríguez, representative of the director Grupo Tradifin, S.L., also chairs the Board of Trustees of Fundación Ebro Foods.

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
MERCEDES COSTA GARCÍA	Lecturer at IE Business School and member of the Advisory Board Ribé Salat
MARC THOMAS MURTRA MILLAR	Part-time lecturer of Financial Management and Financial Economics at the Pompeu Fabra University and UPF Barcelona School of Management
JORDI XUCLÀ COSTA	Publication of articles, conference speaker and lecturer of International Relations at Ramón Llull University

We include within the information on other remunerated activities set out in this section that the directors Corporación Financiera Alba, S.A., Empresas Comerciales e Industriales Valencianas, S.L., Grupo Tradifin, S.L. and Herculanz Investing Group, S.L. each perform the activities corresponding to their objects.

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)	8,085
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 gross sum of 5,000 euros).

In addition to the gross amount indicated in this section C.1.13, the Executive Chairman of the Board also received 5,200 euros gross from the associate Riso Scotti, S.p.A. in attendance fees as director.

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

Name	Position(s)
ANA MARÍA ANTEQUERA PARDO	COMMUNICATIONS AND CSR MANAGER
LUIS PEÑA PAZOS	SECRETARY OF THE COMPANY AND BOARD
PABLO ALBENDEA SOLÍS	CHIEF OPERATING OFFICER (COO)
MARÍA JOSÉ GARRETA RODRÍGUEZ	PATENTS AND TRADEMARKS MANAGER
ALFONSO FUERTES BARRO	FINANCE MANAGER
GABRIEL SOLÍS PABLOS	TAX MANAGER
YOLANDA DE LA MORENA CEREZO	VICE-SECRETARY OF THE BOARD
GLORIA RODRÍGUEZ PATA	CORPORATE ASSETS MANAGER
JESÚS DE ZABALA BAZÁN	INTERNAL AUDIT MANAGER
MANUEL 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)	2,874

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 21 December 2022, the Board of Directors unanimously resolved to rename the Audit and Compliance Committee, changing its name to "Audit, Control and Sustainability Committee" in recognition of the increasing importance for the company of sustainability and corporate social responsibility and the significant powers exercised by this Commission in that area.

In order to include the new name "Audit, Control and Sustainability Committee" in the Articles of Association and the Regulations of the Board, the Board of Directors resolved on 26 April 2023 to table a motion at the Annual General Meeting to be held on 6 June 2023 to amend Article 28 of the Articles of Association, and informed shareholders of the alteration of Articles 3, 8, 15, 24, 37 and 43 of the Regulations of the Board, where the new name replaced the former name of "Audit and Compliance Committee".

The amendment of the Regulations of the Board was: (i) previously assessed by the Audit and Compliance Committee, which issued a favourable report in pursuance of Articles 3.2 and 3.3 of the Regulations; and (ii) reported to the shareholders at the Annual General Meeting held on 6 June 2023, as mentioned above.

The recast Regulations of the Board were entered in the Madrid Trade Register on 22 June 2023 and published on the website of the National Securities Market Commission www.cnmv.es and the company's corporate website www.ebrofoods.es.

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.

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 2022, made in 2023, did not reveal the need for any major changes in the Company's internal organisation or the procedures applicable to their 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

The Board, its Committees and the Executive Chairman of the Company are assessed each year.

This process is based on: (i) a report prepared by the Nomination and Remuneration Committee to be laid before the Board of Directors; (ii) the activity reports issued by the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee in the year being assessed; and (iii) the resolutions adopted by the Board of Directors in view of those reports.

The methodology explained below was used again, where appropriate, in the assessment of 2022, made in 2023. This is the methodology normally used by the company in its assessments, with the exception of the 2020 assessment made in 2021, in which the external consultant who assisted the company used a different system based on interviews with the directors.

- The directors (and, in the case of corporate directors, their representatives) completed a questionnaire previously approved by the Nomination and Remuneration Committee.

- Once all the questionnaires had been completed, the data collected was sent to the Secretary of the Nomination and Remuneration Committee who, after analysing them, drew up an anonymous summary of the answers for the Committee to issue the corresponding Assessment Report, which was finally laid before the Board of Directors.

In the assessment process carried out in 2023, it was not considered necessary to complete the results from the questionnaires with a personal interview with the Lead Independent Director of the company, Mercedes Costa García, as she had participated intensely in the assessment process as a member of the Nomination and Remuneration Committee.

- The questionnaires completed by all the directors and the Assessment Report were filed by the Secretary of the Board.

B. AREAS ASSESSED

Apart from assessing the composition, powers and procedures of the Board of Directors, a specific assessment was made by that body of the following matters: (i) supervision and control of the business management, investments and strategy of the company; (ii) agenda for meetings, treatment and discussion of the issues and possibility of incorporating off-agenda issues; and (iii) planning, frequency, duration and dynamics of the meetings, notices of call and documentation of the meetings.

In addition to assessing the composition, powers and procedures of the Committees, a specific assessment was made of each committee with regard to the following matters:

- 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, Control and Sustainability 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.

- Strategy and Investment Committee: specific assessment of the frequency of its meetings and analysis of the business to be transacted.

In addition to the specific assessment of each Committee made by the directors on each one, the other directors who are not on those committees also assess the work of each Committee.

The following were also assessed: (i) the Executive Chairman's management in aspects related with his dedication, participation and stimulation of debates, and the clarity and detail of the information and explanations given on the company's strategy and business; (ii) performance by the Lead Independent Director of her duties; (iii) decision-making in issues concerning related party transactions and conflicts of interest, significant investments and transactions, dividends, strategic plan, risk management and business liability policy; and (iv) follow-up on issues agreed by the Board in the previous assessment, made in 2022.

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.

N/A

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

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

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

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

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

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

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

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

Yes
 No

If yes, describe the differences.

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

Yes
 No

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

Yes
 No

C.1.23 Do the Articles of Association or Regulations of the Board establish a limited term of office 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	11
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
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Indicate the number of meetings held by the different Committees of the Board:

Number of meetings of the Strategy and Investment Committee	2
Number of meetings of the Executive Committee	3
Number of meetings of the Audit, Control and Sustainability Committee	9
Number of meetings of the Nomination and Remuneration Committee	6

During 2023, 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.

Of the 9 meetings of the Audit, Control and Sustainability Committee held in 2023, the External Auditor attended 5 and the Internal Audit Manager attended 7. It should be borne in mind in this respect that 3 of the 9 meetings held had a single item on the agenda, regarding the procedure for selecting auditors for 2024, 2025 and 2026.

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	11
Attendance / total votes during the year (%)	92.86
Number of meetings attended by all the directors, in person or by proxies made with specific voting instructions	11
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, whether 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, Control and Sustainability 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.

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, Control and Sustainability Committee and the Board of Directors.

Finally, in 2023 the External Auditors attended the Board meeting at which the separate and consolidated annual accounts for 2022 were authorised for issue, to inform the Board directly on the conclusions of their audit, in view of which they issued an unqualified Auditors' Report for the separate and consolidated accounts.

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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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)	193	123	316
Charge for non-audit work / Amount invoiced for audit work (%)	70.44	6,31	14,21

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	10	10
	Separate	Consolidated
Number of years audited by current auditors / Number of years that the company has been audited (%)	30.30	30.30

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 31.2 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.

Article 31.3 of the Regulations of the Board provide that if a Director: (i) is in a situation, related or otherwise with his duties in the Company, that could jeopardise the Company's prestige and reputation, or (ii) is investigated within any criminal proceedings, he shall notify the Board as promptly as he is able and keep the Board up to date on subsequent developments in both cases.

Finally, 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 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 the previous paragraphs, for the common interests and benefit of the Company and its subsidiaries.

During 2023, the Strategy and Investment Committee assessed the degree of compliance with the Strategic Plan of the Ebro Foods Group 2022-2024 and worked on other strategic issues concerning the Group.

Audit, Control and Sustainability Committee		
Name	Position	Category
FERNANDO CASTELLÓ CLEMENTE	MEMBER	Independent
MARC THOMAS MURTRA MILLAR	CHAIR	Independent
MERCEDES COSTA GARCÍA	MEMBER	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

The composition of the Audit, Control and Sustainability Committee at 31 December 2023 is set out in the table above.

The changes that have taken place on the Board of Directors and Committees from 31 December 2023 (year-end 2023) to 22 March 2024 (date of approval of this report) are set out in Explanatory Note One in section H of this report.

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

The Audit, Control and Sustainability 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, Control and Sustainability Committee shall meet as and when called by its Chair, 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, Control and Sustainability 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 with the company or subsidiaries of the Group 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 2023, the Audit and Control 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, procedure for selecting the external auditors to audit the annual accounts corresponding to 2024, 2025 and 2026, whistleblowing channel, review of and reporting on the corporate policies within its area of competence, and compliance.

During 2023 the Committee also approved its 2022 activity report, made available for shareholders for the Annual General Meeting held on 6 June 2023.

The Company will issue a detailed report of all the activities performed by the Audit and Control Committee during 2023, which will be made available to all shareholders prior to the forthcoming Annual General Meeting 2024.

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	FERNANDO CASTELLÓ CLEMENTE / MARC THOMAS MURTRA MILLAR / MERCEDES COSTA GARCÍA / JAVIER FERNÁNDEZ ALONSO / GRUPO TRADIFÍN, S.L.
Date of appointment as committee chair	23/11/2022

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

The composition of the Nomination and Remuneration Committee at 31 December 2023 is set out in the table above.

The changes that have taken place on the Board of Directors and Committees from 31 December 2023 (year-end 2023) to 22 March 2024 (date of approval of this report) are set out in Explanatory Note One in section H of this report.

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 2023, 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; (ii) appointment of Chair of the Nomination and Remuneration Committee to replace the previous chair; (iii) analysis of the composition of the Board with regard to the afore-mentioned appointments and re-elections; (iv) review of the Group policies falling within its remit; (v) review of the Directors' Remuneration Policy 2022-2024; (vi) remuneration systems and remuneration of directors, including the Executive Chairman, and of the key executives of the Company and its Group; (vii) Corporate Governance Report and Directors' Remuneration Report for 2022; (viii) Share-Based Remuneration Plan for Group employees for 2023; and (ix) self-assessment procedure for the Board of Directors, Chairman and Committees for 2022.

The Committee also approved during 2023 its 2022 activity report, made available for shareholders for the Annual General Meeting of 6 June 2023.

The Company will issue a detailed report of all the activities performed by the Nomination and Remuneration Committee during 2023, which will be made available to all shareholders for the forthcoming Annual General Meeting 2024.

Executive Committee		
Name	Position	Category
DEMETRIO CARCELLER ARCE	MEMBER	Proprietary
ANTONIO HERNÁNDEZ CALLEJAS	CHAIR	Executive
MARC THOMAS MURTRA MILLAR	MEMBER	Independent
JAVIER FERNÁNDEZ ALONSO	MEMBER	Proprietary

% executive directors	25.00
% proprietary directors	50.00

% independent directors	25.00
% other non-executive directors	0.00

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

Articles 19 and 27 of the Articles of Association contemplate the delegation of powers of the Board of Directors to the Executive Committee.

The composition, organisation and procedure of the Executive Committee is governed by the provisions common to all the committees set out in Article 22 of the Regulations of the Board, and the specific regulations established in Article 28.1 of the Articles of Association and Article 23 of the Regulations of the Board.

The powers of this Committee are set out in Article 23.2 of the Regulations of the Board, without prejudice to what the Board may establish in its resolution to delegate powers.

The Executive Committee shall have no fewer than three nor more than seven members, including the Chairman and Vice-Chairman of the Board, who will form part of this Committee. At least two of the Executive Committee members shall be non-executive directors and one of them shall be independent.

The Committee shall be presided by the Chairman of the Board. In general, the Executive Committee will meet once every two months. Its meetings may be attended by such members of 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 will merely submit the corresponding proposal to the Board.

During 2023, the Executive Committee assessed several investments, divestments and sales of assets, as well as the strategic decisions to be adopted in respect of the different business lines.

C.2.2 Complete the following table with information on the number of female directors on the board committees over the past four years:

	Number of female directors							
	2023		2022		2021		2020	
	No.	%	No.	%	No.	%	No.	%
Strategy and Investment Committee	0	0.00	0	0.00	0	0.00	0	0.00
Audit, Control and Sustainability Committee	2	40.00	2	40.00	2	40.00	2	40.00
Nomination and Remuneration Committee	3	60.00	3	60.00	3	60.00	3	60.00
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 Indicate the existence, if appropriate, of regulations of the board committees, where they are available for consultation and any modifications made during the year. State whether an annual report has been issued voluntarily on the activities of each committee.

In general, Article 28 of the Articles of Association establishes the basic regulation of the Committees of the Board, contemplating the existence and composition of: (i) the Executive Committee, (ii) the Audit, Control and Sustainability 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, Control and Sustainability 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).

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, Control and Sustainability 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, Control and Sustainability 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 established by the company for those transactions whose approval has been delegated.

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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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. 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.

In addition, the Protocol on Related Party Transactions established in the company contemplates the following procedures:

- communication between the Company and its Related Parties to identify in advance any transactions to be made with them;
- control of any potential transactions identified that are going to be made;
- analysis of the transactions identified to determine: (i) whether the conditions are met for the transaction to be considered a "related party transaction"; (ii) whether, according to the applicable legal provisions, the related party transaction must be publicised; and (iii) which corporate body must approve the transaction; and
- monitoring after the related party transactions have been made, to check that the transactions declared in the Periodic Public Reporting, Annual Accounts and Annual Corporate Governance Report: (i) correspond to those recorded in the corporate accounts and (ii) are consistent with those previously identified.

This Protocol is also applicable to any transactions between the Company and its subsidiaries or investees in which one of the company's Related Parties has an interest.

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)	SOCIEDAD ANÓNIMA DAMM	11.69	Estrella de Levante, S.A.	2,321	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO
(2)	SOCIEDAD ANÓNIMA DAMM	11.69	COCEDA, S.L.	7,115	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO
(3)	HERCALIANZ INVESTING GROUP, S.L.	9.07	Instituto Hispánico del Arroz, S.A.	9,050	Board of Directors	Antonio Hernández Callejas, Grupo Tradifin, S.L. and Heralianz Investing Group, S.L.	NO

	Name of shareholder or any of its subsidiaries	Nature of relationship	Type of transaction and other information necessary for evaluation
(1)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm's length terms
(2)	SOCIEDAD ANÓNIMA DAMM	Commercial	Sale of rice and rice by-products on arm's length terms
(3)	HERCALIANZ INVESTING GROUP, S.L.	Commercial	See information on and breakdown of transactions with Instituto Hispánico del Arroz, S.A. in "COMMENTS"

The related party transactions made with significant 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.

With regard to the transactions made between the Ebro Foods Group and Instituto Hispánico del Arroz, S.A. indicated in this section, it should be noted that although in the table those transactions are indicated as related with Heralianz Investing Group, S.L., they should also be considered related with Grupo Tradifin, S.L., since both Grupo Tradifin, S.L. and Heralianz Investing Group, S.L. hold interests in Instituto Hispánico del Arroz, S.A. (50% each).

The breakdown of transactions made by the Ebro Group with Instituto Hispánico del Arroz, S.A. and its subsidiaries declared in this section is as follows (in thousand euros):

- national and international commodity purchases: seeds and different varieties of rice, 6,509;
- national and international commodity sales: different varieties of rice and marine plankton, 1,624;
- services rendered, essentially royalties and import licences, 64;
- services received, essentially royalties and import licences, 133;
- R&D transfer and licence agreement for seeds, 268;

- leases (expense) of offices, raw material warehouses and extended rice storage, 452.

The Board of Directors took the following criteria into account when approving the transactions related with Heralianz Investing Group, S.L. and Grupo Tradifín, S.L.:

- 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 markets 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)	ANTONIO HERNÁNDEZ CALLEJAS	---	Contractual	76	Board of Directors	Antonio Hernández Callejas, Grupo Tradifín, S.L. and Heralianz Investing Group, S.L.	NO
(2)	ANTONIO HERNÁNDEZ CALLEJAS	Luis Hernández González	Contractual	47	Board of Directors	Antonio Hernández Callejas, Grupo Tradifín, S.L. and Heralianz Investing Group, S.L.	NO
(3)	ANTONIO HERNÁNDEZ CALLEJAS	Imirton, S.L.	Commercial	1	Board of Directors	Antonio Hernández Callejas, Grupo Tradifín, S.L. and Heralianz Investing Group, S.L.	NO
(4)	DEMETRIO CARCELLER ARCE	Disa Energy, S.L.U.	Commercial	4,045	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO
(5)	DEMETRIO CARCELLER ARCE	Disa Peninsula, S.L.U.	Commercial	44	Board of Directors	Demetrio Carceller Arce and María Carceller Arce	NO

	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)	ANTONIO HERNÁNDEZ CALLEJAS	Transfer (expense) of temporary right to use parking spaces
(2)	ANTONIO HERNÁNDEZ CALLEJAS	Lease (expense) of real estate on arm's length terms
(3)	ANTONIO HERNÁNDEZ CALLEJAS	Sale of vehicle on arm's length terms
(4)	DEMETRIO CARCELLER ARCE	Services received consisting of supply of gas and diesel on arm's length terms
(5)	DEMETRIO CARCELLER ARCE	Services received consisting of supply of diesel on arm's length terms

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		

Details are set out below of the transactions made in 2023 between companies in the Ebro Group and Riso Scotti, S.p.A., an Italian company in which Ebro Foods, S.A. has a 40% interest (investment in an associate consolidated by the equity method). It is, therefore, an associate outside the Ebro Group.

Those transactions, expressed in thousand euros, are listed below:

- Ebro Foods, S.A.: Services rendered (income), 6;
- Ebro Foods, S.A.: Dividends received, 400;
- Arotz Foods, S.A.U.: Purchase of goods (finished or otherwise), 13;
- Herba Ricemills, S.L.U.: Purchase of goods (finished or otherwise), 488;
- Herba Ricemills, S.L.U.: Sale of goods (finished or otherwise), 4,914;
- Herba Ricemills, S.L.U.: Services rendered, 12;
- Herba Foods, S.L.U.: Financial expenses, 54;
- Transimpex: Sale of goods (finished or otherwise), 51;
- Transimpex: Purchase of goods (finished or otherwise), 931;
- Mundiriso, S.R.L.: Purchase of goods (finished or otherwise), 823;
- Mundiriso, S.R.L.: Sale of goods (finished or otherwise), 2,444;
- Arrozeiras Mundiarroz, S.A.: Purchase of goods (finished or otherwise), 105;
- Geovita Functional Ingredients, S.R.L.: Purchase of goods (finished or otherwise), 54;
- Geovita Functional Ingredients, S.R.L.: Sale of goods (finished or otherwise), 169;
- Herba Bangkok, S.L.: Sale of goods (finished or otherwise), 237;
- Ebro Ingredients, B.V.: Sale of goods (finished or otherwise), 604.

- 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. on arm's length terms	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. on arm's length terms	336

With regard to the transactions made between the Ebro Foods Group and Hernández Barrera Servicios, S.A. indicated above, although those transactions are indicated in the table as related to Félix Hernández Callejas (who represents the corporate director Heralianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.), they should also be considered related to Grupo Tradifin, S.L., since both Félix Hernández Callejas and Grupo Tradifin, S.L. are directors of Hernández Barrera Servicios, S.A.

The transactions made with this company were approved by the Board with the votes of the independent directors and abstention of the following directors: Heralianz Investing Group, S.L., Antonio Hernández Callejas and Grupo Tradifin, S.L.

- 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, Control and Sustainability 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 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.

Finally, it should be noted that every year, when preparing the Financial Reporting, Annual Accounts and Annual Corporate Governance Report, the Directors (and representatives of corporate directors) are asked for information on: (i) any transactions that they or their related parties may have made with the Company and/or subsidiaries of the Group (the same information is also requested of the significant shareholders of the company); (ii) possible conflicts of interest as per section 229 of the Corporate Enterprises Act directly or indirectly involving the director, its representative or related parties; and (iii) any other possible conflicts of interest.

- D.7. Indicate whether the Company is controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code and has business relations, directly or through its subsidiaries, with that entity or any of its subsidiaries (other than those of the listed company) or performs activities related with those of any of the latter.

Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's 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 inflation, drought and those related with cybersecurity were especially important during 2023.

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, Control and Sustainability 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, Control and Sustainability 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 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, Control and Sustainability 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 Five 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
- Respect for human rights
- 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: (i) define the risks affecting their respective businesses, (ii) assess the possible economic impact of those risks and, (iii) in view of the specific prevailing circumstances, establish whatever mitigation measures they deem fit.

Without prejudice to the supervision by the Risks Committee and, ultimately, the Audit, Control and Sustainability 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 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, Control and Sustainability 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, Control and Sustainability Committee and through the information given at all Board meetings on the development of business. In addition, the Board continuously receives (at least twice a year) the minutes of Risks Committee meetings to supplement the information provided regularly by the Audit, Control and Sustainability 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 occurred during 2023 and up to 22 March 2024 (the date of approval of this report) are indicated below:

A. SUPPLY RISKS

- Rice supply

As in recent years the extreme drought in southern Spain has continued, leading to restrictions on the use of water and minimisation of the areas sown in one of our Group's traditional supply regions. This situation complicates the operations of the Group's facilities in the region and has forced us to import rice from other latitudes and/or modify the supply chain to meet our commercial commitments.

Over the year certain countries such as India and Myanmar imposed restrictions on rice exports, prohibiting the export of certain rice varieties and levying customs tariffs or setting minimum prices for exports of other varieties. These decisions, based on the evolution of prices and the fear of internal shortage of essential goods in those countries, have put further strain on the market. The Group has maintained adequate hedging of stocks, assuming that these are temporary measures.

The growing tension in the Red Sea area has forced large ships to change their routes and sail through the Cape of Good Hope to reach European destinations, which has seriously distorted container traffic, affecting prices, availability and transit times. The Group's logistics teams continuously monitor the situation to minimise the impact.

B. MARKET RISK

- Prices and competition

Owing to the general increase in prices over 2022, the evolution of household consumption was cause for concern in 2023. General price increases and rising interest rates can have a strong impact on consumer choices. Although the Group's products can be considered staples, an increase was detected in the consumption of private label brands and low price products, requiring special monitoring of sales pricing, promotions and channel marketing. Through this close monitoring, the Group has so far managed to maintain an optimum evolution of our margins and volumes.

C. CYBERSECURITY RISK

In recent years there has been an increase in phishing and cyber attacks to obtain information for fraudulent use or to demand ransom for stolen information.

In 2023 the Group suffered two frauds involving phishing, which are currently in the process of investigation, determination of accountability and prosecution of the criminals. Although the extent of those frauds was not significant, the Group has: (i) further reinforced the security measures linked to payments; (ii) established a new alert system to detect weaknesses in our systems; and (iii) established a protocol on training and alerts to increase awareness and responsiveness to attacks of this nature.

D. COUNTRY RISK

- War in Ukraine

Although the situation appears to have stabilised, the crisis triggered by Russia's invasion of Ukraine is ongoing as is, consequently, the uncertainty regarding the situation of certain commodities and the global economic situation.

As indicated in our Corporate Governance Report last year, the Group believes that this situation of uncertainty and its consequences should not have a very significant impact on the Group, for the following reasons:

(i) The Group does not have any major interests in the region.

(ii) The possible impact on supplies used by the Group is limited to collateral effects (possible changes in consumption, increased cost of fertilizers, switching cereals grown, etc.), because the grains produced in that region are not included in the Group's supply chain.

(iii) The Ebro Group's businesses are more resilient in times of crisis thanks to the type of products we sell. Consequently, the Group does not expect any major drop in customer demand, loss of suppliers or adverse effects in our supply and distribution chains.

(iv) The European Union has taken measures to check energy price hikes and mitigate dependence on Russian gas.

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 of this report), 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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 was amended in 2023 to adapt its provisions on the Corporate Whistleblowing Channel, the Ebro Foods Group Internal Reporting Channel (designed and implemented in the Ebro Foods Group in 2023, in accordance with Act 2/2023 of 20 February regulating the protection of people reporting breaches of law and infringements of anti-corruption regulations).

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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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.

In this respect, the Ebro Group has established an Internal Reporting System (IRS) adapted to the provisions of Act 2/2023 of 20 February regulating the protection of people reporting breaches of law and infringements of anti-corruption regulations, which transposes EU Directive 2019/1937, known as the Whistleblowing Directive, into national law. Within the IRS, the Board of Directors has approved the Policy regarding the Internal Reporting System and Whistleblower Protection, establishing the principles and values underlying the IRS.

In its operating structure, the IRS is based on the creation of the Corporate Whistleblowing Channel, through which anyone can report any information concerning potential irregularities or breaches that may affect Ebro Foods, S.A. or its Group. That Corporate Whistleblowing Channel, which is set up in accordance with the requirements of Act 2/2023, has free public access through the Company's website.

Through that whistleblowing channel, therefore, anyone can submit whatever complaints they may deem fit. Complaints submitted through the Corporate Whistleblowing Channel are received by the System Administrator who will determine the procedure for dealing with the specific information reported, depending on its content and origin, according to the provisions of the Manual of Procedures (a summary of which is also published on the company's website).

Apart from the Corporate Whistleblowing Channel, any Group companies who are obliged by local law to have a complaints channel will maintain that local channel, and the mechanisms required to guarantee adequate handling of any reports which, by virtue of their subjective and objective scope, must be dealt with according to the mandatory criteria established in Act 2/2023 will be regulated by the Policy regarding the Internal Reporting System and Whistleblower Protection and the Manual of Procedures.

The Internal Reporting System guarantees confidentiality and, where appropriate, anonymity in the handling of complaints processed through the Corporate Whistleblowing Channel.

Without prejudice to direct investigation of reports by the Chair of the Audit, Control and Sustainability Committee whenever this is considered appropriate according to the Manual of Procedures, the System Administrator periodically informs that Committee on the procedure and reports received through the Corporate Whistleblowing Channel, the investigations conducted and outcome thereof, fully respecting at all times the principles of security, confidentiality, impartiality, transparency and protection of the whistleblower, which are essential principles of the Internal Reporting System.

- 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, Control and Sustainability 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, Control and Sustainability Committee, assisted by the Risks Committee, the Internal Audit Department (for testing of the ICFR controls) 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, Control and Sustainability 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.

The Audit, Control and Sustainability Committee is supported in this regard by the Risks Committee, which directly monitors the risks reported by the different units and the measures defined for mitigating them.

Also in this regard, the Internal Audit Department of the parent regularly tests the functioning of the ICFR controls in the different Group companies.

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, Control and Sustainability Committee and the Board of Directors.

The Audit, Control and Sustainability 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 Economic and Financial Area of the Group 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, Control and Sustainability 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

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 may be preventive or detective, manual or automatic, describing also their frequency and associated information systems.

Adequate functioning of the controls is regularly checked by the Internal Audit Department of the Group's parent, which performs specific tests on the ICFR controls in the different units of the Group.

F.3.2 Internal control procedures and policies for the IT systems (including access security, track changes, operation, operating continuity and separation of duties) used for the significant processes of the company in the preparation and publication of financial information

The Group has rules for managing financial information security. Those rules are applicable to the systems used to generate financial information and the IT Department is responsible for defining and proposing the security policies.

Within its policies and infrastructure management the Ebro Group has procedures to secure each of the following:

(i) Both physical and logical access are controlled to ensure that only authorised internal and external personnel can access the Ebro centres and systems. Ebro has several Data Centres, the main one in Spain where the company's critical systems are housed. The major subsidiaries also have local data centres. They all have their own infrastructure to guarantee adequate control of access to the installations. In small subsidiaries, the general rule is to have external service providers to provide that security. When external service providers are used, the Ebro Group makes internal audits of the information systems and their architecture, including the security aspect.

Logical access control is secured with: (i) efficient management of internal or external access to our systems 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. An additional multi-factor authentication (MFA) system has been introduced for access to our website or corporate data, for both employees and third party collaborators.

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 plans to extend this implementation to the other major subsidiaries.

To compile its non-financial information, Ebro has developed a tool that manages the information required to guarantee its integrity, and workflows for approval to guarantee its reliability.

All the subsidiaries included in the SAP-based corporate ERP have implemented a procedure to separate duties within IT and the use of privileged users (Firefighter) subject to request, approval and control.

External access is guaranteed through specific users and controlled management. The necessary elements have also been provided on a network level to ensure that only authorised users and processes have access from outside.

(ii) The larger subsidiaries mainly use the ERP SAP system. In all those cases, Ebro has procedures underpinned by systems that systematically filter, assess, manage the life cycle and inform on production changes after acceptance by specific users and impact analysis in the systems currently used in production.

(iii) The separation of duties is underpinned by the use of roles by groups of users, which allow access only to the information and transactions previously approved by the organisation. The modification or creation of new roles is backed by the same procedure that guarantees management of the user life cycle and is applicable to the major companies of the Ebro Group. Special attention is paid to separation in IT support processes to make sure that the tasks of development, sending to production and administration of the system are duly separated. In addition, as mentioned above, Ebro Foods has implemented the SAP GRC SoD system throughout the Group for the IT Department and is in the process of rolling it out in all subsidiaries. This is designed to ensure adequate access control, separation of duties, anti-fraud elements within ERP and mitigating measures where necessary.

(iv) Ebro has internal tools which, combined with the user support departments and systems (Help Desks), guarantee the management and traceability of any incidents in the IT systems. Programme changes are managed within that system, which is based on best practices and management following the ITIL methods.

The critical information systems are always housed in our data centres or the principal hyperscaler clouds and there are individuals assigned to each one who are responsible for proactive monitoring of the automatic processes and proactive assessment of the yield and functioning of the systems.

Ebro has global contracts with security control tool providers, which guarantee the installation of such tools in all the computer and data processing equipment used in the company.

(v) Ebro Foods has a cybersecurity policy based on several fundamental pillars for the security of our systems. This includes endpoint security, of both users and 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. Moreover, processes have been defined and advanced security systems have been implemented in the major subsidiaries of the Ebro Group.

(vi) Ebro has tools to guarantee the continuity of business support by its IT systems in the event of a fatal error or system crash. There are backup systems and policies in its data centres that guarantee access to information and systems in case of a disaster. 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. Ebro is also in the process of migrating its critical systems to cloud environments that guarantee a Disaster Recovery system. Some of those systems have already been migrated and the rest will be migrated over the coming 18-24 months.

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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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: (i) 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, and (ii) periodically tests the ICFR controls in the Group subsidiaries to detect any reinforcement measures that may be required in this area, all in accordance with the Internal Audit Plan.

The Internal Audit Department has submitted its annual working plan to the Audit, Control and Sustainability 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, Control and Sustainability Committee. Moreover, the action plan devised for remedying those incidents has been sent to both the person responsible for remedying them and the Audit, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability 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 2023, following the audit of the 2022 accounts, the External Auditor informed the Audit, Control and Sustainability Committee that they had not detected any significant weaknesses during their work. This notwithstanding, they submitted a few recommendations to reinforce internal control.

Of the 9 meetings of the Audit, Control and Sustainability Committee held in 2023, the External Auditor attended 5 and the Internal Audit Manager attended 7. It should be borne in mind in this respect that 3 of the 9 meetings held had a single item on the agenda, regarding the procedure for selecting auditors for 2024, 2025 and 2026.

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 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

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 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 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, Control and Sustainability 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 2023 (or any of those made in 2024 up to the date of approval of 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's Policy on Attendance Fees for General Meetings establishes the principle that those fees may not be delivered in the form of cash, but will consist of a gift related with the Ebro Foods Group'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 [] 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 [] Partial compliance [] Explanation []

Although at the date of approval of this report the Company complies with this Recommendation, we have indicated "Partial compliance" because at 31 December 2023 the number of female directors represented less than 40% of the Board members. See section C.1.7 of this report.

See Explanatory Note Two in section H of this report regarding the evolution and current situation of women on the company's Board of Directors.

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 []

The number of directors classified as proprietary directors (8) represent 57.14% of the total members of the Board (14) and 66.67% of the total non-executive directors (12).

Furthermore, the proprietary directors represent 57.89% of the company's total capital at 31 December 2023.

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 (57.89%), 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, because there are seven (7) unrelated significant shareholders present or represented on the Board that represent 66.81% of the capital.

In this regard, the Nomination and Remuneration Committee considers it necessary to take into account that although the director Heralianz Investing Group, S.L. is a significant shareholder, it is classified as an executive director because its representative on the Board of Directors of Ebro is an executive and director of several subsidiaries in the Ebro Group.

The Committee 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.

Based on the foregoing considerations, the Nomination and Remuneration Committee has considered that the principle behind Recommendation 16 is respected. See section C.1.7 of this report.

See Explanatory Note Three in section H of this report regarding the percentages of capital indicated.

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 []

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.

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, although in the Committee's opinion it should be borne in mind that the percentage of the company's total capital represented on the Board at 31 December 2023 was 68.47%.

See Explanatory Note Three in section H of this report regarding the percentages of capital indicated.

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 [] 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 []

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 []

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 [X] Partial compliance [] Explanation []

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.

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. Herculanz 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 2022 are described in the Annual Report on Directors' Remuneration for that year 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 Governance (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 []

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 [] 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 []

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, REGARDING THE CHANGES ON THE BOARD OF DIRECTORS AND COMMITTEES SUBSEQUENT TO 31 DECEMBER 2023

The changes produced on the Board of Directors and Committees between 31 December 2023 (year-end 2023) and 22 March 2024 (date of approval of this report) are indicated below:

- On 10 December 2023, Fernando Castelló Clemente submitted in writing his resignation from the Board for personal reasons, with effect from 31 December 2023. See section C.1.2 of this report.

- On 31 January 2024, following the proposal and favourable report by the Nomination and Remuneration Committee, the Board of Directors resolved to appoint Elena Segura Quijada director by the procedure of cooptation, to fill the vacancy produced by the resignation of Fernando Castelló Clemente. Ms Segura Quijada is classified as an independent director. Elena Segura Quijada was also appointed member of the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee to fill the vacancies produced on each of those Committees by Mr Castelló Clemente's resignation.

- Also on 31 January 2024, following a favourable report by the Nomination and Remuneration Committee, the Board of Directors resolved to appoint Mercedes Costa García Chair of the Nomination and Remuneration Committee, as this position had been held by Fernando Castelló Clemente at the time of his resignation. Ms Costa García is classified as an independent director and has been on the Nomination and Remuneration Committee since 27 September 2017.

Following the changes indicated above, the composition of the Board of Directors, the Audit, Control and Sustainability Committee and the Nomination and Remuneration Committee at the date of approval of this report is as follows:

BOARD OF DIRECTORS:

- Antonio Hernández Callejas, Chair (Executive)
- Demetrio Carceller Arce, Vice-Chair (Proprietary)
- Belén Barreiro Pérez-Pardo (Independent)
- María Carceller Arce (Proprietary)
- José Ignacio Comenge Sánchez-Real (Proprietary)
- Corporación Financiera Alba, S.A., represented by Alejandra Olarra Icaza (Proprietary)
- Mercedes Costa García, Lead Independent Director (Independent)
- Empresas Comerciales e Industriales Valencianas, S.L., represented by Javier Gómez-Treno Vergés (Proprietary)
- Javier Fernández Alonso (Proprietary)
- Grupo Tradifin, S.L., represented by Blanca Hernández Rodríguez (Proprietary)
- Hercalianz Investing Group, S.L., represented by Félix Hernández Calleja (Executive)
- Marc Thomas Murtra Millar (Independent)
- Elena Segura Quijada (Independent)
- Jordi Xuclà Costa (Proprietary)

AUDIT, CONTROL AND SUSTAINABILITY COMMITTEE:

- Marc Thomas Murtra Millar, Chair
- Mercedes Costa García
- Grupo Tradifin, S.L., represented by Blanca Hernández Rodríguez
- Javier Fernández Alonso
- Elena Segura Quijada

NOMINATION AND REMUNERATION COMMITTEE:

- Mercedes Costa García, Chair
- Belén Barreiro Pérez-Pardo
- Demetrio Carceller Arce
- Grupo Tradifin, S.L., represented by Blanca Hernández Rodríguez
- Elena Segura Quijada

EXPLANATORY NOTE TWO, REGARDING THE PRESENCE OF WOMEN ON THE BOARD OF DIRECTORS

At year-end 2021, there were 6 women on the Board of Directors, representing 42.86% of the Board members (14).

In March 2022, following the resignation by the director Alimentos y Aceites, S.A. (who had been represented by a woman on the Board of Directors) and the incorporation on the Board of a male director (proprietary director of Alimentos y Aceites, S.A. -SEPI-), the presence of women fell from 42.86% to 35.71% and, therefore, below the 40% target.

Following the resignation of the director Fernando Castelló Clemente with effect from 31 December 2023 and the incorporation of Elena Segura Quijada as of 31 January 2024 (see Explanatory Note One above), the number of women on the Board rose from 5 to 6, representing 42.86% of the total Board member (14). Consequently, the company has recovered the proportion of women that it had at the end of 2021 and before Alimentos y Aceites, S.A. (who had been represented by a woman) left the Board of Directors in March 2022.

EXPLANATORY NOTE THREE, REGARDING THE DETAILS OF CAPITAL AND VOTING RIGHTS

There have been no significant changes up to 22 March 2024 in the figures of capital and voting rights of significant shareholders and directors indicated in this report.

EXPLANATORY NOTE FOUR, REGARDING SECTION C.1.2

The appointment by cooptation of Jordi Xuclà Costa as proprietary director, resolved by the Board of Directors on 30 March 2022, was ratified at the Annual General Meeting held on 29 June 2022.

EXPLANATORY NOTE FIVE, REGARDING SECTION E.3

The main risks that could have a bearing on achievement of the business goals of the Ebro Foods Group, as listed in section E.3 of this Report, 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, durum wheat and potato flakes, 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 extortion by this kind of criminals have considerably increased in recent years. This growing threat led to its consideration 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. This is a cross-cutting risk that affects all the risk categories defined by the Group. Physical risks related with climate change and transition to an emission-free economy are assessed. The physical risks associated with alterations in the temperature and the availability of water resources and their impact on the harvests of crops constituting the basic commodity of the Group's operations have been considered especially important for the Group.
- Respect for Human Rights. This is a cross-cutting risk that affects compliance with both internal (established within the Group) and external (throughout the value chain and the Group's relations with external agents) standards.
- 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 on social networks. This risk has been separated from the more generic "reputational risk" since 2020, in view of its enormous repercussion and diversity and the difficulties encountered in managing threats of this nature.
- 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 ("CPM") applicable to all the Spanish companies in the Group, monitored and controlled by the Compliance Unit, which is independent from the Risks Committee and is responsible for monitoring overall compliance by the Group, under direct supervision by the Audit, Control and Sustainability 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 in the matter.

In pursuance of their local laws, some of the Group subsidiaries have similar models and structures to mitigate the risk of crimes being committed within them and, ultimately, to reduce or eliminate any criminal liability of the company.

The Compliance Unit, which reports to the Audit, Control and Sustainability Committee but has autonomy and sufficient resources, is responsible for monitoring the functioning and compliance of the CPM. The Compliance Unit also conducts six-monthly monitoring of the CPM and similar systems in foreign subsidiaries to check adequate functioning of the mechanisms to mitigate the criminal risks identified.

- 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.

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

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

22/03/2024

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 "2023 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 27, 2024, we have applied certain procedures in relation to the accompanying "ICFR disclosures" of EBRO FOODS, S.A. for 2023, 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 its 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 2023 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, Control and Sustainability Committee by internal audit, senior management and other internal and external experts in their role supporting the Audit, Control and Sustainability 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 21, 2024



ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES

DETAILS OF ISSUER

Year ended:

[31/12/2023]

Tax Registration No.:

[A47412333]

Name:

[**EBRO FOODS, S.A.**]

Registered office:

[PASEO DE LA CASTELLANA, 20. 3RD & 4TH FLOORS, 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 (2024) is the Policy established for the years 2022-2024, approved at the Annual General Meeting of Shareholders held on 30 June 2021 and subsequently amended by virtue of resolutions adopted at the Annual General Meetings held on 29 June 2022 and 6 June 2023.

The Directors' Remuneration Policy 2022-2024 gives continuity to the previous policy (for the period 2019-2021), which was in force up to 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), in view of the wide acceptance 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).

Based on that broad acceptance, comparable companies were not taken into account nor were any external advisers involved in drawing up the Directors' Remuneration Policy 2022-2024.

Although it was approved in 2021, the Directors' Remuneration Policy 2022-2024 included in its initial wording the new aspects introduced in the Corporate Enterprises Act ("LSC") by Act 5/2021 of 12 April ("Act 5/2021"), which amends the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July and other financial provisions in respect of fostering the long-term engagement of shareholders in listed companies ("Act 5/2021"). So even though the new regulations did not enter into force until 3 November 2021 (i.e. after the date of the Company's Annual General Meeting 2021), the Remuneration Policy laid before (and approved at) the General Meeting held on 30 June 2021 was already adapted to the new requirements introduced by Act 5/2021.

In June 2022, a motion was tabled and approved at the Annual General Meeting to modify certain aspects of the Policy, particularly those indicated below:

- (i) The annual fixed remuneration of the Executive Chairman was made invariable, uncoupling it from the fixed remuneration review procedure established for other Group executives, such that it would only be reviewed if and when so decided by the Board of Directors, at the proposal of the Nomination and Remuneration Committee and in view of the circumstances prevailing from time to time.
- (ii) The amendments altered the financial targets to which 75% of the bonus contemplated in the Long-Term Incentive Scheme linked to the Strategic Plan 2022-2024 is tied, replacing the indicator consolidated "ROCE-A" ("ROCE") with consolidated "EBITDA-A - CAPEX" ("EBITDA - CAPEX"), while maintaining the consolidated EBITDA target, where "EBITDA - CAPEX" would have a weight of 20% and EBITDA the remaining 80%.
- (iii) A new cap was established on the bonus that the Executive Chairman could receive for his participation in the Long-Term Incentive Scheme linked to the Strategic Plan 2022-2024 in the event of over-achievement of targets, which would be 100% of the corresponding bonus (not 125%, as originally established in the Policy).
- (iv) Within the targets to which the Executive Chairman's annual (ordinary) bonus is tied, the consolidated ROCE was included in the Policy as a target in the budget with a weight of 20%, while maintaining the consolidated EBITDA target in the budget, with a weight of 80%, as from 2023 (the only financial target set for 2022 was the consolidated EBITDA contemplated in the 2022 budget).

In June 2023, a motion was tabled, and approved, at the General Meeting proposing a new amendment to the Policy, to cap the Executive Chairman's short-term bonus at 100% of his fixed annual remuneration, thus lowering the cap (which had been set at 150% of the fixed remuneration in the initial wording of the Policy).

The original wording of the Directors' Remuneration Policy 2022-2024 was prepared by the Nomination and Remuneration Committee at its meeting on 24 May 2021. Once that Committee had issued the corresponding specific report (pursuant to section 529.novodicies.4 of the Corporate Enterprises Act), the proposed Policy was submitted to the Board of Directors, which resolved to table a motion for its approval at the Annual General Meeting on 30 June 2021, where it was approved.

The first amendment to the Policy, in 2022, was also prepared by the Nomination and Remuneration Committee at its meeting on 25 May 2022, which issued the corresponding specific report and the Board of Directors resolved to table a motion for its approval at the Annual General Meeting on 29 June 2022, where it was approved.

The second and final amendment to the Policy, in 2023, was also prepared by the Nomination and Remuneration Committee at its meeting on 26 April 2023, which issued the corresponding specific report and the Board of Directors resolved to table a motion for its approval at the Annual General Meeting on 6 June 2023, where it was approved.

The remaining contents of this section A.1.1 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, 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 and explained in the previous point.

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 Directors' Remuneration Policy 2022-2024 (EBITDA and ROCE set in the consolidated budget for 2024).

This remuneration, as a percentage of the fixed annual remuneration, is proportionate to achievement of the targets set, establishing a floor (below which the variable remuneration is zero) and a ceiling (above which the variable remuneration is capped at 100% of the fixed annual remuneration). This variable remuneration accrues and is paid on an annual basis, once the financial results of the year in question have been assessed. The ordinary annual variable remuneration corresponding to the Executive Chairman for the current year (2024) will thus be determined in 2025, once the financial results of 2024 are known and it is possible, therefore, to check the extent to which the relevant targets have been met.

- Deferred annual variable remuneration, tied 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 above-mentioned 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's opinion, materially affect the Scheme.

Bonuses are paid 11 months after being determined (after checking the level of achievement of the annual targets), so by the time it is 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 2024 (the third and final year of the Directors' Remuneration Policy 2022-2024) would be paid in 2026.

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 the total repayment 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 level of achievement 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.

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 performance of their duties as such in the current year (2024) will be set at the Annual General Meeting to be held in 2025.

As determined in the current Directors' Remuneration Policy, in the light of the circumstances and the Group's business performance during this year (2024), 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 2025. 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 2025, the fixed remuneration of the Directors for their duties as such accrued during this year (2024) will be the same as the amount established for the reporting period (2023). In this regard, on 19 February 2024 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 2023 should be the same as that established for

2022 (i.e. 2,850,000 euros). Similarly, the Nomination and Remuneration Committee resolved to propose to the Board of Directors that the attendance fees for Board of Directors and Committee meetings be maintained, in 2024, at 1,600 euros gross for Board of Directors meetings and 800 euros for Committee meetings.

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 of Directors members of the global fixed remuneration of the Directors for their duties as such during the present year. Accordingly, distribution will be based on a points system, where points are assigned to each Director according to the following scale (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 1,500,000 euros gross this year (2024), which is the same amount as the gross fixed cash remuneration he received in the reporting period (2023).

It should be borne in mind that although it was stated in the Directors' Remuneration Report 2021 that the Executive Chairman's remuneration for 2022 would be 1,560,000 euros (i.e. the remuneration of the previous year -2021- plus 4%, which was the percentage review of the executives' remuneration set by the Board of Directors generally for the Company's executives), after the amendment of the Remuneration Policy 2022-2024 approved at the Annual General Meeting held on 29 June 2022, the fixed remuneration of the Executive Chairman was frozen (with effect from 1 January 2022), so the 4% increase was no longer applicable in 2022 and has remained frozen since then.

In addition to that monetary remuneration, the Executive Director will also receive this year (2024), as fixed remuneration in kind, the private use of a Company car (see the following section).

The Chairman of the Board of Directors is the only executive Director performing executive duties. Although Heralianz 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 Two in section D of this report regarding the classification of Heralianz 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 (2024) is 7,500 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 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 cash remuneration.

Moreover, 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, the only Director who will receive variable remuneration this year (2024) (according to the Directors' Remuneration Policy 2022-2024) is the Chairman of the Board of Directors, as executive Director performing executive duties, 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(s) for EBITDA (with a weight of 80%) and ROCE (with a weight of 20%) established in the consolidated budget for 2024.

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 (aggregate achievement of both targets -EBITDA and ROCE, with the weight corresponding to each one- equal to or greater than 100%), the annual variable remuneration is equivalent to 100% of the fixed remuneration.

- 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 aggregate achievement of those targets is between 100% and 85%, the annual variable remuneration will be determined proportionately.

- Strictly 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 of 100% of his fixed remuneration.

Accordingly, once the consolidated earnings of the Group in 2024 are known (in 2025, generally in February), the Nomination and Remuneration Committee will review the level 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 (2024), based on the criteria indicated above.

In monetary terms and taking account of the above-mentioned rules of accrual, the annual variable remuneration of the Executive Chairman for 2024 may vary between 0 euros (if the aforesaid targets are met by less than 85%) and 1,500,000 euros gross (if targets are met by 100% or more).

(ii) Deferred annual variable remuneration:

According to the current Remuneration Policy 2022-2024, the Chairman of the Board of Directors is entitled to participate in the Deferred Annual Variable Remuneration Scheme (deferred annual bonus scheme) established for senior executives of the Ebro Foods Group, linked to fulfilment of the Strategic Plan 2022-2024. 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), on the terms described in the Remunerations Policy.

The beneficiaries of the Scheme (including the Chairman of the Board of Directors as the only executive Director who performs executive duties) 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 contemplates (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 death or a final declaration of total, absolute or major disability; or (ii) takeover of the Group or any similar corporate operation.

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

- The targets of the Scheme for the first two years (2022, payable in 2024, and 2023, payable in 2025) are the consolidated annual EBITDA and EBITDA-CAPEX for those years established in the Strategic Plan 2022-2024, and accrual of 25% of the deferred bonus will be subject, in each of those years, to achievement of those targets.

- The level of achievement of the consolidated EBITDA will represent 80% of the deferred bonus for each year and the degree of achievement of the consolidated EBITDA-CAPEX will account for the remaining 20%.

- The targets of the Scheme for the final year (2024, payable in 2026) are: (i) the consolidated annual EBITDA and EBITDA-CAPEX for that year established in the Strategic Plan 2022-2024 (weighted at 80% and 20%, respectively), to which the accrual of 25% of the deferred bonus is tied; (ii) the aggregate sum of EBITDA 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 comparison; (iii) the global qualitative assessment by the Strategy and Investment Committee of the development of the Strategic Plan 2022-2024, making 6.25% of the deferred variable remuneration of the three-year period subject to the outcome of that assessment; and (iv) assessment by the Audit, Control and Sustainability Committee of achievement of the non-financial targets set by the Scheme from among those identified in the Strategic Plan 2022-2024, making 6.25% of the deferred variable remuneration of the three-year period subject to the outcome of that assessment. With regard to the latter two aspects, both committees will submit their respective proposals to the Nomination and Remuneration Committee.

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

a) In the event of aggregate achievement of 100% or over of the consolidated EBITDA and EBITDA-CAPEX targets established for those years in the Strategic Plan 2022-2024, the deferred annual bonus that would accrue for the Executive Director 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 aggregate under-achievement of the aforesaid consolidated EBITDA and EBITDA-CAPEX targets established in the Strategic Plan 2022-2024 in either of the first two years of the three-year period, the deferred annual bonus that would accrue for the Executive Director 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 aggregate achievement of the targets is below 85%, the deferred bonus for that year will be zero.

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

a) 25% of the fixed remuneration established for the three-year period will be determined according to the degree of aggregate achievement of the aforesaid consolidated EBITDA and EBITDA-CAPEX targets established in the Strategic Plan 2022-2024 for that year. 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:

-- 50% (12.5% of the total fixed remuneration for the three-year period) according to the degree of achievement of the accumulated consolidated EBITDA target for the entire three-year period according to the Strategic Plan 2022-2024.

-- 25% (6.25% of the total fixed remuneration for the three-year period), in the percentage determined by the Board of Directors at the proposal of 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 25% (6.25% of the total fixed remuneration for the three-year period), in the percentage determined by the Board of Directors at the proposal of and subject to a report by the Nomination and Remuneration Committee, according to the global qualitative assessment of the development of the Strategic Plan 2022-2024.

In the event of aggregate over-achievement or under-achievement of the aforesaid targets, the indications set out above for these situations will be applicable, including the 100% cap in the event of over-achievement.

- Each year (once the earnings of the preceding year are known), the Nomination and Remuneration Committee will review the level of achievement of the economic variables to which this deferred bonus is tied (EBITDA and EBITDA – CAPEX). The Nomination and Remuneration Committee will also review and validate, during the final year of the Scheme: (i) the proposed qualitative assessment of the development of the Strategic Plan 2022-2024 submitted by the Strategy and Investment Committee and (ii) the proposed assessment of the degree of achievement of the non-financial targets made by the Audit, Control and Sustainability Committee. After these verifications, the Nomination and Remuneration Committee will submit a proposal to the Board of Directors and the latter will determine the final amounts corresponding to the Executive Chairman (and the other executives included in the Scheme).

Based on the foregoing, the following should be taken into account with regard to the variable remuneration that might correspond to the Executive Chairman in 2024 within the Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2022-2024:

-- The review by the Nomination and Remuneration Committee of the degree of achievement of the targets set for that year and submission to the Board of Directors, for approval, of the annual bonus for 2024 to be received by the Executive Chairman (in 2026) will be made in 2025, once the consolidated earnings of the Group for 2024 have been determined (normally in February).

-- In monetary terms and taking account of the above-mentioned rules, the deferred annual variable remuneration of the Executive Chairman for 2024 may vary between 0 euros (if aggregate achievement of the targets is below 85%) and 2,250,000 euros gross (if aggregate achievement of the targets is 100% or more). The fixed remuneration for the three-year period is calculated based on the annual monetary fixed remuneration of the Executive Chairman in each of the years of the Scheme (which, as indicated above, is not subject to review, except in the event of extraordinary circumstances).

-- A provision will be recognised for the appropriate amount at year-end 2024 and it will be paid, if appropriate, in 2026.

-- Moreover, in the current year (2024), the Executive Chairman has received 1,125,000 euros gross as his deferred annual remuneration for 2022, the first year of the Deferred Annual Remuneration Scheme tied to fulfilment of the Strategic Plan 2022-2024. It should be noted that since this sum corresponds to the first year of the current Scheme, the deferred variable remuneration subject thereto was 25% of the variable remuneration of the three-year period.

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.

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 (2024), 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 quidecies 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 Heralanz 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 take into account 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.

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 (2024) 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), nor has it 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.

The Executive Chairman receives attendance fees each year as Director of Riso Scotti, S.p.A., an associate that is not part of the Ebro Group, in which Ebro Foods, S.A. has a 40% interest (it is an associate consolidated by the equity method). This year (2024), the Executive Chairman is expected to receive a similar amount in attendance fees to that received in 2023 (5,200 euros p.a. gross).

It is put on record that in January 2024 the Executive Chairman stepped down as Director of Pastificio Lucio Garofalo, S.p.A (a subsidiary of the Ebro Foods Group), so he will not receive any attendance fees from that Company this year (2024). Last year (2023), the Executive Chairman received a sum of 5,000 euros gross in attendance fees.

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.

The current Directors' Remuneration Policy 2022-2024 is not expected to be modified during this year.

This notwithstanding, the General Meeting at which this Report is to be put to an advisory vote will have to approve, if appropriate, the Remuneration Policy 2025-2027, in pursuance with the Corporate Enterprises Act section 529 novodecies, which requires the proposals of new Directors' remuneration policies to be laid before the general meeting before the end of the last year of application of the previous policy.

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/2023/06/Consolidated-text-of-Directors-Remunerations-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 in the advisory vote on the Directors' Remuneration Report for 2022, with more than two-thirds of the capital present and represented at the General Meeting voting for the approval (74.2020%, with 12.7425% 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 2022 was paid during the reporting period (2023).

In this regard, the Nomination and Remuneration Committee resolved on 15 February 2023 to submit a proposal to the Board of Directors, to be tabled by the latter at the Annual General Meeting held that year (2023), to set the fixed remuneration of all the Directors for their duties as such for the previous year (2022) at 2,850,000 euros gross. The Nomination and Remuneration Committee further proposed maintaining the amount of attendance fees for Board of Directors meetings (1,600 euros gross per meeting) and meetings of the Board Committees (800 euros gross per meeting). On 27 February 2023, the Board of Directors resolved to table a motion with that proposal of the Nomination and Remuneration Committee at the Annual General Meeting to be held in 2023, and the motion was passed by an ample majority at that Annual General Meeting, held on 6 June 2023.

Based on the foregoing and the resolutions passed at the Board of Directors and Committee meetings held in 2022, the aggregate annual fixed remuneration of the Directors for their duties as such for 2022 (set in 2023) was distributed as follows:

- membership of the Board of Directors: a total sum of 1,891,826.90 euros gross
- membership of the Board Committees: a total sum of 958,137.00 euros gross.

The fees for attendance of Board of Directors and Committee meetings of Ebro Foods, S.A. in 2022 amounted to 328,000 euros gross.

At a meeting on 19 February 2024, the Nomination and Remuneration Committee resolved to submit a proposal to the Board of Directors (to be tabled at the Annual General Meeting in 2024) to set the aggregate fixed remuneration for all the Directors for their duties as such for the reporting period (2023) at 2,850,000 euros gross (the same amount as in 2022). 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 Committees (800 euros gross per meeting).

On 29 February 2024, the Board of Directors resolved to table a motion with that proposal at the Annual General Meeting to be held in 2024.

If that amount is approved at the Annual General Meeting held in 2024, it will be distributed among the Board of Directors members in accordance with the prevailing distribution criteria (see section A.1 of this Report and its continuation in section D). Based on those criteria, the annual fixed assignment to Directors for their duties as such for 2023, 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 1,844,852.78 euros gross
- membership of the Board Committees: a total sum of 1,005,147.17 euros gross.

The attendance fees for Board of Directors and Committee meetings of Ebro Foods, S.A. in 2023 would amount to 324,000 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.1.3 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 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 2023, 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. This is the fixed remuneration established in the Directors' Remuneration Policy 2022-2024 after the amendment approved at the Annual General Meeting held on 29 June 2022.

With regard to the annual variable remuneration for the reporting period (2023), on 19 February 2023 the Nomination and Remuneration Committee examined the degree of achievement of the consolidated EBITDA targets indicated in the budget, which are the variables taken to determine the annual bonus of the Executive Chairman in 2023, and submitted the corresponding report to the Board of Directors in respect of that annual variable remuneration. It should be recalled at this point that according to the current Directors' Remuneration Policy 2022-2024 following the amendment approved at the Annual General Meeting of 6 June 2023, the Executive Chairman's annual bonus for 2023 was capped, in the event of over-achievement of targets, to 100% of the amount thereof (i.e. 100% of his annual fixed remuneration).

Similarly, on 19 February 2024 the Nomination and Remuneration Committee reviewed the level of achievement of the quantitative and qualitative targets to which the long-term variable remuneration for 2023 is tied, according to the Deferred Annual Bonus Scheme 2022-2024. Since 2023 is the second year of the Scheme, up to 25% of the deferred variable remuneration for the three-year period corresponds to that year, depending on the aggregate achievement of the EBITDA and EBITDA-CAPEX targets set in the Strategic Plan 2022-2024 for 2023.

Accordingly, the sums corresponding to the Chairman of the Board of Directors (the only Director with executive duties) for the performance of executive duties in the reporting period (2023), according to his contract and the Directors' Remuneration Policy 2022-2024 and after the corresponding verifications by the Nomination and Remuneration Committee, are as follows:

- Fixed remuneration: 1,508,000 euros gross (1,500,000 euros gross of fixed cash remuneration and 8,000 euros gross in kind).
- Short-term ordinary annual variable remuneration: 1,500,000 euros gross.
- Deferred annual variable remuneration: 1,125,000 euros gross. A provision for this amount has been recognised in the annual accounts at 31 December 2023, 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 2025, provided that the Executive Chairman is still in the Group at that time, as explained earlier. It should be borne in mind that 25% of the variable remuneration corresponding to the three-year period was determined in 2023, the second year of the Deferred Annual Bonus Scheme 2022-2024.

In addition, during the reporting period (2023), the Executive Chairman received the sum of 1,897,670.85 euros gross as deferred annual variable remuneration for 2021, paid in 2023. A provision for that amount had been recognised in the 2021 accounts. It should be borne in mind that 50% of the variable remuneration corresponding to the three-year period was determined in 2021, the final year of the Deferred Annual Bonus Scheme 2019-2021.

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

There were no deviations in 2023 from the procedure established for application of the Directors' Remuneration Policy 2022-2024.

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 2022-2024 were applied during 2023.

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 (2023), i.e. the one linked to the Strategic Plan 2022-2024, 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 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 may require the total repayment 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 information used to calculate the bonus. The remuneration corresponding to members of the Scheme in 2023 will thus be paid in 2025, 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 tied to the development of the Group's business, being determined in view of 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 (2023), the Directors' Remuneration Policy 2022-2024 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 and qualitative targets. This is designed to link his remuneration to the short and long-term development of the Company. So through achievement of the financial targets set for each year (either in the budget, for the annual variable remuneration, or in the Strategic Plan 2022-2024, 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.

- 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	127,788,065	83.05
	Number	% votes cast
Votes against	16,767,619	13.12
Votes for	95,042,356	74.38
Blank votes	2,194	0.00
Abstentions	15,975,896	12.50

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 members (being a collective remuneration for all the Directors for their duties as such).

Accordingly, the Annual General Meeting held on 6 June 2023 resolved to set the collective remuneration of all the Directors for their duties as such for 2022 at 2,850,000 euros gross p.a..

With regard to the remuneration for 2023, the Board of Directors resolved on 29 February 2024, at the proposal of the Nomination and Remuneration Committee, to table a motion at the Annual General Meeting in June 2024 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 2022) and will be distributed (for 2023) on the basis of the points system explained in section A.1.3 of this Report and in the Directors' Remuneration Policy 2022-2024.

- 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 2023 (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. As indicated in the Directors' Remuneration Policy 2022-2024, the fixed cash remuneration for 2023 was 1,500,000 euros gross.

This is the same amount he received in the previous year (2022).

The amounts of variable remuneration in 2023 (both ordinary and deferred) are determined by the Nomination and Remuneration Committee, which checks the level of achievement of the targets to which that variable remuneration is tied and submits a proposal to the Board of Directors. In this regard, the variable remuneration corresponding to the Executive Chairman for 2023 were:

- 1,500,000 euros gross in annual variable remuneration (having applied the cap thereon for over-achievement of the applicable targets), this being the same amount that was accrued in 2022; and

- 1,125,000 euros gross in deferred annual remuneration for 2023 (the same amount as in 2022). A provision for this amount has been recognised in the annual accounts 2023 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 2025. It should be borne in mind that in accordance with the Deferred Annual Bonus Scheme, 25% of the variable remuneration corresponding to the three-year period accrued in 2023 (the second year of the Scheme).

In accordance with the Deferred Annual Bonus Scheme and the collection criteria applicable to the sums accruing thereunder, in 2023 the Executive Chairman received the sum accrued in 2021 for his participation in the previous Deferred Annual Bonus Scheme 2019-2021: 1,897,670.85 euros gross. It should be remembered here that, in accordance with the previous Deferred Annual Bonus Scheme tied to the Strategic Plan 2019-2021, in 2023 he received the amount corresponding to the final year of the previous Scheme: 50% of the variable remuneration for the three-year period 2019-2021.

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 Policy 2022-2024, accrual of the Executive Chairman's annual bonus for the reporting year (2023) is tied to the level of achievement of the Group's targets for consolidated EBITDA (with a weight of 80%) and ROCE (with a weight of 20%) set in the 2023 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 level 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'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 2022-2024. 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 remuneration corresponding to each year of the Scheme. Regarding the qualitative aspects, to which the long-term bonus is tied, the assessment by the Nomination and Remuneration Committee is made following reports by the Strategy and Investment Committee and the Audit, Control and Sustainability Committee, on the terms indicated in this Report.

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.

As resolved by the Board of Directors on 27 February 2023 at the proposal of the Nomination and Remuneration Committee (in response to a proposal submitted by the Executive Chairman), the annual variable remuneration of the Executive Chairman was capped at 100% of his fixed remuneration in the event of over-achievement of targets (as opposed to the 150% cap applicable prior to that), with effect from 1 January 2022 (i.e. being applicable immediately to the short-term bonus for 2022, determined in 2023).

That modification of the conditions applicable to the Executive Chairman's annual variable remuneration gave rise to the consequent amendment of the Directors' Remuneration Policy 2022-2024, which was approved at the Annual General Meeting held on 6 June 2023.

B.12. Explain any supplementary remuneration accrued by directors in consideration for services rendered other than those corresponding to their office as such.

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 of this Report), the Executive Chairman received in 2023 annual attendance fees as a Director of a Company in the Pastificio Lucio Garofalo S.p.A. Group (a position he no longer has in 2024) and Riso Scotti, S.p.A., an associate that is not part of the Group.

- B.13.** Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, the essential terms and conditions and the amounts repaid, if any, as well as any obligations assumed on their behalf through guarantees.

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 the remuneration in kind for the reporting year (2023), valued at 8,000 euros, is included within the fixed remuneration of the executive Director accrued in 2023.

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 2023. As also mentioned earlier, the Chairman of the Board of Directors will no longer receive attendance fees from that subsidiary this year (2024).

It is also put on record that during 2023 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 2023
ANTONIO HERNÁNDEZ CALLEJAS	Executive Chairman	From 01/01/2023 to 31/12/2023
DEMETRIO CARCELLER ARCE	Proprietary Vice-Chairman	From 01/01/2023 to 31/12/2023
BELÉN BARREIRO PÉREZ-PARDO	Independent Director	From 01/01/2023 to 31/12/2023
MARÍA CARCELLER ARCE	Proprietary Director	From 01/01/2023 to 31/12/2023
FERNANDO CASTELLÓ CLEMENTE	Independent Director	From 01/01/2023 to 31/12/2023
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2023 to 31/12/2023
CORPORACIÓN FINANCIERA ALBA, S.A.	Proprietary Director	From 01/01/2023 to 31/12/2023
MERCEDES COSTA GARCÍA	Independent Director	From 01/01/2023 to 31/12/2023
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	Proprietary Director	From 01/01/2023 to 31/12/2023
JAVIER FERNÁNDEZ ALONSO	Proprietary Director	From 29/07/2023 to 31/12/2023
GRUPO TRADIFÍN, S.L.	Proprietary Director	From 01/01/2023 to 31/12/2023
HERCALIANZ INVESTING GROUP, S.L.	Executive Director	From 01/01/2023 to 31/12/2023
MARC THOMAS MURTRA MILLAR	Independent Director	From 31/01/2023 to 31/12/2023
JORDI XUCLÀ COSTA	Independent Director	From 30/03/2023 to 31/12/2023

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)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2023	Total 2022
ANTONIO HERNÁNDEZ CALLEJAS	238	22	146	1,508	1,500	1,898			5,312	4,483
DEMETRIO CARCELLER ARCE	179	26	183						388	396
BELÉN BARREIRO PÉREZ-PARDO	119	22	35						176	177
MARÍA CARCELLER ARCE	119	18							137	140
FERNANDO CASTELLÓ CLEMENTE	119	30	82						231	221
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	119	19	27						165	169
CORPORACIÓN FINANCIERA ALBA, S.A.	119	18							137	140
MERCEDES COSTA GARCÍA	119	30	74						223	220
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	119	18							137	140
JAVIER FERNÁNDEZ ALONSO	119	29	186						334	333
GRUPO TRADIFÍN, S.L.	119	30	74						223	215
HERCALIANZ INVESTING GROUP, S.L.	119	19	27						165	169
MARC THOMAS MURTRA MILLAR	119	27	170						316	301
JORDI XUCLÀ COSTA	119	18							137	115

Comments

The total remuneration of the Directors in 2023 amounted to 8,079,680 euros gross, rounded off to 8,080 thousand euros. This total sum in thousands differs from the amount indicated in the table as a result of the rounding off to thousands of the individual remuneration of each Director.

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 2023		Financial instruments awarded during 2023		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2023	
		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				
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 2023		Financial instruments awarded during 2023		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2023	
		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
GRUPO TRADIFÍN, S.L.	Scheme							0.00				
HERCALIANZ INVESTING GROUP, S.L.	Scheme							0.00				
MARC THOMAS MURTRA MILLAR	Scheme							0.00				
JORDI XUCLÀ COSTA	Scheme							0.00				

Comments

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
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.	
MARC THOMAS MURTRA MILLAR	
JORDI XUCLÀ COSTA	

Name	Contribution by company during the year (€ thousand)				Accumulated amount of funds (€ 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	
	2023	2022	2023	2022	2023	2022	2023	2022
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
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								

Name	Contribution by company during the year (€ thousand)				Accumulated amount of funds (€ 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	
	2023	2022	2023	2022	2023	2022	2023	2022
GRUPO TRADIFÍN, S.L.								
HERCALIANZ INVESTING GROUP, S.L.								
MARC THOMAS MURTRA MILLAR								
JORDI XUCLÀ COSTA								
Comments								

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	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	
MARC THOMAS MURTRA MILLAR	Item	
JORDI XUCLÀ COSTA	Item	

Comments

b) Remuneration of directors of the company for directorships in other group companies:

i) Remuneration accrued in cash (€ thousand)

Name	Fixed remuneration	Attendance fees	Remuneration as members of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2023	Total 2022
ANTONIO HERNÁNDEZ CALLEJAS		5							5	5
DEMETRIO CARCELLER ARCE										
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.										
MARC THOMAS MURTRA MILLAR										
JORDI XUCLÀ COSTA										

Comments

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 2023		Financial instruments awarded during 2023		Financial instruments vested during the year				Instruments mature and not exercised	Financial instruments at end of 2023	
		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				
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				
MARC THOMAS MURTRA MILLAR	Scheme							0.00				
JORDI XUCLÀ COSTA	Scheme							0.00				

Comments

iii) Long-term savings schemes

Name	Remuneration from vesting of rights in savings schemes
ANTONIO HERNÁNDEZ CALLEJAS	
DEMETRIO CARCELLER ARCE	
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.	
MARC THOMAS MURTRA MILLAR	
JORDI XUCLÀ COSTA	

Name	Contribution by company during the year (€ thousand)				Accumulated amount of funds (€ 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	
	2023	2022	2023	2022	2023	2022	2023	2022
ANTONIO HERNÁNDEZ CALLEJAS								
DEMETRIO CARCELLER ARCE								
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.								
MARC THOMAS MURTRA MILLAR								
JORDI XUCLÀ COSTA								

Comments

iv) Details of other items

Name	Item	Amount
ANTONIO HERNÁNDEZ CALLEJAS	Item	
DEMETRIO CARCELLER ARCE	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	
MARC THOMAS MURTRA MILLAR	Item	
JORDI XUCLÀ COSTA	Item	

Comments

c) Summary of remunerations (thousand euros):

Include in the summary the amounts corresponding to all items of remuneration included in this report that have been accrued by the directors, in thousand euros.

Name	Remuneration accrued in the Company					Remuneration accrued in Group companies					
	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2023 company	Total cash remuneration	Gross earnings on shares or financial instruments vested	Remuneration from savings schemes	Remuneration for other items	Total 2023 group	Total 2023 company + group
ANTONIO HERNÁNDEZ CALLEJAS	5,312				5,312	5				5	5,317
DEMETRIO CARCELLER ARCE	388				388						388
BELÉN BARREIRO PÉREZ-PARDO	176				176						176
MARÍA CARCELLER ARCE	137				137						137
FERNANDO CASTELLÓ CLEMENTE	231				231						231
JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	165				165						165
CORPORACIÓN FINANCIERA ALBA, S.A.	137				137						137
MERCEDES COSTA GARCÍA	223				223						223
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	137				137						137
JAVIER FERNÁNDEZ ALONSO	334				334						334
GRUPO TRADIFÍN, S.L.	223				223						223
HERCALIANZ INVESTING GROUP, S.L.	165				165						165
MARC THOMAS MURTRA MILLAR	316				316						316
JORDI XUCLÀ COSTA	137				137						137
TOTAL	8,081				8,081	5				5	8,086

Comments

The total remuneration of Directors accrued in the Company in 2023 was 8,079,680 euros gross, rounded off to 8,080 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.

The total remuneration accrued by the Directors in the Company plus the Group in 2023 was 8,084,680 euros gross, rounded off to 8,085 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.

C.2. Indicate the evolution over the past 5 years of the amount and percentage variation of the remuneration accrued by each of the directors who were directors of the listed company during the year, the consolidated earnings of the company and the average remuneration on a base equivalent to full time of the employees of the company and Group companies who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	2023	% Variation 2023/2022	2022	% Variation 2022/2021	2021	% Variation 2021/2020	2020	% Variation 2020/2019	2019
Executive directors									
ANTONIO HERNÁNDEZ CALLEJAS	5,317	18.47	4,488	1.72	4,412	6.13	4,157	36.21	3,052
HERCALIANZ INVESTING GROUP, S.L.	165	-2.37	169	2.42	165	-4.07	172	1.18	170
Non-executive directors									
DEMETRIO CARCELLER ARCE	388	-2.02	396	1.80	389	-2.75	400	-0.25	401
BELÉN BARREIRO PÉREZ- PARDO	176	-0.56	177	0.57	176	-2.22	180	1.12	178
MARÍA CARCELLER ARCE	137	-2.14	140	0.72	139	-3.47	144	5.11	137
FERNANDO CASTELLÓ CLEMENTE	231	4.52	221	-1.34	224	0.00	224	-0.88	226
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	165	-2.37	169	2.42	165	-4.07	172	1.18	170
CORPORACIÓN FINANCIERA ALBA, S.A.	137	-2.14	140	0.72	139	-45.91	257	-23.28	335
MERCEDES COSTA GARCÍA	223	1.36	220	-2.65	226	0.00	226	0.44	225
EMPRESAS COMERCIALES E INDUSTRIALES VALENCIANAS, S.L.	137	-2.14	140	0.72	139	-3.47	144	5.11	137
JAVIER FERNÁNDEZ ALONSO	334	0.30	333	-0.30	334	138.57	140	-	0
GRUPO TRADIFIN, S.L.	223	3.72	215	-1.38	218	-0.91	220	-0.92	218
MARC THOMAS MURTRA MILLAR	316	4.98	301	-	0	-	0	-	0
JORDI XUCLÀ COSTA	137	19.13	115	-	0	-	0	-	0
Consolidated earnings of the company									
	186,964	53.18	122,059	-48.85	238,629	24.02	192,415	35.74	141,752
Average remuneration of employees									
	43,681	2.16	42,759	3.39	41,356	-3.71	42,948	1.63	42,261



ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES



Comments

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



D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but that are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

CONTINUATION OF SECTION A.1.1 OF THIS REPORT

The principles behind the Directors' Remuneration Policy 2022-2024 are set out in section 3 thereof. Based on those principle, in the Directors' Remuneration Policy 2022-2024, the Directors' remuneration for this year (2024) 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 will also decide on the timing of payments. For this purpose, a points system has been established in the terms described hereinbelow.

The Directors also receive, for their duties as such, fees for attending the meetings of the Board and any Board Committees they are on. The amount of those fees is also set by the General Meeting and remains 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 (only the Executive Chairman for his executive duties), just like the other senior executives of the Group, also 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 in this Report.

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 Director in respect of the individual remuneration of the Executive Director in that year.

For this year (2024):

- The annual variable remuneration of the Executive Chairman (the only executive Director with executive duties) will be determined according to the level of achievement of the EBITDA (80%) and ROCE (20%) targets established in the consolidated annual budget 2024. That annual variable remuneration will be capped, in the event of over-achievement of targets, at 100% of the annual fixed remuneration.

- The deferred annual variable remuneration of the Executive Chairman will be determined according to: (i) the level of achievement of the EBITDA (80%) and EBITDA-CAPEX (20%) targets established for 2024 in the Group's consolidated Strategic Plan 2022-2024; (ii) the level of achievement of the aggregate consolidated EBITDA target for the three-year period established in the consolidated Strategic Plan 2022-2024; (iii) the level of achievement of the non-financial targets established for the three-year period; and (iv) the qualitative assessment of overall fulfilment of the Strategic Plan 2022-2024. In 2024, if the targets are achieved in the terms established in the Policy, a deferred annual bonus will accrue of up to 50% of the total remuneration subject to the Long-Term Incentive Plan, capped at 100% in the event of over-achievement of targets. The distribution of that percentage among the targets indicated is as follows:

--- Level of achievement of the EBITDA (80%) and EBITDA-CAPEX (20%) targets established for 2024 in the Group's consolidated Strategic Plan 2022-2024: 25%;

--- Level of achievement of the aggregate consolidated EBITDA target for the three-year period established in the consolidated Strategic Plan 2022-2024: 12.5%;

--- Level of achievement of the non-financial targets established for the three-year period: 6.25%; and

--- Qualitative assessment of overall fulfilment of the Strategic Plan 2022-2024: 6.25%.

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

EXPLANATORY NOTE 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 Ebro 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 because its representative on the Board of Directors of Ebro Foods, S.A. (pursuant to section 212 bis of the Corporate Enterprises Act) is an executive and Director of several subsidiaries of the Ebro Group.

This annual remuneration report was approved by the board of directors of the company at its meeting on:

22/03/2024

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
Jordi Xuclà Costa	Abstention	Jordi Xuclà Costa, proprietary director for Alimentos y Aceites, S.A. abstained in the Board of Directors vote on this Report, declaring that the vote to be cast by SEPI, as shareholder of Ebro Foods, S.A. is determined by the Board of Directors of SEPI (as controlling shareholder of Alimentos y Aceites, S.A.).

**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.**

NON-FINANCIAL STATEMENT 2023

Ebro

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ANNEXES

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List of subsidiaries, industrial facilities and offices of the Ebro Group

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1. 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

2023

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).

Eight of the sixteen offices leased by the Ebro Group are excluded from the environmental report, as we do not have consistent quantitative data. Those offices are the three offices leased by Ebro Foods in Spain (Madrid, Granada and Barcelona), the office of Ebro India in Nueva Delhi (India), the office of Herba Bangkok in Thailand, the office of Riviana Foods in Houston (USA), the office of Riviana Foods Canada Corporation in Toronto (Canada) and the commercial office of Riceland in Hungary.

Changes in the reporting perimeter

During 2023 the Group concluded its divestment from the Woodland industrial plant owned by Riviana Foods, so its non-financial indicators have been excluded from this Report.

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

2. BUSINESS MODEL

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 Southeast 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 the specific local 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 Southeast Asia through companies in the Herba Group, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.
- b. Fresh and premium pasta:** This includes the production and marketing of premium dry pasta and fresh pasta. The fresh pasta business is conducted through the Ebro Premium Foods 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 81 brands in 63 countries, with industrial and commercial facilities in 16 of them. In the remaining 47 countries, we only engage in commercial activity. Our industrial park comprises some 80 sites, including production plants, offices and warehouses.

List of countries with commercial and industrial presence

Argentina	Italy
Belgium	Morocco
Cambodia	Netherlands
Canada	Portugal
Denmark	Spain
France	Thailand
Germany	United Kingdom
India	United States

List of countries with only commercial presence

Algeria	Costa Rica	Haiti	Lebanon	Romania	US Virgin Islands
Angola	Cuba	Hungary	Libya	Saint Martin	Yemen
Austria	Curaçao	Iceland	Lithuania	Saudi Arabia	
Bahamas	Czech Republic	Ireland	Mozambique	South Africa	
Bahrain	Egypt	Israel	Oman	Sweden	
Bermuda	Estonia	Jamaica	Panama	Switzerland	
Brazil	Finland	Japan	Peru	Togo	
Chile	Ghana	Jordan	Puerto Rico	Tunisia	
Colombia	Greece	Kuwait	Qatar	United Arab Emirates	

Financial metrics

In 2023, the Group's net turnover was EUR 3,084.5 million up 3.9% on 2022. Our Adjusted EBITDA was EUR 387.1 million, a 15.7% year-on-year growth. Net profit was up 53.2% on 2022 at EUR 187 million, while net debt stood at EUR 570.4 million, EUR 192.9 million less than at year-end 2022.

The company had a market capitalisation at 31 December 2023 of EUR 2,387.9 million

Environment and trends

The economy performed surprisingly well in 2023. Economic growth stopped with several major spikes in inflation, but the dreaded stagnation was avoided and the global economy responded with greater resilience than had been expected. Existing geopolitical tensions (Ukraine war) persisted and new conflicts appeared in the Middle East, but the labour markets responded better than anticipated and the last safety cushions reserved by consumers during the pandemic and the elimination of the last bottlenecks related with it added a few decimals to the growth of the global GDP.

The global GDP was estimated to have risen by 2.6% in 2023, with uneven growth of the different economies. The United States defied all odds with a 2.5% growth, improving on the 1.9% of the previous year, while the European Union grew by only 0.4% (3.4% in 2022), hampered by the German economy, which contracted by 0.3%.

The slowdown in growth was due to the desired "soft landing" of the economy after controlling the worst of the inflation spike in 2022. The principal central banks, led by the FED, persisted in raising interest rates until the summer, when they decided to curb the upward trend in fear of going too far and triggering a recession.

The first figures on economic activity in 2024 reveal advanced economies moving at different speeds in production, consumer confidence and employment, with uncertainty in the eurozone and a high momentum in the USA, in line with the final months of 2023.

From the point of view of consumption, after overcoming the pandemic some consumption patterns that had intensified during the pandemic (such as e-commerce) continued after it had ended, although at a slower pace of transformations. Even so, new events shook the market: the Ukraine war, rampant inflation and the crisis in the Middle East have fuelled the sense of instability.

Owing to inflation, hard discount and private label brands are gaining weight within distribution, with growing numbers of outlets and market shares. This trend makes it almost impossible to secure our presence in all distributors and the market sentiment makes it difficult to maintain prices.

Consumption in the hospitality sector has fully recovered. Despite inflation, people's need to socialise, their hedonistic spirit and appreciation of convenient solutions is stronger than their budget restrictions.

The general trends are towards:

Increased personal consumer experience, sustainability, health, pleasure and price

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 and that meet their desires.

Their desires overlap when choosing their shopping baskets: products must be healthy, but at the same time incorporate convenience and quality. Meanwhile the demand for sustainability products is creeping in.

Social changes

Although several changes can be seen, price is still the main driver of consumption.

- a. Population changes. 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. At the same time, young people (generation Z) have very different food consumption patterns from the older generation.
- 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, but they are not prepared to pay a significantly higher price for them.
- d. The increased mobility and immigration in many developed countries brings in new tastes and new 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 delivery, ...).
- 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, ...).

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.

The technological revolution has brought radical change in how brands communicate in respect of both the message and the means. The appearance of influencers as a channel and recommendation as a strategy have also changed how brands act. Investments in advertising are shifting towards digital media, which currently account for over 50% of the Group's publicity actions. Finally, Artificial Intelligence is going to bring a new cross-cutting revolution.

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 most important markets, open to the incorporation of local 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 and minimising not only economic risks, including tax risks, but also legal, social and environmental risks.
- Seek a return on investment while guaranteeing the operational and financial soundness of our 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:

1. Search for organic and inorganic growth in countries with high levels of consumption and/or high growth potential.
 - Locate and develop new territories or categories, paying special attention to new fresh products, convenience foods 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 and service 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:
 - Seek 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).
 - Expand into new business segments within markets in which we are already present or markets with considerable potential for growth.
2. Differentiation and innovation. We invest in our products from two standpoints:
 - 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.

3. 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, we endeavour to secure: (i) balanced sources of recurring income (markets, currencies), (ii) low leverage so that we can grow without exposure to “financial turmoil”, (iii) new supply channels and (iv) long-term relations with our stakeholders (customers, suppliers, authorities, employees and society).

4. Implementation of sustainability throughout the entire value chain (“from the farm to the table”). In our commitment to sustainable and responsible business management, we work with the aim of integrating sustainability in all our strategic decisions and operations. The Sustainability Plan RUMBO A 2030 [“Heading for 2030”] guides our actions throughout the entire value chain, from production to consumer experience. HEADING FOR 2030 focuses on three main pillars of action:

- **People.** We implement specific plans to promote the well-being of our professionals at work, fostering continuous training and professional development to retain talent, seeking formulas to enhance their work-life balance, flexibility, equality, inclusion and diversity, and health and safety at work. Within this area, the Group also promotes different programmes and initiatives designed to foster respect for Human Rights, social welfare, equal opportunities, education and social and economic progress in the communities in which we operate.
- **Health and well-being.** Through our commitment to health we offer a broad array of 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.** With the aim of preserving and protecting the environment, we work actively to minimise the impact of both our production processes and our logistics and sourcing operations. In this regard, we collaborate with different stakeholders in sustainable agriculture programmes, paying special attention to mitigating and adapting to the effects of climate change, and we make a considerable effort to reduce our carbon footprint, promoting energy efficiency measures and the use of green energies, and developing different initiatives aimed at securing the Group’s transition towards a circular economy model, such as recycling packaging materials, replacing plastics, management of surplus food stocks and reusing and recycling waste.

3. 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 its Corporate Social Responsibility (CSR) as 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.
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. Our present materiality matrix contemplates the most important sustainability issues from the perspective of business continuity (financial materiality) and the most important issues by virtue of their environmental, economic or social impact on the Group's stakeholders or the natural environment (impact materiality).

Double materiality assessment

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

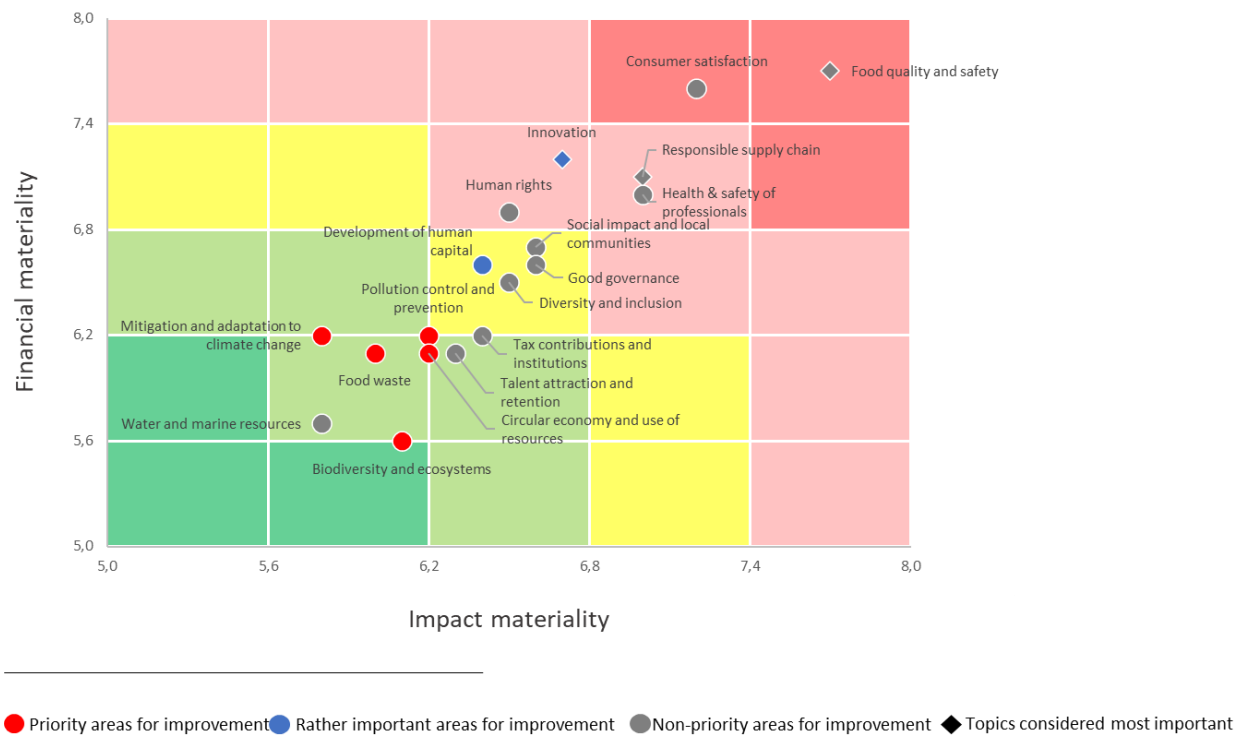
Seven stakeholders were also consulted, as priority communities for the company:

- 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

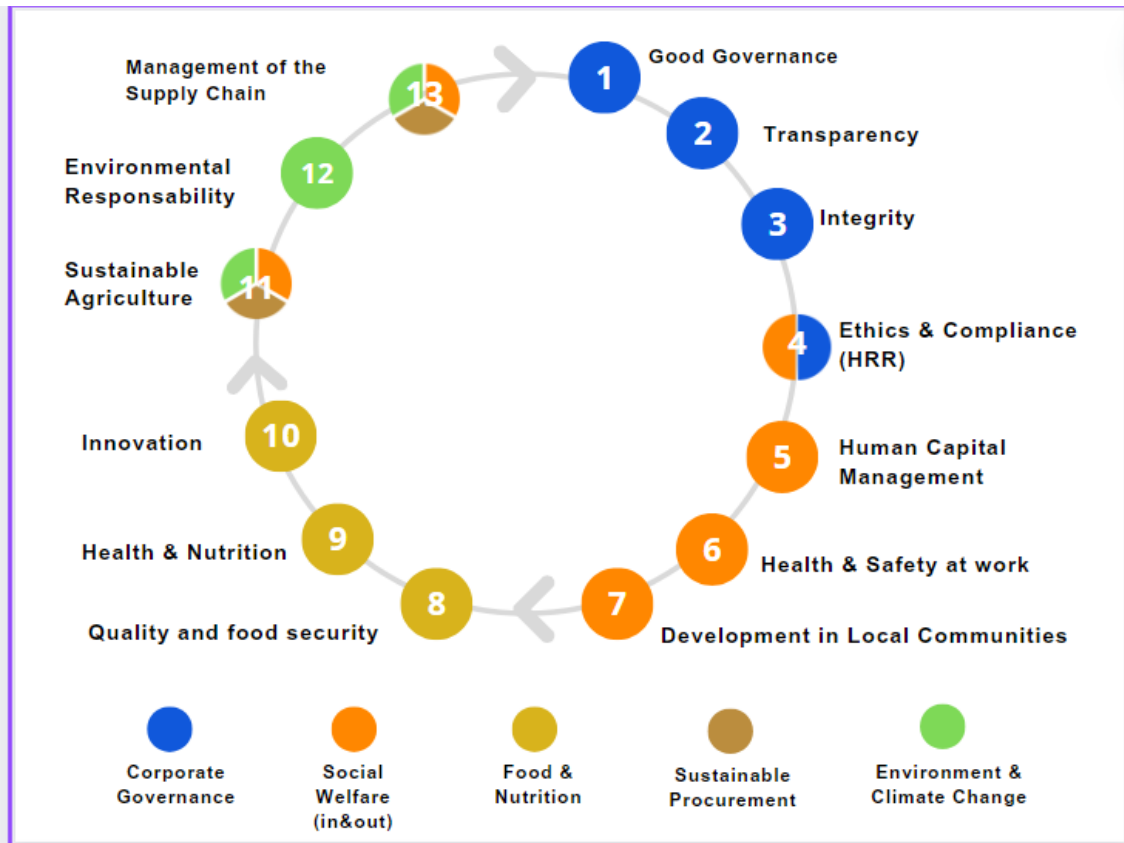
The principal topics to be managed by Ebro Foods, on the grounds that they are financially important, materially important or both, are, from a global, aggregated perspective:

- 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.



[En Ethics & Compliance (HRR), sobra una R, debería ser (HR)]

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 and equal opportunities of the most vulnerable groups 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.

Governance of sustainability

Legal framework

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
16. Policy regarding the Internal Reporting System and Whistleblower Protection

This legal framework is subject to continuous review to ensure its timely adaptation to the new regulatory directives and incorporate the best indications and practices in the matter.

Strategic coordination and supervision of sustainability in Ebro Foods



The Board of Directors of the Group's parent establishes the general strategic principles and criteria in the area of ESG, approving the general policies and action plans applicable on a Group level.

Based on those strategic principles and criteria, the Corporate Communications and Social Responsibility Department of the parent is responsible for designing and executing the strategy and the action plans to be developed. This department coordinates and holds regular meetings with the people in the Group companies responsible for sustainability, to inform them of the actions to be taken in respect of the targets established in the plans approved by the parent's Board of Directors. The plan currently in place is the Sustainability Plan HEADING FOR 2030.

The strategy and actions taken in the area of Social Responsibility and Sustainability of the Group and the Non-Financial Statements and Sustainability Reports are supervised and monitored 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.

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 the three key areas of sustainability: social, environmental and governance. Through their active participation in these organisations they are able to give greater scope to the actions developed within their CSR strategy and be immersed in a process of continuous learning and improvement. Some of the important organisations are:

 <p>UN GLOBAL COMPACT Network Spain WE SUPPORT</p>	<p>Signatory of the United Nations Global Compact</p> <p>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"</p> <p>http://www.alimentacionsindesperdicio.com/</p>
 <p>seres fundación sociedad y empresa responsable</p>	<p>Member of the SERES Foundation</p> <p>http://www.fundacionseres.org/Paginas/Inicio.aspx</p>
<p>Socio de forética</p>	<p>Member of Forética</p> <p>http://www.foretica.org/</p>
 <p>SAI PLATFORM</p>	<p>Sustainable Agriculture Initiative (SAI) Platform</p> <p>http://www.saiplatform.org/</p>
 <p>SRP Sustainable Rice Platform</p>	<p>Sustainable Rice Platform (SRP)</p> <p>http://www.sustainablerice.org/</p>

Sustainability ratings

Inclusion of the Ebro Group in sustainability ratings reflects our commitment to transparency and the development of responsible business practices. These ratings not only show our performance in social, environmental and governance aspects, but also validate our efforts and continuous improvement to attain high standards in sustainability, demonstrating our positive contribution to a more sustainable and ethical future

Sustainability indexes in which we are included

1. *Vigeo Eiris ESG*
2. *FTSE Russell ESG*
3. *The EthiFinance ESG (Gaia Research)*
4. *S&P Global Corporate Sustainability Assessment*
5. *Morgan Stanley Capital International (MSCI)*
6. *Standard Ethics Spanix Index*
7. *IBEX Gender Equality Index to promote gender equality*
8. *Carbon Disclosure Project (Climate Change)*

4. 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 the business risks to which the Company and other Group companies are exposed.

The structure of the Risk Management and Control System is explained below:

- ✚ 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, Control and Sustainability 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.

The Risk Control and Management System is dynamic, so the risks to be considered vary with the circumstances in which the Group operates.

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.

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: an 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 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 trusted suppliers, 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 covers our Spanish companies. Our principal subsidiaries have similar structures, adapted to their respective local laws and regulations. The Compliance Unit monitors and controls them all.

One specific part concerns respect for and compliance with Human Rights in accordance with the ethical standards promoted in the Group's Code of Conduct. To prevent and mitigate this risk, the Group has different SMETA audits made every year on its supply chain and implements internal awareness and training plans. In accordance with the EU 'Proposal for a Directive on corporate sustainability due diligence' published on 23 February 2022, the company has set itself the goal for 2023-2025 of developing a Due Diligence System inside and

outside the perimeter. The first steps towards that goal were taken in 2023, as reported in Chapter 5 of this Report.

- 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.

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.** These include risks associated with natural disasters and climate change. 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.

- **Climate change.** Climate variables are a fundamental part of the environmental criteria that the Ebro Group contemplates in its management strategy. In this regard, in 2023 we analysed the climate risks and opportunities under the reference framework of the Task Force on Climate-related Financial Disclosures (TCFD), which provides guidelines for identifying, managing, reporting and monitoring the principal physical and transition risks to which the Organisation may be exposed as a result of climate change, as well as potential business and development opportunities.

We covered the rice and wheat sectors in this analysis, including processing plants, the principal warehouses and the sourcing areas of these commodities in Spain and worldwide.

We selected RCP 8.5 (pessimistic scenario) and RCP 4.5 (intermediate scenario), developed by the International Panel of Experts on Climate Change (IPCC), as reference climate scenarios and took the years 2030, 2040 and 2050 as time horizons, in line with national and international climate-related commitments.

The transitional scenarios taken as reference were the conservative scenario STEPS (*The Stated Policies Scenario*) and the NZE (*The Net Zero Emissions*

Scenario), which assumes that the global energy sector will reach zero net emissions by 2050 and is consistent with limiting the global rise in temperature to 1.5°C.

A. STRATEGY

The analysis of physical and transition risks was made through an analysis of the probability of occurrence of the hazards identified for different climate scenarios and the exposure and vulnerability of our facilities, sourcing areas and different sectors of operations. No risks were classified as critical or high.

The variations in rainfall and temperature patterns are the most significant physical risks, but even so their risk level for our business is moderate.

Crop performance would be directly affected by both risks, so also the producers' selling prices and other possible factors deriving from the fact of being the main source of nutrition in part of the sourcing regions, which could lead to an export ban or limitation in the event of a situation of shortage, especially in Southeast Asia.

Of all the transition risks assessed, those most affecting our business are the obligation to calculate scope 3 emissions including sourcing areas and suppliers, the high costs associated with the energy transition required and possible changes in demand by end consumers. Nonetheless, these risks are still classified as “immaterial” because we are working on all of them.

Ebro Foods has also analysed a number of opportunities associated with climate change. We aim to take advantage of the more feasible opportunities and position ourselves adequately to face the major disruption of climate change. For each opportunity we have analysed its feasibility (technical and economic) and current development level. The most important opportunities are:

- Develop energy efficiency plans and increase the number of renewable energy facilities for self-supply at our production plants.
- Establish synergies to reach targets set for packaging, reducing emissions and reducing commodity consumption.
- Develop sustainable agriculture programmes with suppliers.

B. MANAGEMENT

Based on this initial analysis and the matrices developed for this purpose, the climate-related risks to which Ebro Foods is exposed have been included in the Group's Risk Management System. The matrices are supplemented with a risk map (rainfall, high temperatures, flooding, drought and wildfires) associated with our sourcing and industrial areas assessed and the heat maps developed, which are a key element in risk monitoring and the early detection of significant changes in any of the identified risks.

Quantification of the financial impact of the most important risks identified is extremely complex as it involves a large number of variables apart from climate variables, which are very difficult to isolate in the assessment. We have therefore made a detailed bibliographic study of the principal environmental variables that might affect the purchase prices of rice and durum wheat, since Ebro Foods buys agricultural raw materials from suppliers all over the world.

We indicate below the measures identified to mitigate the principal risks and develop the opportunities considered most important.

Physical risk	Measures
<p>Variations in rainfall and temperature patterns are the most significant risks identified for Ebro Foods, with a moderate risk level for our business</p>	<p>Ebro Foods has the following competitive advantages:</p> <ul style="list-style-type: none"> ✓ Sufficient stock, and stock forecast, of raw materials to solve one-off supply crises. ✓ Well diversified supply chain. ✓ It is able to change its rice and wheat sourcing areas. ✓ When prices rise, one possible measure for mitigation is to pass on the increased cost in the final price of our products.

Since all transition risks have been classified as “immaterial”, it is not considered necessary to develop specific measures to reduce their impact. Nevertheless, Ebro Foods is developing the following initiatives.

Transition risk	Measures
<ul style="list-style-type: none"> - Potential obligation to quantify indirect GHG emissions (sourcing areas and suppliers) - CSRD: double materiality - Scope 3: emissions related with sourcing areas and suppliers 	<p>Ebro Foods has already made a double materiality assessment and calculated its scope 1, 2 & 3 emissions.</p> <p>We also participate in initiatives to reduce emissions in the logistics sector, such as Lean & Green, and before the end of 2024 we will have completed our adherence to the Science Based Targets initiative (SBTi).</p>
<p>High costs associated with the transition to low-</p>	<p>Owing to the nature of our activity, Ebro Foods is not strongly dependent on fossil fuels.</p>

emission technologies	<p>At present, all the dryers in the Ebro Foods plants work on natural gas, which is also used for the instant rice plants in the USA.</p> <p>As regards electricity consumed, the Ebro Foods Group uses partly self-supplied energy at some of its processing plants and approximately 7% of the energy acquired has Guarantee of Origin of renewable sources.</p>
Changes in end consumers' behaviour and demand (local products (zero emissions) / ecological / more sustainable products)	<p>- The Ebro Group currently has products that meet these business assumptions in all its brands. It is not considered a particularly important risk because several specific studies of rice and pasta consumer trends indicate that there has not been a significant increase in the demand for these products. We maintain a state of permanent alert to anticipate any changes in consumer behaviour.</p> <p>- We strive to achieve differentiation and value creation for our brands through Innovation.</p>

Opportunities	Measures
Development of energy efficiency plans at production plants	<p>The Group companies regularly invest in measures to increase their energy efficiency. Over the past three years they have invested a total of €2.2 million and the Company aims to continue developing actions in this respect.</p>
Increase in renewable energy facilities (solar, biomass, cogeneration) at our production plants, according to the conditions of each country, and green energy purchases (certified as renewable energy)	<p>In 2023, over 4% of the energy directly consumed by the Group was self-generated at our photovoltaic and cogeneration facilities at the following production plants:</p> <p><u>Photovoltaic facilities</u></p> <ul style="list-style-type: none"> • Arotz: Navaleno • Bertagni: Avio and Vicenza • Ebro Frost Germany: Offingen • Ebro India: Taraori • Garofalo: Gragnano • Geovita: Bruno • Herba Bangkok: Nong Khae • Herba Ricemills: Rinconada and Algemesi • Mundiriso: Vercelli • Riviana Foods: Colusa

Opportunities	Measures
	<ul style="list-style-type: none"> • Transimpex: Lambsheim <p><u>Cogeneration facilities</u></p> <ul style="list-style-type: none"> • Bertagni: Avio and Vicenza • Ebro Frost Germany: Offingen • Garofalo: Gragnano • Geovita: Vilanova Monferrato <p>This investment is expected to continue increasing over the next few years.</p> <p>More than 7% of the electricity purchased (indirect consumption) is guaranteed as generated from renewable sources.</p>
<p>Generation of synergies with targets for packaging: reduction of emissions and raw material consumption</p>	<p>The Group has defined the following targets for packaging in its Sustainability Plan RUMBO A 2030:</p> <ul style="list-style-type: none"> ✓ Increase in the use of recyclable and reusable materials ✓ Reduction of the quantity of packaging materials ✓ Use of paper and cardboard obtained from FSC / PFSC managed forests ✓ Use of recycled cardboard ✓ Reduction of the use of non-reusable plastics ✓ Search for alternatives to plant-based plastic
<p>Development of Sustainable Agriculture programmes in our principal sourcing areas</p> <p>Promotion of sustainable growing standards</p>	<p>Ebro is actively involved in the promotion and research of environmentally sustainable for rice and wheat crops in different growing areas, to contribute towards greater conservation of the environment, promote biodiversity and mitigation of the effects of climate change.</p> <p>This work is done through own initiatives and specific collaborations with stakeholders, as well as through our membership of the two principal international platforms in this matter: <i>SAI Platform (SAI-P)</i> y <i>Sustainable Rice Platform (SRP)</i>.</p>

C. METRICS AND GOALS

At the date of closing this Report, this work is still at the development stage. It is expected to be completed in the second quarter of 2024.

2. 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.

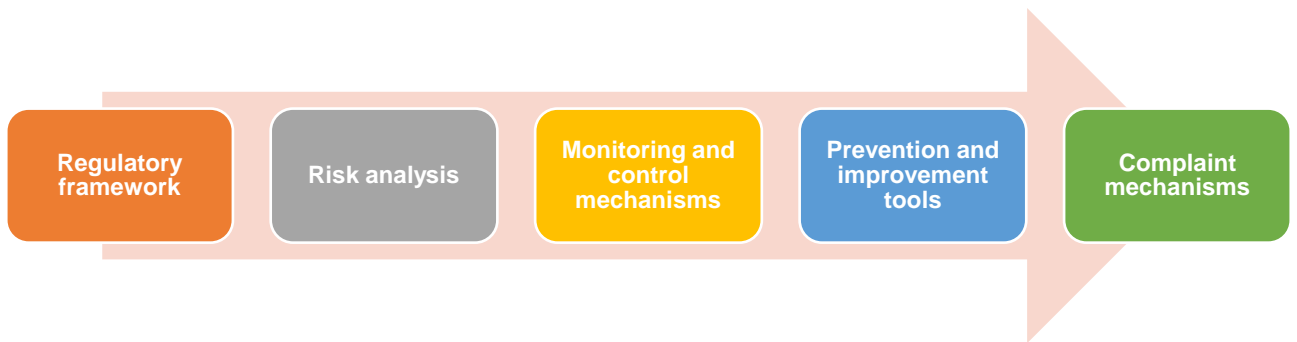
NB: Further information on the description of risks and risk control and management system is available in section 4 of the Management Report and section E of the Annual Corporate Governance Report, both available on the corporate website.

5. HUMAN RIGHTS IN THE VALUE CHAIN

Human Rights Principles in Ebro Foods	
<p><i>Article 9.7 of the Code of Conduct of the Ebro Foods Group</i></p> <p>“The Group respects and promotes human rights and acknowledges that they are fundamental, universal rights and should be construed and recognised in accordance with international laws and practice, particularly the United Nations Universal Declaration of Human Rights and the principles proclaimed by the International Labour Organization (ILO).”</p>	
<p>Employees</p> <p>The Group promotes and upholds the principle of equal treatment and equal opportunities for all Professionals, regardless of their race, colour, nationality, ethnic origin, religion, sex, political or sexual inclination, civil status, age, disability or family responsibilities, as a principle behind all Human Resources policies and applicable in the recruitment of Professionals, training, career opportunities, pay levels and all other aspects of relationships with Professionals.</p>	<p>Suppliers</p> <p>The Group promotes the assessment and selection of its suppliers based on social, ethical and environmental criteria, with a view to selecting those which, apart from offering the best bargaining terms, share the principles and commitments to Human Rights described in the Company’s Code of Conduct.</p>
<p>Customers</p> <p>The Group undertakes to offer top quality services and products according to the quality requirements and standards established in law and its Food Safety and Quality Policy.</p>	<p>Local communities</p> <p>The Group is committed to making a positive contribution to human rights in the communities in which we operate, through the development of initiatives that contribute positively towards equal opportunities, reduction of inequalities and welfare of the people who live there.</p>

Ensuring respect for Human Rights throughout our supply chain is one of the Group’s priorities in Social Responsibility. With a view to reinforcing the achievement of this goal, in 2023 the Group’s parent started working on the design and implementation of a due diligence system to detect, prevent and remedy, where necessary, any existing or potential impacts on Human Rights produced by or as a result of our operations.

This system contemplates the development of an action plan that will be supplemented over the coming three years, the progress and results of which will be reported annually through this Report and our corporate website. The plan includes the following actions: (i) a regulatory framework, (ii) evaluation and diagnosis systems, (iii) monitoring and control mechanisms that check compliance with our policies, (iv) implementation of tools for prevention, (v) complaint mechanisms, and (vi) fostering of good practices.



Although the groundwork was done in 2023 for an orderly, structured development of this work, the Group has already been performing a substantial part of the actions contemplated in the due diligence system for years. In this context, we explain below the work done so far in each of each of these aspects.

1. Regulatory framework

Based, among others, 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), the Ebro Foods Group's commitment is set out in: (i) our Code of Conduct, which establishes the principles and values that must underlie the actions of all people and companies in the Ebro Foods Group, (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, and (iii) our Sustainability, Environment and Corporate Social Responsibility Policy, which establishes the basic principles and general framework for actions undertaken by the Company and the Group in respect of sustainability, environment and corporate social responsibility.

The Group's commitment to Human Rights is set out in Section IV, points 9, 11, 12, 13, 14 and 15 of our Code of Conduct in respect of our professionals. Specifically in points 9.1, 9.3, 9.4, 9.5 and 9.6 it lays 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. In points 11-15 it sets out our commitment to personal and professional development, occupational health and safety, the right to fair remuneration and privacy and data protection.

The Supplier Code of Conduct sets out the same commitments in respect of the workers in our supply chain in point 3 and the Sustainability, Environment and Corporate Social Responsibility Policy reinforces all the commitments acquired by the Group in respect of its stakeholders in points 5.3-5.9.

Those Codes and Policy can be consulted on the Ebro Foods corporate website (<https://www.ebrofoods.es/rse/rse-en-ebro/codigos-y-politicas/>).

The Company intends to draw up a specific policy on Human Rights during 2024.

2. Risk analysis

The assessment of risks and impacts requires the involvement of different areas of the Group, from the Sustainability departments to Human Resources and Procurement.

A Due Diligence questionnaire on Governance, Human Rights and Environment is being sent out by the Corporate Communications and Social Responsibility Department to the general managements of the different subsidiaries to make an internal analysis and diagnosis. These questionnaires must be completed jointly with the respective management teams to define, identify, assess and measure risks, generate opportunities for subsequent verification and control and adopt the necessary, proportionate measures to mitigate, reduce or remedy those risks, as the case may be. We anticipate completing this work in the first half of 2024.

With regard to the supply chain, the suppliers of the Ebro Group are classified into four categories:

1. Suppliers of rice and durum wheat
2. Suppliers of other commodities
3. Packaging suppliers
4. Service providers

As the Group has decentralised certain management areas, such as the Procurements Area, to its respective companies, each subsidiary has traditionally 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 2023 we mapped our global supply chain, with the following proportions per continent:

Continent	% suppliers 2023	% suppliers 2022
Europe	69%	68%
Africa	10%	10%
Asia	10%	8%
North America	8%	8%
South America	3%	6%

NB: The % of suppliers in Africa out of the global total gives a distorted view of the percentage weight this continent really has in the Group's supply chain because of the- large number of small suppliers of the agricultural commodity rice (some 564). If we take the amount of rice supplied in relation to the global supply of rice for the Group, it only accounts for 1%.

According to our goal of 100% of our suppliers signing the Ebro Group's Supplier Code of Conduct, we continued making progress in 2023, as shown in the following table:

Continent	2023	2022
Europe	17%	11%
Asia	54%	54%
North America	22%	8%
South America	37%	17%

Another of the tasks performed within the due diligence of our supply chain was to identify the risk levels of the principal commodity sourcing regions of the Ebro Group in order to prioritise our work. To do this we used the online tool <https://www.countryrisk.io/> - an international risk assessment platform that is constantly updated using the parameters provided by different international databases, combining qualitative and quantitative information.

Countryrisk.io offers different risk rankings, each specialising in different matters. We concentrated on two of them for the risk assessment in our Group:

- **ESG RANKING** ► classifies countries according to their will and ability to meet their public debt obligations (foreign currency), explicitly taking into account social and environmental indicators.
- **SUPPLY CHAIN RANKING** ► enables an oversight of the Social, Environmental and Governance laws in place in the different countries, covering some 250 countries.

Based on the outcome of this country risk analysis and the volume of purchases from each country as a proportion of the Group's global supplies, we will focus our efforts in 2024 on stepping up the due diligence procedure with the suppliers who have the most critical scores.

3. Monitoring and control mechanism

As a tool to strengthen the monitoring and control of respect for Human Rights, both within and outside the Group perimeter, we use the Sedex Members Ethical Trade Audit (SMETA) protocol to assess our internal manufacturing sites against a common set of corporate social responsibility standards developed for the consumer goods industry.

In the specific case of the supply chain, in addition to our corporate account on the Sedex Platform, where all the Group companies are already registered and their respective suppliers are in the process, we continue improving our due diligence systems in Human Rights by developing internal capacities, frequent meetings and visits by the

Procurement Department to their suppliers to check first hand that they comply with the Group's ESG standards and incorporate good practices.

- Audits made on plants of the Ebro Group

We made 17 SMETA audits on Group plants in 2023.

Company	Country	Plant	Date	Type of audit	Auditors
Herba Ricemills	Spain	San Juan	07/02/2023	SMETA	Intertek Spain
	Spain	Algemesi	03/07/2023	SMETA	
	Spain	Los Palacios	28/06/2023	SMETA	
Bertagni 1882	Italy	Avio	14/03/2023	SMETA	Bureau Veritas Certification
	Italy	Arcugnano	29/03/2023	SMETA	
Ebro India	India	Taraori	03/11/2023	SMETA	DNV
Herba Bangkok	Thailand	Nong Khae	03/10/2023	SMETA	SGS
Herba Cambodia	Cambodia	Phnom Phen	24/04/2023	SMETA	UL Responsible Sourcing
Ebro Foods Netherlands	Netherlands	Wormer	10/05/2023	SMETA	SGS CBE Belgium
Ebro Ingredients	Netherlands	Plant D	10/05/2023	SMETA	
	Belgium	Schoten	01/07/2023	SMETA	
Ebro Foods Belgium	Belgium	Merksem (Plant A)	01/07/2023	SMETA	
Mundi Risol	Italy	Vercelli	24/10/2023	SMETA	SGS Italy
S&B Herba	UK	Fullbourn (Cambridge)	16/11/2023	SMETA	Bureau Veritas Certification
Pastificio Lucio Garofalo	Italy	Gragnano	22/02/2023	SA8000	DNV
			19/01/2023	Customer audit	Arche Advisors
			27/09/2023	Customer audit	Bureau Veritas

13 ethics audits were made at Group workplaces during 2022.

Company	Country	Plant	Date	Type of audit	Auditors
Ebro India	India	Taraori	06/10/2022	SMETA	DNV
Herba Cambodia	Cambodia	Phnom Phen	25/04/2022	SMETA	ELEVATE
Herba Ricemills	Spain	San Juan	21/03/2022	SMETA	Intertek Spain
Pastificio Lucio Garofalo	Italy	Gragnano	05/07/2022	SA8000	DNV
Riviana Foods	USA	Brinkley	01/02/2022	SMETA	Accordia Global Compliance Group
		Memphis	05/05/2022	BSCI	
		Carlisle	02/02/2022	SMETA	
		Clearbrook	18/01/2022	SMETA	
		Alvin	08/03/2022	SMETA	
		Colusa	13/01/2022	SMETA	Control Union
S&B Herba Foods	UK	Regent mill	12/01/2022	SMETA	Bureau Veritas Certification
			18/05/2022	SMETA	
Herba Bangkok	Thailand	Nong Khae	26/10/2022	SMETA	SGS

- Audits made on our supply chain

62 SMETA audits were made on suppliers in 2023.

Country	Date of audit	Auditors	
Argentina	26/06/2023	Intertek Argentina Uruguay and Paraguay	
	11/07/2023	Bureau Veritas Certification	
	12/07/2023		
	12/07/2023		
Austria	06/11/2023	Bureau Veritas Certification	
France	27/06/2023	Intertek France	
	01/06/2023		
	15/02/2023	SGS France	
	23/01/2023		
	26/06/2023		
		13/12/2023	DNV
		30/03/2023	Bureau Veritas Certification
Germany	14/04/2023	Intertek Germany	
	21/02/2023	SGS Germany	
Greece	24/07/2023	Intertek Bulgaria	
India	14/04/2023	DQS India	
	15/06/2023	DQS CFS GmbH	
	28/03/2023	Intertek India	
Ireland	18/08/2023	SGS_UK	
	16/08/2023		
Italy	09/08/2023	Intertek Italy	
	12/01/2023		
	01/01/2023		
	27/04/2023		
	14/11/2023		
		16/01/2023	BUREAU VERITAS CPS - EMEA
Mexico	17/05/2023	Intertek Mexico	
Netherlands	04/05/2023	SGS CBE Belgium	
	13/06/2023		
Pakistan	22/08/2023	ELEVATE	
	19/06/2023	Eurofins South Asia	
	14/02/2023	SGS Pakistan	
	30/05/2023	SGS Pakistan	
	21/11/2023	ALGI Pakistan	
	26/12/2023	GSCS International Ltd	

Country	Date of audit	Auditors
Peru	03/10/2023	Intertek Peru
	25/04/2023	SGS DEL PERU S.A.C.
	10/03/2023	SIPAS CR-PERU
	04/09/2023	
	23/11/2023	
Portugal	29/06/2023	SGS Portugal
Spain	26/04/2023	Bureau Veritas Certification
	30/10/2023	Intertek Spain
Switzerland	08/03/2023	Intertek Germany
Thailand	24/07/2023	SGS Thailand
	17/05/2023	
	07/08/2023	
	10/10/2023	
	07/08/2023	
Turkey	14/02/2023	ELEVATE
	19/06/2023	
UK	27/03/2023	BSI Group
	24/08/2023	SGS_UK
	27/03/2023	
	31/07/2023	
	06/12/2023	
	21/11/2023	
	27/11/2023	
	29/08/2023	
	04/10/2023	BUREAU VERITAS CPS - EMEA
USA	08/02/2023	Intertek Peru
	21/04/2023	

54 SMETA audits were made on suppliers in 2022, 6 of them follow-up audits.

Country	Date of audit	Auditors
Argentina	13/07/2022	Bureau Veritas Certification
	14/07/2022	
	16/07/2022	
Belgium	19/09/2022	Intertek France
	25/01/2022	SGS CBE Belgium
Cambodia	19/08/2022	SGS (Cambodia) Limited
France	05/04/2022	SGS France
	17/05/2022	
	19/10/2022	

Country	Date of audit	Auditors
	03/02/2022	Bureau Veritas Certification
	21/07/2022	
	27/07/2022	
	15/06/2022	BUREAU VERITAS CPS - EMEA
	01/12/2022	
		05/09/2022
Germany	21/04/2022	Intertek Germany
	19/04/2022	
	05/05/2022	Bureau Veritas Certification
	12/08/2022	
Greece	14/07/2022	TUV NORD CERT GmbH
	07/07/2022	Intertek Bulgaria
	31/05/2022	SGS_UK
Hungary	01/07/2022	Bureau Veritas Certification
India	26/05/2022	Bureau Veritas Certification
	20/07/2022	SGS ASIA
	07/11/2022	
	18/03/2022	Intertek India
Italy	22/06/2022	Intertek Italy
	14/04/2022	
	06/06/2022	SGS Italy
	25/05/2022	
	23/11/2022	
Mexico	08/06/2022	DNV
Netherlands	25/08/2022	Bureau Veritas Certification
Pakistan	04/10/2022	ALGI Pakistan
	29/09/2022	ELEVATE
	16/07/2022	ALGI Pakistan
Peru	10/08/2022	SIPAS CR-PERU
Poland	03/11/2022	SGS Poland
Portugal	14/10/2022	Intertek Portugal
Thailand	02/09/2022	SGS Thailand
	02/11/2022	
	17/03/2022	

Country	Date of audit	Auditors
	19/09/2022	
	25/05/2022	
Turkey	14/02/2022	Intertek Turkey
	24/05/2022	
UK	22/02/2022	SGS_UK
	28/09/2022	Verisio
	01/08/2022	Intertek UK
	08/08/2022	Verner Wheelock (incorporating KSSA)
	21/11/2022	
USA	18/01/2022	Accordia Global Compliance Group (Home Office)
	23/02/2022	Intertek Peru

4. Prevention and improvement tools

- Training

In an effort to prevent and facilitate identification of possible negative impacts within and outside the Group perimeter, towards the end of 2022 the parent launched a compulsory training course on Human Rights for all the company's professionals. This has now been done in most of the Group companies and will be completed within the first half of 2024.

This Training Plan, the content of which has been tailored to different professional categories, is being implemented through the SAP Litmos e-learning platform for professionals who have a corporate e-mail account, and in person for factory workers.

- Good practices

Another of the fundamental tools used by the Group in the area of prevention is to encourage good practices, both within the Company and in the rest of our value chain.

Within the Group we highlight the certification of Ebro India as a '*Great Place to Work*', in recognition of its excellent team management, its positive labour culture and its outstanding work in social responsibility. Another highlight was the certification of our subsidiary Tilda as B Corp, a recognition that encompasses all the operations of a company and guarantees high standards of social and environmental performance.

We have also developed several training and collaboration actions with our agricultural commodity suppliers, such as:

- **Pakistan (Herba Ricemills):** Together with Pakistan Basmati Heritage Foundation (PBHF) and Rice Exporter Association Pakistan (REAP), the Procurements and Exports team of Herba Ricemills participated in several work seminars with their suppliers in the Punjab area, which is very important for the Ebro Group's purchases of Basmati rice. The underlying goal was to train

growers, exporters and other interested parties in our value chain and make them aware of the importance of sustainable production.

- **Morocco (Mundiriz):** Our company in Morocco holds an annual meeting with its rice suppliers in the Gharb region to boost its relations with suppliers, fostering coexistence and sharing good practices among them all to enable a sustainable, efficient management of the Mundiriz supply chain.
- **India (Ebro India):** This company has implemented several initiatives with both direct and indirect suppliers. Through the EKTA programme, the company provides training focused on sustainable agricultural practices, thus forestalling adverse impacts by its agricultural suppliers. The training contemplates aspects of modern farming techniques, ways of optimising the use of water in planting and production processes, and providing free biocontrol products to ensure a rational use of pesticides. Ebro India also has a team of graduate farmers who provide free counselling to its suppliers on ethics and compliance. Their support embraces issues such as Human Rights, the protection and safety of workers, the provision of free safety kits and even topics such as government legislation, the Land Law, etc.

In the area of agricultural raw materials, more specifically in rice production, Ebro India, Herba Bangkok, Herba Ricemills, La Loma Alimentos, Mundiriso and Riviana are, together with their agricultural suppliers, developing different sustainability programmes to assess and verify the sustainability of the crop using the FSA standard of the Sustainable Agriculture Initiative Platform (SAI Platform) and the SRP standard of the Sustainable Rice Platform, as well as the Ecological Agriculture Platform and Fair Trade. All these programmes together have produced a positive impact on approximately 10,500 growers who supply the Ebro Group.

At this point, we also highlight the sustainable agriculture projects we are developing in some of our principal sourcing areas, the main goals of which are: (i) improve growers' revenues, (ii) optimise their agricultural returns, (iii) mitigate climate change by reducing the use of water, (iv) cut emissions and (v) encourage the use of biological means to combat pests. Our global investment in all these projects was EUR 4.7 million.

The details of these programmes can be consulted in Chapter 10 of this Report, Commitment to the Environment.

In this regard, the start-up of all these projects has contributed towards the fact that no negative environmental or social impacts have been identified in our supply chain.

5. Grievance mechanism

During 2023, in pursuance of Act 2/2023 transposing the EU Whistleblowing Directive into national law, the Ebro Group established an Internal Reporting System (IRS) guaranteeing protection of whistleblowers who act in good faith and integrating all the complaint channels existing within the Group.

Within the structure of the IRS, a new Corporate Whistleblowing Channel has been created for the entire Group, through which anyone can inform Ebro Foods, S.A., as parent of the Group, of any possible irregularities detected in any of the Group companies. This Channel does not replace the complaints channels that some of our companies have established in pursuance of their local laws, but supplements them and the parent has also implemented it alongside its own complaints channel.

The Corporate Whistleblowing Channel is available for all stakeholders on the Group's corporate website, in the section "Contact" <https://www.ebrofoods.es/contacto/> and on the websites of the different subsidiaries. In companies that do not have a website, it is advertised through other channels, such as within the signatures on e-mails, on notice boards, etc.

In Ebro Foods it is also possible to access the Canal from its intranet, where we have created a tab called "Internal Reporting System of the Ebro Group" and included the link to the channel within that tab: [Access to the Corporate Whistleblowing Channel of the Ebro Foods Group](#).

As a result of the foregoing, we updated the Code of Conduct of the Ebro Foods Group. The new version of the Code introduces two changes in respect of the previous version: (i) it includes regulation of the new Corporate Whistleblowing Channel created within the structure of the Internal Reporting System of the Ebro Foods Group; and (ii) it includes the current name of the Audit, Control and Sustainability Committee of Ebro Foods, S.A., previously called "Audit and Compliance Committee".

It should also be noted that in addition to the Corporate Whistleblowing Channel, the Human Resources Departments of the different Group companies have also enabled channels to process, investigate and resolve any incidents that may occur within the respective companies.

In this context, seven Human Rights grievances were reported during 2023 in the Human Rights Department of Riviana Foods, two of which had been resolved by the closing date of this Report. The same company received one complaint through the Corporate Whistleblowing Channel. In 2022, a total of 11 grievances were received in four Group companies.

Company	2023			2022		
	No. of grievances lodged	No. of grievances processed	No. of grievances resolved	No. of grievances lodged	No. of grievances processed	No. of grievances resolved
Riviana Foods	7	6	2	6	6	1
La Loma Alimentos	---	---	---	1	1	1
S&B Herba Foods	---	---	---	2	2	2
Tilda	---	---	---	2	2	2
Total grievances	7	6	2	11	11	6

6. ANTI-CORRUPTION AND BRIBERY MEASURES

CORRUPTION AND BRIBERY

The Ebro Group has a global Code of Conduct, known to and binding on not only its workers and professionals, but also its customers, suppliers, shareholders and other stakeholders.

The Code of Conduct establishes the principal values that must underlie the Group's conduct, including those of transparency, honesty and strict compliance with the laws and regulations in place.

The Code of Conduct dedicates a specific section (29) to anti-corruption, bribery, illegal commissions, influence peddling and money laundering. It establishes the following general principles: (i) the obligation undertaken by the Group to eradicate any form of corruption and (ii) the absolute prohibition of any form of corruption or bribery. These principles are accompanied by specific rules of conduct designed to guarantee compliance with them.

All the Group's workers and professionals are obliged to be familiar with and accept the Code of Conduct. 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.

In 2023, in pursuance of Act 2/2023 of 20 February regulating the protection of people reporting breaches of law and infringements of anti-corruption regulations, transposing EU Directive 2019/1937 on the protection of persons who report breaches of Union law (known as the Whistleblowing Directive) into Spanish law, Ebro Foods, S.A., as parent of the Ebro Group, defined and implemented its Internal Reporting System, establishing a Corporate Whistleblowing Channel applicable throughout the Group (while the local complaints channels and breach control structures continue to exist in the countries where they are required) and different procedures for handling reports received through that channel. The Internal Reporting System is fully implemented and training actions are currently being defined to instruct on its existence, structure and functioning.

In addition, the global regulation of the Code of Conduct, the principles set out in the Policy against Corruption and Bribery and the structure of the Group's Internal Reporting System are backed up locally in the different regions in which the Group operates. In this regard:

- 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. Although the degree of implementation and functioning of those organisation models varies among the different subsidiaries, it is operative in all of them.
- 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 law 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 France, apart from incorporating the Corporate Whistleblowing Channel of the Ebro Group's Internal Reporting System, Lustucru Premium Group (parent of the business in that country) has drawn up its own risk map and established its own Code of Conduct applicable to the company and its subsidiaries.

The following table shows the companies that provided anti-corruption training for their employees in 2023. That ongoing training is included in regular training plans, thus ensuring that employee knowledge on the matter is constantly refreshed.

Company	2023			2022		
	No. employees	No. employees receiving training	% employees receiving training	No. employees	No. employees receiving training	% employees receiving training
Bertagni	---	---	---	417	417	100.00%
Ebro India	214	44	20.56%	179	23	12.85%
Herba Bangkok	206	206	100.00%	194	194	100%
Herba Cambodia	32	32	100.00%	20	9	45.00%
Herba Ricemills	803	33	4.11%	---	---	---
Lustucru Frais	544	137	25.18%	---	---	---
Riviana Foods	1,040	1,040	100.00%	1,043	1,043	100.00%
Riviana Foods Canada	240	240	100.00%	237	237	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. No cases were reported in 2022 either.

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 made and received 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 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.

7. VALUE CREATION MODEL

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

SOCIAL CASH FLOW (EUR thousand)

	2023	2022
Economic value generated		
Net proceeds from operations	865,294	419.351
Sale of assets and businesses	15,652	27.411
Dividends received from third parties	1,317	2.319
	882,263	449.081
Economic value distributed		
Payments to or on behalf of employees	(332,694)	(334.371)
Corporate income tax	(41,146)	(90.821)
Contribution to not-for-profit entities and support for sustainable agriculture	(6,917)	(4.933)
Interest income/expenses	(7,368)	(5.562)
Business acquisitions	(1,628)	(48.556)
CAPEX	(141,670)	(118.808)
Dividends paid (*)	(97,345)	(96.528)
	(628,768)	(699.579)
Economic value retained	253.495	(250,498)

(*) 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, regulated in Spain in **Supplementary Provisions 1 and 10 and Transitional Provision Two of the Tax Fraud Prevention Measures Act 36/2006 of 29 November (as amended by Act 11/2021 of 9 July on measures to prevent and combat tax fraud, effective from 11 July 2021)**.

In 2023, the Ebro Group directly paid more than EUR 47.56 million to the tax authorities in the different countries in which it operates, compared to EUR 97.2 million in the previous year.

Breakdown of tax payments (EUR thousand)

	2023	2022
Income tax paid	41,146	90,821

Taxes paid by geographic areas

	2023		2022	
	Net IT	Other Taxes	Net IT	Other Taxes
Spain	-21,006	524	36,615	613
Rest of Europe	25,947	2,273	24,426	2,492
America	32,825	3,618	29,067	3,304
Asia	1,954	0	170	0
Africa	1,426	0	543	0
Total	41,146	6,415	90,821	6,409

Most significant countries

	2023		2022	
	IT	Other Taxes	IT	Other Taxes
Spain	-21,006	524	36,615	613
France	5,730	1,994	6,245	2,226
Italy	6,800	279	5,133	208
United States	32,991	3,503	11,690	3,196
United Kingdom	6,199	0	5,879	0

Pre-tax profit, by countries (EUR thousand)

	Pre-tax profit	
	2023	2022
Spain	20,369	-315
Rest of Europe	126,768	74,130
America	113,783	89,668
Asia	9,849	18,353
Africa	3,088	3,971
Total	273,857	185,807

Most significant countries

	BAI	
	2023	2022
Spain	20,369	-315
France	22,769	-3,627
Italy	48,279	28,468
United States	106,756	87,087
United Kingdom	27,700	32,665

Public grants received (EUR thousand)

	2023	2022
Capital grants received	6,304	1,026
Operating grants received	1,633	2,509

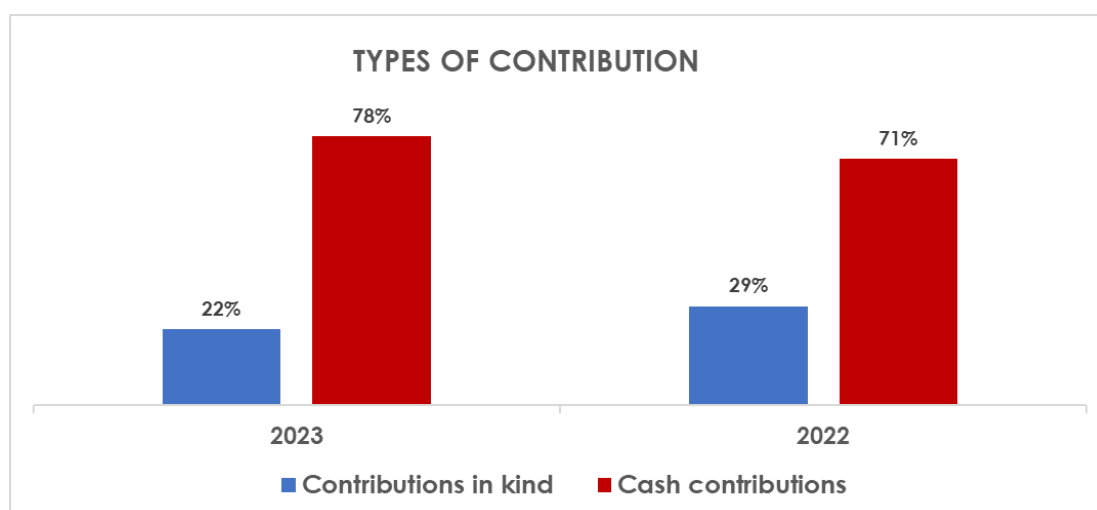
COMMITMENT TO THE DEVELOPMENT OF LOCAL COMMUNITIES

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 2023, as in previous years, the Ebro Foundation and the Group 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 2023 was EUR 6.9 million, compared to EUR 4.9 million in 2022.

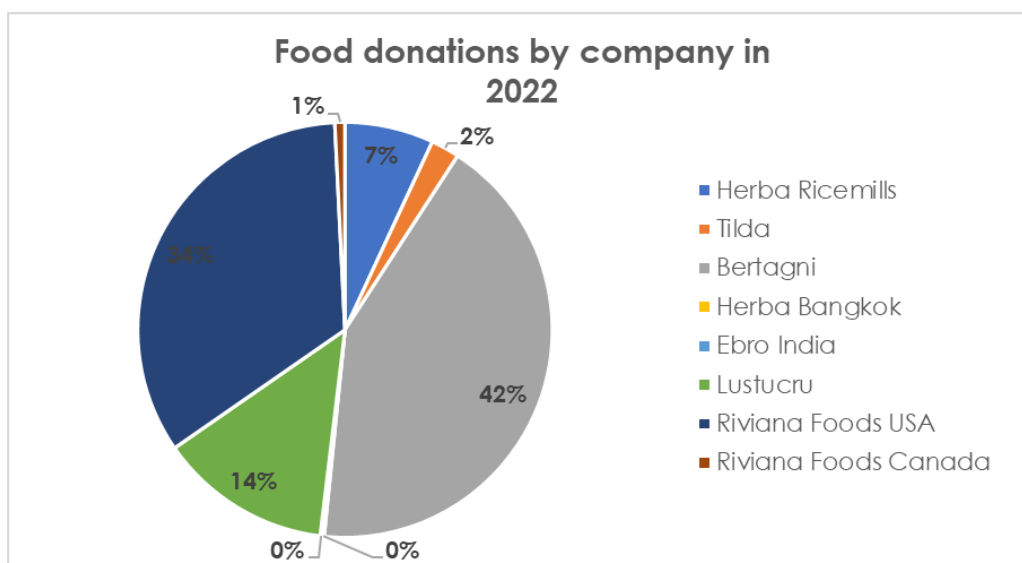
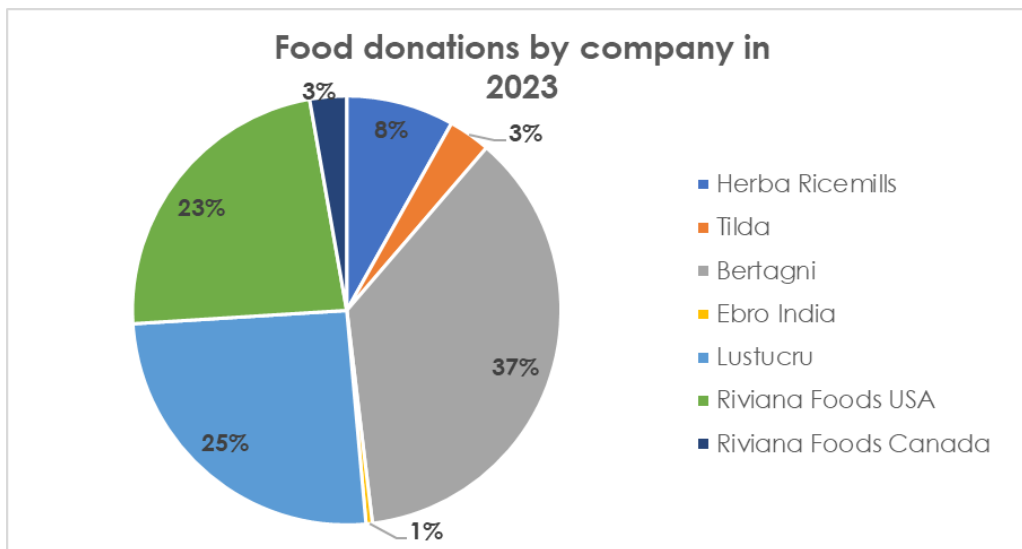
Social action	2023	2022
Food donations subsidiaries	1,529,646.26	1,415,232.06
Ebro Foundation activities	699,907.99	601,459.37
Sustainable Agriculture	4,687,526.00	2,916,070.00
Total amount (EUR)	6,917,080.25	4,932,761.43



Food Donations

During 2023, Group companies in Spain, United Kingdom, Italy, France, India, United States and Canada made food donations for an aggregate value of EUR 1.5 million, delivering 606,742 thousand kilogrammes of food. Donations in 2022 amounted to EUR 1.4 million and 600 thousand kilogrammes of food.

Company	2023	2022
Herba Ricemills	124,408.31	98,104.62
Tilda	48,479.00	31,552.60
Bertagni	562,713.85	600,732.00
Herba Bangkok	---	1,493.15
Ebro India	7,294.00	2,832.49
Lustucru	389,201.00	190,379.00
Riviana Foods USA	355,059.10	479,026.95
Riviana Foods Canada	42,491.00	11,111.25
Total amount (EUR)	1,529,646.26	1,415,232.06



Social and Environmental Initiatives

Apart from the food donations and in their determination to contribute to sustainable development of the communities in which we operate, the Ebro Group and the Foundation continued working in 2023 to set up different social and environmental initiatives.

The Foundation worked in three major areas during 2023:

1. **Food and health:** This includes aid given to neighbourhood associations, soup kitchens, fraternities and sororities, humanitarian disasters, etc., as well as participation in projects that encourage healthy lifestyles through food and sport.

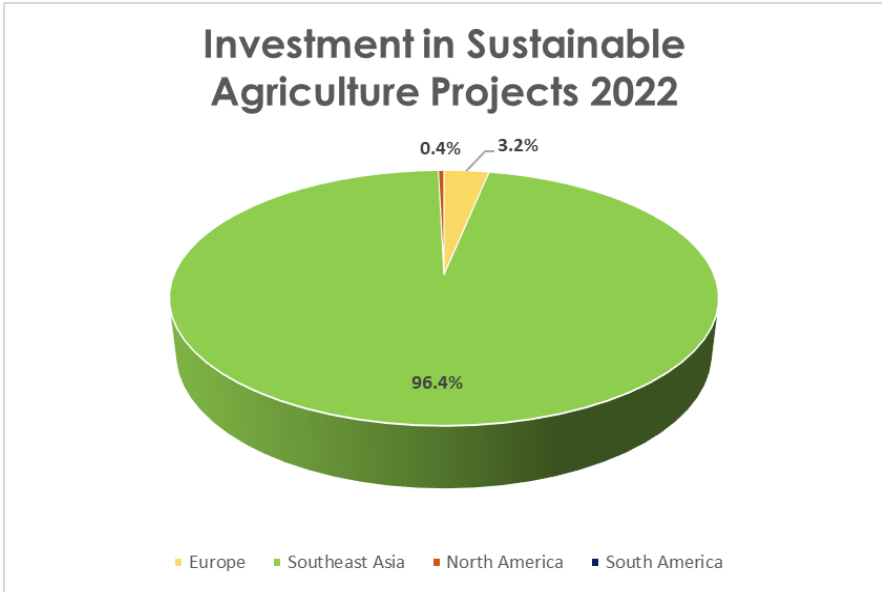
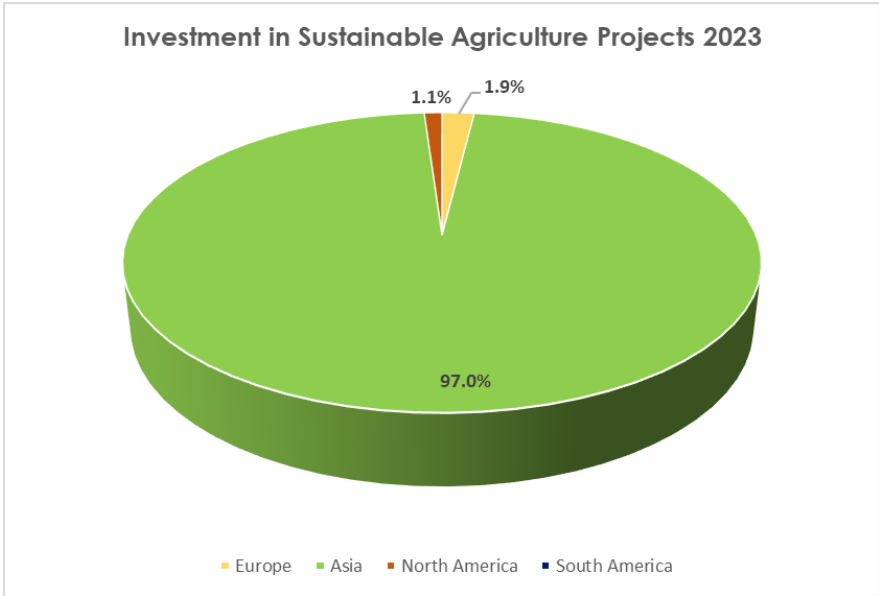
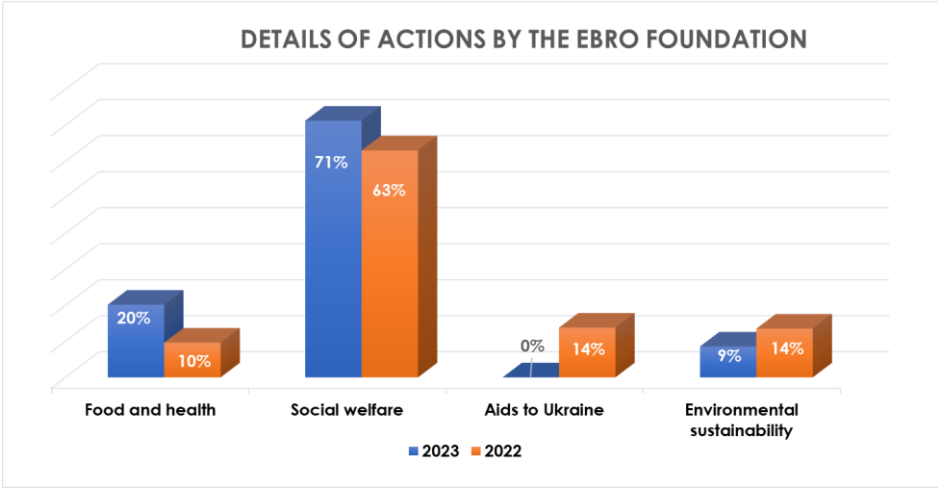
The total investment made in this area in 2023 was EUR 141,218.09, up from EUR 58,070.57 in 2022.

2. **Social welfare:** This working area comprises support for education through scholarships, research projects, educational programmes that contribute towards equal opportunities, training projects for integration into society and employment, entrepreneurship and job promotion initiatives, and community aid programmes that contribute to achieving the full, effective social integration of these individuals and groups at risk of exclusion.

The total investment made in this area in 2023 was EUR 498,689.90, compared to EUR 379,011.80 in 2022.

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 promoting and achieving the Group's sustainability goals through the *EBRO FOUNDATION SUSTAINABILITY & ENVIRONMENTAL AWARDS*, which aim to bring out the talent of the Group's professionals in the search for innovative solutions that contribute towards achievement of the goals contemplated in our sustainability plan *HEADING FOR 2030*. The Foundation invested EUR 60,000 in these awards in 2023, compared to EUR 81,334 in the previous year.

In addition, different Group companies invested EUR 4,687.526 (EUR 2,916,070 in 2022) in the launching of sustainable agriculture programmes in our principal sourcing areas, and the payment of a premium fee to growers with a view to improving not only their agricultural yields but also their revenues.



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

To conclude this chapter, it should be mentioned that the Ebro Group did not receive any complaints or claims regarding possible adverse impacts on the local communities in which we operate in 2023 or 2022.

8. OUR PROFESSIONALS

People, their personal well-being and their professional development, are among the prime targets of the Ebro Group in Social Responsibility.

Scope of the reporting perimeter

Information on all the companies currently engaged in the Ebro Group's core businesses and their respective industrial facilities is included on a consolidated level (see Annex 1).

Management focus

The most valuable asset of the Ebro Group is its **6,457 professionals, of whom 5,496 are employed directly by the company and 961 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 subsidiaries of the Ebro Group 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.



A. EMPLOYMENT

Total number and distribution of employees by gender

	2023		2022	
	No. employees	% total employees	No. employees	% total employees
Men	3,906	71.07%	3,848	71.10%
Women	1,590	28.93%	1,564	28.90%
Total Employees	5,496		5,412	

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. 71% of the personnel employed within the Ebro Group overall are men, 67% of whom are factory employees.

Breakdown of employees by age group

Age group	2023		2022	
	No. employees	% total employees	No. employees	% total employees
<=30	767	13.96%	861	15.91%
30 - 50	2,854	51.93%	2,764	51.07%
>= 50	1,875	34.12%	1,787	33.02%
Total employees	5,496		5,412	

Breakdown of employees by country

Country	2023		2022	
	No. employees	% total employees	No. employees	% total employees
Argentina	194	3.53%	170	3.14%
Belgium	201	3.66%	220	4.07%
Cambodia	32	0.58%	15	0.28%
Canada	240	4.37%	237	4.38%
Denmark	69	1.26%	61	1.13%
France	588	10.70%	571	10.55%
Germany	166	3.02%	167	3.09%
Hungary	5	0.09%	5	0.09%
India	214	3.89%	179	3.31%
Italy	786	14.30%	780	14.41%
Morocco	254	4.62%	254	4.69%
Netherlands	85	1.55%	80	1.48%
Portugal	70	1.27%	72	1.33%
Spain	917	16.68%	934	17.26%
Thailand	206	3.75%	194	3.58%
United Kingdom	429	7.81%	430	7.95%
United States	1,040	18.92%	1,043	19.27%
Total employees	5,496		5,412	

Breakdown of employees by professional category

Professional category	2023		2022	
	No. employees	% total employees	No. employees	% total employees
Executives	302	5.49%	317	5.86%
Technical staff & middle management	939	17.09%	852	15.74%
Administrative & auxiliary staff	815	14.83%	835	15.43%
Factory employees	3,370	61.32%	3,346	61.83%
Others	70	1.27%	62	1.15%
Total employees	5,496		5,412	

Total number of employment contracts and breakdown by type

This table shows the total number of contracts at 31 December 2023.

Type of contract	2023	2022
Permanent	3,859	3,750
At Will	1,234	1,258
Temporary	305	356

Total number of contracts	5,398	5,364
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NB: The At-Will contracts are the form of employment contract most commonly used in the USA and Canada, and corresponds to our companies Riviana Foods Inc. and Riviana Foods Canada Corporation.

Annual average contracts by gender

The At-Will contracts are included in permanent contracts, and the average number of part-time contracts is included in the average number of permanent and temporary contracts.

Average contracts	2023			2022		
	Men	Women	Total	Men	Women	Total
Permanent	3,592	1,468	5,060	3,502	1,438	4,941
Temporary	294	124	418	328	140	468
Part-time	60	86	146	90	107	197

Annual average contracts by age group

The At-Will contracts are included in permanent contracts, and the average number of part-time contracts is included in the average number of permanent and temporary contracts.

Average contracts	2023				2022			
	<= 30	30-50	>= 50	Total	<= 30	30-50	>= 50	Total
Permanent	619	2,646	1,796	5,060	681	2,549	1,711	4,941
Temporary	152	200	65	418	173	215	80	468
Part-time	24	50	72	146	36	69	92	197

NB: 2023 saw the greatest transfer of temporary employees to permanent contracts and the hiring of part-time employees was reduced because of the reduced activity in the Company's plants, due to the absence or reduction of harvests in the wake of the negative impact of weather conditions (droughts and flooding).

Annual average contracts by professional category

- Average full-time and part-time permanent contracts

Professional category	2023	2022
Executives	294	301
Technical staff & middle management	908	849
Administrative & auxiliary staff	746	803
Factory employees	3,047	2,934
Others	65	54
Average permanent contracts	5,060	4,941

NB: At-will contracts are included in permanent contracts

- Average full-time and part-time temporary contracts

Professional category	2023	2022
Executives	12	14
Technical staff & middle management	11	14
Administrative & auxiliary staff	60	60
Factory employees	329	376
Others	7	5
Average temporary contracts	418	468

- Average part-time permanent and temporary contracts

Professional category	2023	2022
Executives	5	6
Technical staff & middle management	20	19
Administrative & auxiliary staff	54	70
Factory employees	59	89
Others	9	13
Average part-time contracts	146	197

Number of dismissals by gender, age and professional category

Professional category	2023							2022						
	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	0	1	1	2	6	1	1	8	3	2	1	16
Technical staff & middle management	2	11	11	1	6	0	31	4	9	9	6	9	8	45
Administrative & auxiliary staff	0	0	0	4	4	2	10	8	3	1	4	3	7	26
Factory employees	38	58	23	13	31	13	176	66	110	34	22	59	21	312
Others	0	3	0	0	0	0	3	0	0	0	0	0	0	0
Number of dismissals	40	74	34	19	42	17	226	79	123	52	35	73	37	399

NB: The variation in the global number of dismissals in 2023 compared to 2022 is due to an erroneously high figure reported in 2022, originating in an incorrect interpretation of the concept by one of the subsidiaries.

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 389,220 hours in 2023, which is similar to the previous year, when absenteeism totalled 378,123 hours.

This includes absenteeism due to illness, injury, occupational disease, commuting incidents and unjustified 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	Parental leave	All employees
	Disability/invalidity cover	
	Fuel cards	
	Life insurance	
	Medical insurance	
Ebro Foods	Parental leave	All employees
	Disability/invalidity cover	
	Education grant for children	
Ebro Foods Belgium	Parental leave	All employees
	Pension fund	
	Life insurance	
	Medical insurance	
Ebro Foods Netherlands	ASR / Felison insurance	All employees
	Parental leave	
	Disability/invalidity cover	
	Pension fund	

Company	Welfare benefits	Type of employee
Ebro India	Parental leave Pension fund Life insurance Medical insurance	All employees
Ebro Ingredients	Parental leave Disability/invalidity cover Pension fund Life insurance Medical insurance	All employees
Geovita	Food Healthcare Fund	All employees
Herba Bangkok	Parental leave Disability/invalidity cover	All employees
	Pension fund Social welfare Life insurance Medical insurance	Full-time employees
Herba Ricemills	Shares Parental leave Disability/invalidity cover Life insurance Medical insurance	All employees
Indo European	Parental leave Medical insurance	All employees
La Loma Alimentos	Parental leave Disability/invalidity cover Pension fund Life insurance Medical insurance	All employees
Lustucru Frais	Parental leave	All employees

Company	Welfare benefits	Type of employee
	Disability/invalidity cover Pension fund Life insurance Medical insurance	
Mundi Riso	Parental leave Disability/invalidity cover Pension fund Life insurance Medical insurance Welfare Bit	All employees
Mundi Riz	Parental leave Disability/invalidity cover Medical insurance	All employees
		Full-time employees
Pastificio Lucio Garofalo	Parental leave Disability/invalidity cover Pension fund Life insurance Medical insurance	All employees
Riceland Magyarorzag	Medical insurance	Full-time employees
Riviana Foods	Parental leave Disability/invalidity cover	Full-time employees
	Pension fund Life insurance	All employees
	Medical insurance	Full-time employees
Riviana Foods Canada	Parental leave Disability/invalidity cover Pension fund Life insurance Medical insurance	Full-time employees

Company	Welfare benefits	Type of employee
S&B Herba Foods	Parental leave Disability/invalidity cover Pension fund Life insurance	All employees
	Medical insurance	Full-time employees
Tilda	Annual flu jab Parental leave Meal vouchers Vouchers for eye specialist Medical grants Life insurance Medical insurance	All employees

NB: "All employees" includes both full-time and part-time employees.

Work-life balance

The Group continues working on the implementation of measures that give our professionals greater flexibility to cope with different times and circumstances in their lives, such as parenthood, childcare, care of elderly relatives, personal concerns related with volunteer activities, furthering their training, etc.

One of the company's most prominent flexibility measures is homeworking, which in some cases follows a regulated procedure and in others it forms part of the flexibility offered by the different companies to work remotely on specific days when the professionals need to be at home. In the same context, most of the businesses have introduced flexi-time to enable their employees to strike a better balance between their personal and professional lives.

Moreover, within its commitment to employees' work-life balance, the parent of the Group has established a protocol for digital disconnection so that its employees do not work outside their stipulated working times. This protocol will be reviewed and updated regularly in the event of any change in the organisation and/or activity of the company and in response to any suggestions or proposals for improvement received from our professionals.

Apart from the parent, Bertagni and Lustucru Premium Groupe also have digital disconnection protocols. Moreover, in Ebro Foods Belgium, Ebro Ingredients and Herba

Bangkok, disconnection from work outside working hours is recognised in their national laws.

Employees homeworking with a regulated procedure

Professional category	2023			2022		
	Men	Women	Total	Men	Women	Total
Executives	87	67	154	92	68	160
Technical staff & middle management	85	65	150	61	55	116
Administrative & auxiliary staff	46	98	144	46	87	133
Factory employees	1	0	1	2	3	5
Others	0	0	0	1	0	1
Total employees homeworking	219	230	449	202	213	415

Parental leave

	2023			2022		
	Men	Women	Total	Men	Women	Total
Employees who took leave / employees entitled to leave (%)	96.34%	100.00%	98.10%	97.78%	100.00%	98.77%

C. HEALTH AND SAFETY

All the Group companies and their respective production plants have an Occupational Hazard Prevention and Management System in place. This system is implemented using both internal resources and external firms. In addition, 87.35% of the workforce is represented on the Health and Safety Committees in the different companies (85.83% in 2022).

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.

The production plants associated with Herba Ricemills in Spain and Pastificio Lucio Garofalo in Italy obtained ISO 45001 certification in occupational Health and Safety in 2023.

Other Group companies such as Lustucru Frais, Riviana Foods and Ebro India have risk prevention policies and agreements to provide a safe and healthy work environment, identifying and rectifying potential occupational risks at their workplaces.

Workplace safety

All our employees are covered for Occupational Hazard Prevention.

The following figures correspond to employees on the Group's payroll:

	2023		2022	
	Men	Women	Men	Women
No. lost-day injuries	122	54	137	47
Frequency rate	16.58	19.61	21.21	18.05
Severity rate	0.51	0.42	0.88	0.81
No. employees with occupational disease	0	2	1	2

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.
- (iii) The number of injuries includes lost-day commuting incidents.

One fatal accident occurred in the company La Loma Alimentos (Argentina) during 2023. The same company also recorded one fatal accident in 2022.

There are no jobs within the Group with a high risk of work-related ill health among employees.

D. LABOUR RELATIONS

Employees covered by collective bargaining agreements

66.93% 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 63.58% in the previous year.

The remainder are top executives of the Group, the professionals of the North American and Anglo Saxon companies (as such agreements have not been used there for over 20 years), those of Herba Cambodia, Mundiriz, Agromeruan and Ebro India (where this type of agreement is not used either) and those of Riceland Magyarorzag, since it has fewer employees than the number required by local 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. Furthermore, external ethical audits are conducted regularly in some of them.

	% Employees covered by collective bargaining or other agreements	
	2023	2022
Argentina	73.20%	78.24%
Belgium	100%	100.00%
Cambodia	0%	0%
Canada	67.50%	74.26%
Denmark	100%	100%
France	100%	100%
Germany	0%	0%
Hungary	0%	0%
India	0%	0%
Italy	100%	100%
Morocco	0%	0%
Netherlands	100%	100%
Portugal	100%	100%
Spain	100%	100%
Thailand	100%	0%
United Kingdom	5.78%	5.58%
United States	40.29%	37.39%

E. TRAINING

One of the main goals of the Ebro Group in respect of human resources is to foster the training of our employees to ensure both successful performance of their duties and their professional promotion. This training is tailored in most cases to the profiles and levels existing within the company to try to achieve a progressive improvement in their level of qualification and favour their professional growth.

This commitment is set out in section IV, point 11 of the Group's Code of Conduct..

The training may be internal, with the training of teams designed and conducted by personnel within the company, or external, through collaboration with external training institutions.

During 2023, 134,601 hours of training were given, against 136,230 hours in the previous year, with the participation of 81.88% of our employees.

Total hours training of our employees by professional category

Professional category	2023			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Executives	1,275	367	1,642	2,343	1,441	3,784
Technical staff & middle management	9,851	3,411	13,262	9,344	3,072	12,417
Administrative & auxiliary staff	2,847	3,849	6,696	3,231	3,580	6,812
Factory employees	83,514	29,388	112,902	82,856	29,497	112,353
Others	53	46	99	618	248	866
Total hours training	97,539	37,061	134,601	98,392	37,838	136,230

NB: The difference in hours in the Executives category between 2022 and 2023 is due to the shaping of new executive teams in Lustucru Frais during 2022 following the exit of the Panzani Group from the consolidated group.

F. DIVERSITY AND EQUAL OPPORTUNITIES

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.

With the aim of strengthening this commitment, some of the Group companies have drawn up additional policies that specifically build on the guidelines established in the corporate Code of Conduct. For example, the subsidiaries Riviana Foods, S&B Herba Foods and Lustucru Frais have a Policy for Equal Opportunities in Employment; Ebro India and Riviana Foods have an Anti-Discrimination and Anti-Harassment Policy; and in 2022 the parent, Ebro Foods, finished preparing an Equality Plan defining the framework for adequate action to promote effective gender equality. The Plan has been sent to the competent State Labour Authority for registration, filing and publication and at the date hereof we are pending completion of that formality by the Authority. In the same context, the Negotiating Committee for the Ebro Foods, S.A. Equality Plan also drew up the Ebro Foods Protocol for Sexual and Gender-Based Harassment, which was approved by Company Management on 9 January 2023. This Plan has also been supplemented with training in the matter for all the Company's professionals.

We also have the Ebro Foods Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, which lays down specifically and verifiably the basic principles and criteria that must be followed in the selection of candidates to sit on the company's Board of Directors and to ensure diversity in the composition of the Board.

Diversity in governing bodies and workforce

Board of Directors	2023		2022	
	Number	% of total	Number	% of total
Men	9	64.29%	9	64.29%
Women	5	35.71%	5	35.71%

	2023		2022	
	No. employees	% total employees	No. employees	% total employees
Men	3,906	71.07%	3,848	71.10%
Women	1,590	28.93%	1,564	28.90%
Total Employees	5,496		5,412	

Employees with different abilities

2023		2022	
Men	Women	Men	Women
61	32	67	31

All professionals with different abilities are included, regardless of the degree of disability recognised officially.

During 2023, 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 2023 (€)	Amount 2022 (€)
C.E.E. CADEMADRID	Printing	4,207	1,948
C.E.E. INSERCIÓN PERSONAL DISCAPACITADOS "IPD"	Cleaning head office in Madrid	83,701	81,326
	Total	87,908	83,275

With regard to the universal accessibility and integration of persons with different abilities in physical environments, examples of measures taken by some Group companies included: (i) making the necessary adaptations to eliminate architectural barriers, (ii) applying ergonomic principles to adapt work stations to the person, and (iii) limiting certain tasks, and reducing and constantly reviewing their workload.

Remunerations

The basic salary is identical for men and women in all the companies of the Ebro Group.

Average remuneration by professional category (EUR)

Professional category	2023			2022		
	Men	Women	Average	Men	Women	Average
Executives	110,126	84,470	97,298	105,423	83,353	94,388
Technical staff & middle management	52,662	46,444	49,553	51,614	50,379	50,997
Administrative & auxiliary staff	33,817	33,749	33,783	37,618	32,128	34,873
Factory employees	30,203	26,461	28,332	28,064	24,560	26,312
Others	27,682	34,344	31,013	31,306	31,195	31,251

NB:

(i) The calculation of this average remuneration is based on the average gross annual 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.

(ii) The remuneration of the Senior Management is included in the information reported for the professional category "Executives".

(iii) The average remuneration of men in the category Technical staff & middle management in 2022 has been recalculated following correction of the data provided by one of the subsidiaries.

Average remuneration by age group (EUR)

2023			2022		
<= 30	30 - 50	>= 50	<= 30	30 - 50	>= 50
34,836	48,922	60,229	34,357	49,849	58,486

NB:

(i) The calculation of this average remuneration is based on the average gross annual salaries of the employees (men and women) in each age group.

(ii) The average remuneration for 2022 in the category 30-50 has been recalculated following correction of the data provided by one of the subsidiaries.

Average remuneration by gender (EUR) and pay gap

2023			2022		
Men	Women	Pay gap	Men	Women	Pay gap
50,898	45,094	0.11	50,805	44,323	0.13

NB:

(i) The calculation of this average remuneration is based on the average gross annual salaries of the employees, which includes the sum of the basic salary plus complements, such as seniority, bonuses and any other welfare benefit.

(ii) To calculate the pay gap, we used the following formula:

$(\text{average remuneration men} - \text{average remuneration women}) / \text{average remuneration men}$

(iii) The average remuneration of men in 2022 has been recalculated following correction of the data provided by one of the subsidiaries.

 Average remuneration of directors, by gender

	2023		2022	
	Men	Women	Men	Women
Average remuneration of directors (EUR thousand)	254	179	252	178

* NB:

1) The 2023 remuneration of directors for their duties as such was taken into account, 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.

2) The directors' remuneration for their duties as such is stated individually for each one in the Annual Report on Directors' Remuneration 2023, 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.

9. CUSTOMERS AND CONSUMERS

Customers and consumers are two of the driving forces for development, evolution and growth of the company. The Ebro Group uses a wide variety of tools to:

1. Offer them a broad portfolio of healthy, differentiated products.
2. Anticipate and meet their needs for consumption.
3. Guarantee top quality in its products and services, meeting not only the quality standards and requirements stipulated in law, but also any stricter standards to guarantee that top quality.
4. Watch out for their health and safety, meeting the strictest food safety standards.

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.

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 standards FSSC22000, which provides a reference framework for the food safety requirements, incorporating good practices in the agricultural, manufacturing and distribution systems for HACCP.

In this context, all the Ebro Group plants have been certified for quality and food safety, having a total of 196 certifications (Annex 2), compared to 198 in 2022.

During 2023, Arrozeiras Mundiarroz, Bertagni, Ebro Foods Netherlands, Pastificio Lucio Garofalo, Lustucru Frais, Riviana Foods and Riviana Foods Canada made regular assessments of their products with a view to reinforcing 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 information and, in turn, 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 carries out internal checks and monitoring of the relevant quality system in case there is a fault and, if so, 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
Ebro Foods Belgium	Belgium	E-mail, website and social media
Ebro Foods Netherland	Netherlands	Telephone, e-mail, website and social media
Ebro India	India	Telephone, e-mail 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 Canada	Canada	Telephone, e-mail, website and social media
Riviana Foods	United States	Telephone, e-mail, website and social media
Tilda	United Kingdom	Telephone, e-mail, post and social networks

Incidents during the year

Incidents registered with customers

Overall, 10 incidents were registered in 2023, compared with 5 in 2022 (3 claims from 2022 have been deducted as they were not correctly assigned).

	Incidents	
	2023	2022
Health and safety	8	2
Ebro Foods Netherlands	1	0
Ebro Ingredients	3	2
Herba Ricemills	4	0
Information and labelling	2	3
Lustucru Frais	1	0
Herba Ricemills	1	0
Arrozeiras Mundiarroz	0	1
Bertagni	0	2

Claims from end consumers

The following table shows the number of claims for packaging defects, requests for information, sensory properties, etc. handled, by company.

Company	No. incidents 2023	No. incidents 2022
Arrozeiras Mundiarroz	157	243
Bertagni 1882	329	348
Ebro Foods Belgium	277	236
Ebro Foods Netherlands	482	181
Ebro India	40	48
Euryza	886	726
Herba Ricemills	237	250
Lustucru Frais	1,248	1,344

Company	No. incidents 2023	No. incidents 2022
Lustucru Riz	1,914	1,509
Pastificio Lucio Garofalo	1,004	506
Riceland Magyarorszag	45	35
Risella	129	151
Riviana Foods	13,466	15,489
Riviana Foods Canada	1,968	1,501
Tilda	1,252	1,122

No claims were received in 2023 in any Group company related with privacy and customers' personal data leaks. Nor were any incidents registered in the previous year.

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.

The Ebro Group has the blog [Sentirsebien.es](https://www.sentirsebien.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.

10. COMMITMENT TO THE ENVIRONMENT

Scope of Reporting

The information set out below includes the environmental performance corresponding to the 64 production plants (representing all our plants) and 8 of the 16 offices that the Ebro Group has through its different companies.

Calculation of our carbon footprint excludes the emissions from the 8 offices that the Ebro Group leases because the information is not available. Those offices are:

- The 3 offices of Ebro Foods, S.A. in Spain: Madrid, Granada and Barcelona
- The commercial office of Riceland in Hungary
- The Toronto office of Riviana Foods Canada
- The Houston office of Riviana Foods Inc.
- The Delhi office of Ebro India
- The Thailand office of Herba Bangkok

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 as follows 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 materials.
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 simple agri-food processes with a low environmental impact and entail minimal risks 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 fuel most widely used is natural gas.
2. Noise emissions: 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 and conserve the environment and preserve biodiversity. It also sees that its companies comply with the environmental laws applicable to their operations and any additional commitments assumed voluntarily, and applies environmental sustainability programmes in specific matters.

GRI 301: Materials

This indicator is reported under standard GRI 301 (2016).

Raw Materials [301-1]

The raw materials used are divided into two major categories:

1. Those used in the preparation of finished goods
2. Those used for 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	2023		2022	
	†	%	†	%
Rice	2,033,040	84.22%	2,058,274	86.19%
Wheat and wheat flours/semolina	211,242	8.75%	222,542	9.32%
Other plant origin RM	95,312	3.95%	75,022	3.14%
Animal origin RM	21,422	0.89%	20,175	0.84%
Other ingredients	53,038	2.20%	12,179	0.51%
Total (†)	2,414,054		2,388,191	

We **do not use palm oil** in the preparation of any of our products.

The use of raw materials from animal origin in our products is less than 1% of the total. With regard 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 2023, the use of ingredients from cage-free eggs was 100% in Spain and 87% in France. We aim to reach 100% within 2024 in France.

► Packaging materials [301-1]

The **packaging materials for finished products** are mainly paper, cardboard and plastic.

Type of Material	2023		2022	
Plastic	45,369	49.16%	45,086	48.35%
Paper	45,771	49.59%	46,830	50.22%
Glass	0	0.00%	0	0.00%
Metal	4	0.00%	3	0.00%
Others	1,146	1.24%	1,340	1.44%
Total (†)	92,291		93,258	

Recycled input materials [301-2]

Based on the information received from the suppliers of packaging materials regarding the composition of their materials, we have calculated the recycled fibre/polymer content of the different types of packaging we use.

To preserve and guarantee the utmost food safety of our products, the primary packaging, which is in direct contact with the food, must have a 100% virgin material composition or be certified as suitable for use in the food industry. In this scenario, our primary packaging contains 2% recycled material.

The different secondary and tertiary packaging formats used by the different Group companies both contain 61% of recycled fibre, on average.

Recycled fibre content	2023	2022
Primary packaging	2%	6%
Secondary/tertiary packaging	61%	74%

GRI 302: Energy

This indicator is reported under standard GRI 302 (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 [302-1]

We separate energy consumption within the organisation into direct consumption and indirect consumption.

The calculation of direct energy consumption includes:

1. The consumption of non-renewable fuels in stationary and mobile sources
2. The consumption of renewable fuels:
 - a. Rice husk, a by-product of our industrial processes, used by the subsidiaries Ebro India, Herba Ricemills and Mundiriso
 - b. Wood chips used by Ebro Frost
 - c. Charcoal used by Ebro India
3. The self-supplied energy in own photovoltaic and cogeneration facilities
4. The self-supplied energy sold (practically non-existent) from own photovoltaic and cogeneration facilities

Direct consumption (GJ)

Most of our direct energy consumption comes from natural gas, followed by renewable fuels (rice husk, wood chips and charcoal), other non-renewable fuels (mainly propane, petrol and diesel) and self-generated electricity.

Non-renewable energy sources consumed	2023		2022	
Natural gas	2,743,305	93.43%	2,807,055	94.50%
Other non-renewables	74,579	2.54%	76,690	2.58%
Total consumption non-renewables (GJ)	2,817,884	95.97%	2,883,745	97.08%
Renewable energy sources consumed	2023		2022	
Biomass/Charcoal	99,185	3.38%	80,976	2.73%
Total consumption renewables (GJ)	99,185	3.38%	80,976	2.73%
Self-generated energy	2023		2022	
Photovoltaic panels	19,512	0.66%	6,361	0.21%
Cogeneration	114,914	3.91%	101,081	3.40%
Total self-generation (GJ)	134,426	4.58%	107,442	3.62%
Self-generated energy sold	2023		2022	
Photovoltaic panels	10	0.00%	6	0.00%
Stationary combustion/Cogeneration	491	0.02%	553	0.02%
Total self-generation sold (GJ)	501	0.02%	559	0.02%
Self-consumption photovoltaic	2023		2022	
Self-consumption PV (GJ)	19,502	0.66%	6,355	0.21%
Total Direct Consumption (GJ)	2,936,080	100.00%	2,970,524	100%

4.6% of the direct consumption energy is self-generated at the photovoltaic and cogeneration facilities of our production plants, at:

Photovoltaic facilities

- Arotz: Navaleno
- Bertagni: Avio and Vicenza
- Ebro Frost Germany: Offingen
- Ebro India: Taraori
- Garofalo: Gragnano
- Geovita: Bruno
- Herba Bangkok: Nong Khae
- Herba Ricemills: Rinconada and Algemesi

- Mundiriso: Vercelli
- Riviana Foods: Colusa
- Transimpex: Lamsheim

Cogeneration facilities

- Bertagni: Avio and Vicenza
- Ebro Frost Germany: Offingen
- Garofalo: Gragnano
- Geovita: Vilanova Monferrato

Indirect consumption (GJ)

8.89% of our indirect consumption is electricity with guarantee of renewable origin.

Indirect consumption	2023		2022	
Electricity without GO	870,541	90.08%	920,955	91.55%
Electricity with GO	85,937	8.89%	76,643	7.62%
Steam	9,623	1.00%	7,768	0.77%
Heat	360	0.04%	551	0.05%
Cooling	0	0.00%	0	0.00%
Total indirect consumption (GJ)	966,461	100.00%	1,005,916	100.00%

Total energy consumption	2023		2022	
Direct consumption	2,936,080	75.24%	2,970,524	74.70%
Indirect consumption	966,461	24.76%	1,005,916	25.30%
Total energy consumption (GJ)	3,902,541	100.00%	3,976,440	100.00%
(GWh)	1,084		1,105	

Energy consumption outside of the organisation [302-2]

We do not have the methodologies or activity data to calculate energy consumption outside of the organisation.



Energy intensity [302-3]

Energy intensity	2023	2022
Total energy consumed (GJ)	1,084	1,105
Net Sales Ebro (€m)	3,084.5	2,967.6
Energy intensity (GJ/€m net sales)	0.35	0.37



Reduction of energy consumption [302-4]

Eleven companies in the Ebro Group have invested a total of EUR 905,971 to implement different initiatives to reduce their energy consumption.

Company	Plant	Initiative	Cost (€)
Ebro Foods Belgium, N.V.	Merksem (plant A)	Insulation of production building	120,000
Ebro Foods Netherlands BV	Wormer + H.I Netherlands Plant D	Cladding of pipes and boiler	5,857
Ebro Ingredients, B.V.	Plant F	Modification of presses	33,750
Garofalo	Gragnano	New direct heat exchange boilers	436,976
Herba Ricemills	Jerez de la Frontera	Installation of biocool ducts to preserve energy	25,385
Lustucru Frais	St Genis Laval	Change from conventional lighting to LED with radar sensor	19,520
Riviana Foods Canada	Hamilton	Change from conventional lighting to LED	14,523
Tilda	Classic Jazz	Energy saving and enhanced efficiency project	159,369
Arrozeiras Mundiarroz	Coruche	Change from conventional lighting to LED	2,110
Bertagni	Avio Vicenza	Electricity consumption monitoring system	31,495
Bertagni	Vicenza	Electricity consumption monitoring system	6,507
Ebro India	Taraori	Water heating system using renewable energy (rice husk)	50,480

GRI 303: Water and Effluent

This indicator is reported under standard GRI 303 (2018)

Interactions with water [303-1]

Water consumption in Ebro includes water consumed in offices and in the manufacturing process. In this regard it should be noted that, apart from the production processes of pasta and precooked food, which are somewhat more water-intensive, the other processes, such as the dry rice production process, have a minimum water consumption.

This indicator also includes the consumption of water used by our company Agromeruan on the farm it leases to grow rice. This is the only agricultural process performed by the Ebro Group.

Most of the water we use in our industrial processes is tap water, and a small portion is well water.

In 2023 Ebro India installed a rain harvester to save water; with this equipment the company will save an estimated 40,000 m³/year.

Management of water discharge-related impacts [303-2]

All effluent is discharged to the sewage networks, except from Bertagni, Ebro India, Ebro Frost Germany, Ebro Frost Denmark and Mundiriz, which discharge into inland waters.

Water withdrawal [303-3]

78% of the water withdrawal for our global industrial operations comes from the municipal water supply (third-party water) and 22% comes from groundwater.

Water consumption in industrial processes

Water withdrawal - Industrial	2023		2022	
Third-party water	2,464,180	78%	2,757,089	83%
Groundwater	698,982	22%	544,884	17%
Total Withdrawal - Industrial water (m³)	3,163,162		3,301,972	

Water consumption in agricultural process

Surface water is used for irrigation of the agricultural land leased by Agromeruan in Morocco. It is very important to note in this respect that of the water used for this process, **approximately 20-25% evaporates** (the % varies according to the weather conditions), **5% filters into the land**, where it nourishes the crop, and **the remaining 75% recirculates and returns to the flow**.

Water withdrawal - Rice crop	2023		2022	
Inland surface freshwater	11,880,000	100%	11,880,000	100%
Inland surface seawater	0	0%	0	0%
Total Withdrawal - Rice crop water (m³)	11,880,000		11,880,000	

NB: The water consumption by the crop is estimated at 12,000 m³/ha.

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:

Industrial water withdrawal by areas of Water Stress	2023		2022	
High	935,546	85%	976,367	85%
Low	73,687	0%	84,929	1%
Low-medium	1,403,477	9%	1,505,808	10%
Extremely high	65,279	0%	46,239	0%
Medium-high	685,174	5%	688,630	5%
Total water withdrawal (m³)	3,163,162		3,301,972	

NB: The withdrawal figure for 2022 has been recalculated to exclude the water consumption by Agromeruan (used for agricultural, not industrial, process in Morocco).

With regard to the agricultural process, the water withdrawal by Agromeruan for its rice crop corresponds to a high water stress area.

Water discharge [303-4]

As mentioned earlier, 75% of the water withdrawn by Agromeruan for its rice crop is returned to the river. In this context, we have recalculated the 2022 figures, which did not include this important detail.

Destination of Discharge	2023	2022
Third party water (sewage network, treatment plants)	1,972,758	2,002,340
Inland water	9,181,278	9,147,695
Seawater	0	0
Total (m³)	11,154,036	11,150,035
Discharge treatment	2023	2022
No treatment	9,952,313	9,958,824

Aerobic treatment	1,201,723	1,191,211
Anaerobic treatment	0	0
Total (m³)	11,154,036	11,150,035
Type of discharge	2023	2022
Freshwater (SS<1000 mg/l)	10,530,012	10,593,276
Other water (SS>1000 mg/l)	624,024	556,760
Total (m³)	11,154,036	11,150,035

Discharge by areas of Water Stress	2023		2022	
	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)
High	9,623,120	0	9,723,284	0
Low	62,611	0	73,808	0
Low-medium	406,940	460,627	272,994	483,600
Extremely high	32,480	0	20,858	0
Medium-high	404,861	163,397	502,331	73,160
Total discharge (m³)	10,530,012	624,024	10,593,276	556,760

Just as in 2022, there were no accidental discharges in 2023.

Reduction of water consumption and improvements to effluent quality

Three companies in the Ebro Group have developed initiatives to reduce water consumption or improve the quality of the effluent, with a total investment of EUR 796,862.


Company	Plant	Initiative	Cost (EUR)
Bertagni	Avio	New purification plant	113,961
Bertagni	Vicenza	New purification plant	647,763
Ebro India	Taraori	Rain harvester	18,737
Herba Ricemills	Silla	Installation of decalcification /chlorination to improve water quality	16,401

 Water consumption [303-5]

Water Consumption	2023	2022
Water withdrawal	15,043,162	15,181,972
Water discharge	11,154,036	11,150,035
Water sold	0	0
Total water consumption (m³)	3,889,126	4,031,937

NB: The 2022 figures have been recalculated taking into account that 75% of the water withdrawn by Agromeruan for its rice crop is returned to the river (discharge).


Discharge by areas of Water Stress	2023		2022	
High	3,192,426	82%	3,133,083	93%
Low	11,076	0%	11,121	0%
Low-medium	535,909	14%	749,214	6%
Extremely high	32,799	1%	25,381	0%
Medium-high	116,915	3%	113,139	1%
Total water consumption (m³)	3,889,126		4,031,937	

 Intensity of water consumption

Intensity of water consumption	2023	2022
Water consumed (Th m ³)	3,889	4,032
Net Sales Ebro (€m)	3,084.5	2,967.6
Intensity of water (Th m³/€m net sales)	1.26	1.36

GRI 304: Biodiversity

This indicator is reported under standard GRI 304 (2016).

 Operational sites in or adjacent to protected areas and areas of high biodiversity value outside protected areas [304-1]

1. The Riviana plant in Freeport, Texas (United States) is adjacent to a protected area of wetland, PEM1A, Brazos River.
2. Tilda has a jetty on the River Thames (United Kingdom).

 Significant impacts of activities, products, and services on biodiversity [304-2]

Just as in 2022, there were no impacts in any areas considered of high biodiversity value during 2023.

Habitats protected or restored [304-3]

Just as in 2022, no restoration measures were implemented in protected habitats in 2023.

GRI 305: Emissions

This indicator is reported under standard GRI 305 (2016).

Methodologies for measurement of Scope 1, 2 and 3 emissions

To calculate Scope 1 and 2 of the Group's Carbon Footprint we developed a Greenhouse Gas Emissions Inventory procedure for all the Group companies under standard ISO 14064-1:2019. The methodology used is of calculation based on activity data from each company/plant and emission factors taken from official sources (Annex 3), applied to all the Group plants. All gases are included in the calculation: CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃.

In 2023 we completed for the first time the exercise of measuring the Group's Scope 3 footprint, following the calculation and reporting standards established by GHG Protocol, and had it verified externally (as part of the audit process for this Report).

We started by assessing the applicability and relevance of the different Scope 3 categories defined by GHG Protocol (**screening**), which served as the basis for a subsequent **detailed calculation** for the different companies in the Group. As a result of this initial analysis, we were able to go into greater detail in the calculation of the most important categories, in terms of volume in the Group's total carbon footprint and the potential definition and application of decarbonisation levers.

Our Scope 3 calculation is thus based on both analyses made on activity data obtained from the different Group companies and on primary information provided directly by our suppliers.

As a result of the Group-wide measurement of our Scope 3 carbon footprint, we have included in the analysis the following categories and indirect emission sources (focusing on the most important ones within the framework of the analysis):

- **Cat.1. Purchased goods and services.** The purchases we make from our supply chain are the principal source of the Group's emissions, especially emissions associated with the sourcing of rice and raw materials used to manufacture pasta (wheat, wheat flour). In order to obtain data for calculation of the footprint with optimum granularity (by geographical region and level of processing), we used information obtained from HowGood, which has the largest

sustainability database for the agri-food sector. We also included considerations regarding the sustainable agriculture projects developed by some of the Group companies.

- **Cat.2. Capital goods.**
- **Cat.3. Fuel- and energy-related activities.**
- **Cat.4 and Cat.9. Upstream and downstream transportation.** Given the complexity of the Group's international logistics activities, we made a detailed analysis of the emissions associated with sea and land transportation of the different companies. Moreover, in order to calculate the emissions in categories "3.4 - Upstream Transportation and Distribution" and "3.9 - Downstream Transportation and Distribution" we used primary information on the carbon footprints of our suppliers (including EccoFreight and the European logistics providers of Tilda UK) and the calculations made as part of our commitment to the Lean & Green Programme.
- **Cat.5. Waste generated in operations.**
- **Cat.6 and Cat.7. Business travel and employee commuting.**
- **Cat.10 and Cat.11. Use, processing and disposal of sold products.** Our calculation of the emissions associated with the processing of our sales to industrial customers, the cooking of our products by consumers and end-customers and the disposal of food and packaging waste, were based on product life cycle assessments made by Herba Ricemills and Garofalo (within the framework of their collaboration with the Association of Pasta Manufacturers of the European Union) for our SOS rice and dry pasta products, respectively.
- **Cat.15. Investments.** We included in our analyses the emissions associated with the Group's investments, owing to the importance of our participation in other companies in the rice sector (Riso Scotti).
- **Cat.8 and Cat.13 (upstream and downstream leased assets) and Cat.14 (franchises)** are not applicable.

In the next stage, we will incorporate the results of this Scope 4 measurement within the definition of the different emission reduction plans to be developed within the Group.

The Ebro Group's GHG emissions are consolidated under the operational control approach, including: (a) direct Scope 1 emissions, (b) indirect Scope 2 emissions and (c) indirect Scope 3 emissions.

Direct (Scope 1) GHG emissions [305-1]

The sources of direct (Scope 1) GHG emissions are:

- Emissions of CO₂, CH₄ and N₂O 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 CH₄ from the rice crop. The emissions generated by the rice crop of Agromeruan in Morocco represent 2.6% of the Scope 1 emissions and 1.7% of the total emissions of the Group.
- Emissions of N₂O from elimination of nutrients in water treatment.
- Direct emissions of CH₄ and N₂O from Biomass (rice husk, wood and charcoal).

Indirect (Scope 2) GHG emissions [305-2]

The Scope 2 emissions are calculated according to location, using the specific emission factors of each country.

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	2023		2022	
Scope 1 emissions	168,777	67%	171,685	63%
Scope 2 emissions	84,619	33%	102,467	37%
Total Scope 1 & 2 emissions (t CO₂e)	253,396		274,153	

Biogenic CO₂ emissions

Biogenic CO₂ emissions are produced in the combustion of renewable fuels, in our case rice husk, wood chips and charcoal.

Biogenic CO ₂ Emissions	2023	2022
Biogenic CO ₂ (t)	10,534	8,666

Indirect (Scope 3) GHG emissions [305-3]

Scope 3 Emissions		2023	
Upstream	3.1 - Purchased goods and services	4,262,696	78.69%
	3.2 - Capital goods	18,774	0.35%
	3.3 - Fuel- and energy-related activities	40,973	0.76%
	3.4 - Upstream transportation	310,030	5.72%
	3.5 - Waste	6,135	0.11%
	3.6 - Business travel	504	0.01%
	3.7 - Employee commuting	4,581	0.08%
Downstream	3.9 - Downstream transportation	194,500	3.59%
	3.10 - Industrial processing of sold products	47,957	0.89%
	3.11 - Use of sold products	361,138	6.67%
	3.12 - End-of-Life treatment of sold product	16,226	0.30%
	3.15 - Investments	153,794	2.84%
Total Scope 3 emissions (t CO₂e)		5,417,308	

 GHG emissions intensity [305-4]

Scope 3 emissions account for 96% of the Group's global carbon footprint.

GHG emissions	2023	
Scope 1 emissions	168,777	3%
Scope 2 emissions	84,619	1%
Scope 3 emissions	5,417,308	96%
Total emissions (t CO₂e)	5,670,705	

Emissions intensity	2023
Total GHG emissions (kt CO ₂ e) Scopes 1-2-3	5,671
Ebro Net Sales (€m)	3,084.5
GHG emissions intensity (kt CO₂e/€m net sales)	1.84

 Emissions of ozone-depleting substances (ODS) [305-6]

Thanks to the development of specific laws (international, European and national) 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 it is not a material indicator in our case and is not calculated.

 NO_x, SO_x other significant air emissions [305-7]

We calculate the emissions of air pollutants associated with the stationary and mobile combustion processes, as they are the most significant. The NO_x, SO_x, 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)	2023							TOTAL
	NOX	CO	COV	SOx	PM10	PM2.5	PM	
Stationary combustion	219	138	94	3	17	16		487
Mobile combustion	8	13	2				0	24
Total Pollutants (t)	228	151	96	3	17	16	0	511

NOx, SOx & other emissions (t)	2022							TOTAL
	NOX	CO	COV	SOx	PM10	PM2.5	PM	
Stationary combustion	224	129	90	3	14	14		474
Mobile combustion	9	13	2				1	25
Total Pollutants (t)	233	142	92	3	14	14	1	499

Measures to reduce noise and light pollution and particulate matter

All our plants comply with the environmental standards applicable in their respective areas and make the necessary measurements to make sure they keep within the noise and light pollution limits.

Initiatives to reduce noise and light pollution and particulate matter

Three companies in the Ebro Group have developed measures intended to reduce noise and light pollution and particulate matter. The total amount invested in those actions was EUR 1,118,428.

Company	Plant	Initiative	Cost (€)
Ebro Ingredients, B.V.	Plant F	New silencer	16,000
Herba Ricemills	Algemesi/Saladar	New suction turbine in mill to reduce particles in suspension	5,035
Herba Ricemills	La Rinconada	New aspiration in cooking area to reduce particles in suspension	5,703
Mundi Riso	Vercelli	New aspiration system	1,091,690

Mitigation of the risk and reduction of Ebro's carbon footprint [305-5]

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 (such as water), the viability of product transportation, logistics and distribution operations and increased energy needs of our production processes, among others. Therefore, climate variables are an essential part of the environmental criteria that the Ebro Group includes in our management strategy.

Accordingly, in 2023 the Group began the analysis of climate-related risks and opportunities of our Organisation under the reference framework of the Task Force on Climate-related Financial Disclosures (TCFD), which provides guidelines for identifying, managing, reporting and monitoring the principal physical and transition risks to which the Organisation may be exposed as a result of climate change, as well as potential business and development opportunities. This analysis covers the Rice and Pasta (wheat) Divisions, including both the processing plants and the principal warehouses and sourcing areas of these commodities in Spain and worldwide. (For more information see Chapter 4 of this Report.)

Moreover, this year (2024) when we have completed the calculation of our Scope 3 carbon footprint, we plan first to define the science-based reduction targets (SBTi) for the entire Group and secondly to develop a first Decarbonisation Plan for our companies in Spain.

Decarbonisation levers for Scopes 1&2

The Group has already taken various actions aimed at decarbonising the emissions generated by our companies, namely:

- 1) Installation of photovoltaic plants for self-consumption
- 2) Installation of renewable biomass combustion plants (using rice husk, charcoal and wood chips) to obtain thermal energy
- 3) Installation of cogeneration (CHP) plants
- 4) Purchase of electricity with guarantee of renewable origin (GO).

During 2023, **4 new photovoltaic facilities** came on stream in Bertagni, Herba Bangkok, Herba Ricemills and Riviana Foods, adding to those we already had.

Details of photovoltaic, biomass and cogeneration facilities in the Ebro Group

Company	Plant	Photovoltaic	Biomass	Cogeneration
Arotz	Navaleno	x		
Bertagni	Avio	x		x
	Vicenza	x		x
Ebro Frost Denmark	Orbaek		x	
Ebro Frost Germany	Offingen	x		x

Company	Plant	Photovoltaic	Biomass	Cogeneration
Ebro Frost UK	Beckley			
Ebro India	Taraori	x	x	
Garofalo	Gragnano	x		x
Geovita	Bruno Villanova Monferrato	x		x
Herba Bangkok	Nong Khae	x		
Herba Ricemills	Algemesí Rinconada San Juan	x x		x
Mundiriso	Vercelli	x		
Riviana Foods	Colusa	x		
S&B	Fullbourn			
	Regent			
Tilda	Classic			
	Jazz			
Transimpex	Lambsheim	x		

In 2023, we avoided the emission of 13,170 t CO₂e, 41% more than in 2022, through a 25% increase in the purchase of electricity with guarantee of origin (GO), photovoltaic self-generation and the use of renewable fuels.

Activity	2023	2023	2022	2022
	MWh	Emissions avoided	MWh	Emissions avoided
Electricity with GO	23,871	5,103	21,290	4,117
Photovoltaic self-generation	5,420	2,497	1,767	685
Biomass	27,551	5,570	22,493	4,547
Total (t CO₂e)	56,843	13,170	45,550	9,350

In addition to the energy reduction initiatives described in section 302 Energy, which entail reducing emissions, five Group companies have implemented initiatives to reduce GHG emissions, for a total value of EUR 1,774,462. The global investment in GHG emissions and energy reduction programmes is EUR 2,680,433.

Company	Plant	Initiative	Cost (€)
Arrozeiras Mundiarroz	Coruche	Hybrid cars	9,359
Bertagni	Avio	Photovoltaic plant	964,000
Herba Ricemills	La Rinconada	Expansion photovoltaic plant	86,757
Bertagni	Avio	Interconnection photovoltaic plant	168,405
Ebro India	Taraori	Dust filters to reduce particles in suspension	110,548
Ebro India	Taraori	RECD (retrofit emission control device)	55,682
Ebro India	Taraori	New air-conditioning equipment using a refrigerant with a lower GWP and enhanced efficiency	8,708
Herba Bangkok	Nong Khae	Photovoltaic plant	371,002

Scope 3 decarbonisation levers

After completing the calculation of Scope 3 emissions and identifying the most important categories and decarbonisation levers for the Group, in 2024 we will set reduction targets in at least some of the following categories: (i) purchase of goods and services, (ii) upstream and downstream transportation, (iii) end-of-life treatment and (iv) waste.

This notwithstanding, the Group already has a clear, defined path in the development of measures and actions to reduce our Scope 3 emissions.

Principal actions to reduce Scope 3 emissions

Purchase of goods and services (category 1)

In this specific category, the Group has considerable expertise in the research and promotion of environmentally sustainable growing practices applicable to the rice crop in our principal sourcing areas. The main goals of these programmes are to contribute towards greater environmental conservation, promote biodiversity and mitigate the effects of climate change. This work is done through own initiatives and specific collaborations with stakeholders and industry associations such as the SAI Platform (SAI-P) and the Sustainable Rice Platform (SRP).

The best examples of the work we did in 2023 are indicated below:

Company	Crop	Country	Name of Project	Indicators
Herba Ricemills	Rice	Spain	Origins	<ul style="list-style-type: none"> - Training in good practices - Optimisation of resources - Incorporation of women and young people in agriculture
			Oryzonte	<ul style="list-style-type: none"> - Reduction of use of water through AWD - Reduction of GHG emissions: -60% in 255 Ha with AWD - Improvement of biodiversity - SRP verification
		Pakistan	SRP verification	<ul style="list-style-type: none"> - SRP verification - Certified seed - Laser levelling - Intermittent irrigation (AWD) - Reduction of water consumption
Ebro India	Rice	India	Organic farming	<ul style="list-style-type: none"> - Organic certification - Fair Trade certification
			Control farming & EKTA	<ul style="list-style-type: none"> - Training in good practices - Reduction pesticides - Certified seed - Laser levelling
			Sustainable practices	<ul style="list-style-type: none"> - Intermittent irrigation (AWD) - Reduction of water consumption - Biological pest control - Reduction of GHG emissions
			Stop stubble burning	<ul style="list-style-type: none"> - Use of fungi to produce bioenzymes developed by the Indian Agricultural Research Institute (IARI), which break down the straw in approx. 25 days so that the soil can be prepared for the next crop. - Reduction in use of fertilizers by around 20-25%
Mundiriso	Rice	Italy	FSA verification	<ul style="list-style-type: none"> - FSA verification
Herba Bangkok	Rice	Thailand	SARI-T	<ul style="list-style-type: none"> - Training in good practices - Increase in productivity of water - Increase in number of women in agriculture - Biological pest control - Reduction of GHG emissions - SRP verification
Herba Bangkok	Rice	Thailand	Green Climate Fund	<ul style="list-style-type: none"> - Reduction of GHG emissions - Climate smart technologies and crop practices - Carbon credits as additional income

Company	Crop	Country	Name of Project	Indicators
La Loma /Neofarms	Rice	Argentina	Organic farming	- Organic Verification
Riviana Foods	Rice	USA	Regenerative Agriculture	- Reduction of water: reductions obtained of 7-3% - Reduction of GHG emissions: reduction of methane by 32-80%, depending on number of dryings made (AWD) - FSA verification
Garofalo	Durum wheat	Italy	Sustainable durum wheat	Use of climate smart technology for: - Optimisation use of fertilizers - Optimisation use of pesticides - Optimisation use of water

The Sustainable Aromatic Rice Initiative for Thailand (SARI-T)” programme developed to improve the economic viability of 1,200 rice growers in the Roi Et province and the sustainable production of high quality Hom Mali aromatic rice has concluded after almost 6 years. The work done and the growers participating in this project will have continuity in a new project called “Strengthening Climate-Smart rice farming, Green Climate Fund” (FAA), which will commence this year (2024).

Upstream and downstream transportation (categories 4 and 9)

The work to reduce emissions in this category are tackled from the point of view of land and sea transport.

- Emissions associated with national land logistics (Spain). After joining the Lean & Green Programme, in 2023 we continued working to reduce our logistics carbon footprint. Thus, after defining 2019 as the base year and the total t CO₂e/tonne of product transported for sale as the indicator for monitoring, significant progress has been achieved:
 - 2020: 6.06% reduction
 - 2021: 0.14% reduction (recalculated after receiving new data from suppliers)
 - 2022: 35.83% reduction
 - 2023: measurement in progress
- For the emissions associated with the maritime logistics, we have primary data from our logistics provider Ecco-freight, which has developed a calculation tool, Eccoprint, that includes 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 2023, Ecofreight handled 320,363 tonnes shipped and GHG emissions of 81,649 t CO₂e, representing 16.18% of all the Group’s logistics emissions.

By choosing more efficient routes instead of other alternative routes available with larger carbon footprints, we avoided the emission of 24,764 t CO₂e.

End-of-life treatment (category 12)

The principal actions to reduce emissions in this category are associated with changes in the packaging material of our products. In accordance with the Group's commitment to making its packaging 100% recyclable by 2030, the packaging of the dry rice products of the brands SOS, SOS Specialties, La Fallera, Sabroz and La Cigala in Spain, Risella in Finland and the Brillante rice cups, one of the Group's best selling formats, are already 100% recyclable.

Further developing that commitment, the Group worked on three main projects in 2023 to continue making progress in the recyclability of our packaging.

1. Our subsidiary Pastificio Lucio Garofalo developed a new line of packaging made up of 30% recycled plastic obtained from chemical recycling, which is different from the mechanical recycling process and opens up unprecedented recycling possibilities for fractions of waste that are currently difficult to recycle, such as plastic from domestic waste collection. Chemical recycling breaks down the molecules of the polymers that make up the different types of plastic used for packaging, converting them into a raw material equivalent to a virgin material that can be used to produce new plastic.
Initially, this new packaging is being used for five SKUs: Spaghetti, Penne, Fusilli, Farfalle and Elicoidale, and the brand aims to progressively increase the number of SKUs and the percentage of recycled plastic used.
In line with this programme, Garofalo has joined the Zero Impact project of LifeGate, a programme based on three concepts: calculate, reduce and offset. Its participation in this initiative will allow Garofalo to offset the CO₂ emissions generated in the manufacturing and sale of the primary packaging of its products for the Italian market. The emissions will be offset by buying carbon credits for the project being developed in the Rimba Raya Reserve (Indonesia), which seeks to conserve the tropical peat swamp forest, a very important area in biodiversity that is home to 94 threatened species from the Red List of the UICN, such as the Bornean Orangutan, the Sunda Pangolin and the Clouded Leopard.
2. During 2023 Ebro Benelux started developing the project 'Sustainable Boil in the Bag Solution', which aims to replace the material currently used for the 'boil in the bag' category (HDPE, made from fossil fuels) with a biological-based bioplastic (PLA), specifically made from corn starch. This initiative will also have a positive impact on reducing emissions, since bioplastics have the unique property of neutralising CO₂.
3. We continue testing and seeking alternatives that guarantee the food preservation properties of the doypack formats currently in use: the triplex Polyester/Polyamide/Polypropylene and Polyester/High Barrier Polyester/

Polypropylene (PET/PA/PP and PET/HD PET/PP) and the compact polypropylene format for 1 kg and 0.5 kg doypacks.

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 destroy and recycle the material.

Waste (category 5)

This category includes actions developed to increase waste recovery and/or reduce food waste in our operations.

- Waste management

On a Group level, in 2023 we reduced waste disposal by 34% year on year and increased recovery by 18%. In this respect, Herba Ricemills (Spain) has made a major change in its waste management. As a result, during 2023 95% of the waste it generated was managed through recovery operations.

Another four Group companies also embarked on different initiatives to improve waste management and recovery. The total amount of these initiatives was EUR 189,990.

Company	Plant	Initiative	Cost (€)
Tilda	Classic and Jazz	Improvements in waste separation	59,599
Lustucru Frais	St Genis Laval	Improvements in waste separation to increase waste recovery	103,874
Herba Ricemills	Silla	Fumigation boxes recirculated to silos	26,017
Riviana Foods Canada	Hamilton	Recovery of tertiary packaging that previously went to the landfill	500

- Food waste action policy

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 600 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.

GRI 306: Waste

This indicator is reported under standard GRI 306 (2020).

Waste generation [306-1]

Most of the waste generated by our business is classified as non-hazardous waste. There is also a small proportion of hazardous waste generation, mainly waste from the packaging of chemical products used in maintenance work at our facilities.


Management of significant waste-related impacts [306-2]

All the companies in our Group have contracted the management of hazardous and non-hazardous waste to authorised waste disposal contractors.

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.

 Waste generated [306-3]

Waste	2023		2022	
Non-hazardous	35,493	98%	36,757	99%
Hazardous	712	2%	285	1%
Total Waste (t)	36,205		37,042	

 Waste for recovery [306-4] and disposal [306-5]

Destination of Waste	2023		2022	
Total Waste for Disposal	9,321	26%	14,193	38%
Total Waste for Recovery	26,884	74%	22,850	62%
Total Waste (t)	36,205		37,042	

Non-Hazardous Waste for Disposal	2023		2022	
Landfill	7,008	20%	10,416	28%
Incineration	635	2%	727	2%
Other disposal operations	1,020	3%	2,801	8%
Total disposal NH waste (t)	8,663	24%	13,943	38%

Non-Hazardous Waste for Recovery	2023		2022	
Recycled	8,854	25%	8,913	24%
Composted	3,665	10%	3,552	10%
Reused	9,519	27%	10,164	28%
Other recovery operations	4,793	14%	185	1%
Total recovery NH waste (t)	26,830	76%	22,814	62%
Total Non-Hazardous Waste (t)	35,493		36,757	

Hazardous Waste for Disposal	2023		2022	
Landfill	325	46%	218	76%
Incineration	327	46%	16	6%

Other disposal operations	5	1%	16	6%
Total disposal H waste (t)	658	92%	250	88%

Hazardous Waste for Recovery	2023		2022	
Recycled	48	7%	32	11%
Composted	0	0%	0	0%
Reused	0	0%	1	0%
Other recovery operations	6	1%	2	1%
Total recovery H waste (t)	54	8%	36	12%
Total Hazardous Waste (t)	712		285	



Waste intensity

Waste Intensity	2023	2022
Total Waste (t)	36,205	37,042
Ebro Net Sales (€m)	3,084.5	2,967.6
Waste Intensity (t/€m net sales)	11.74	12.48

GRI 2-27 Environmental Compliance



Non-compliance with environmental laws and regulations [2-27]

In 2023, two plants reported cases of minor non-compliance with environmental laws and regulations that did not lead to fines as appropriate measures had been taken in each case.

Company	Plant	Environmental non-compliance	Remedial Action
Lustucru	St. Genis Laval	Non-compliance of pH and temperature of effluent	Investment in effluent treatment plant
	Lorette	Non-compliance with effluent parameters	Maintenance contract with specialist

In 2022, there were three cases of minor non-compliance with no fines.

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 14.001:

- Herba Ricemills: San Juan, Coria, Los Palacios, La Rinconada and Isla Mayor plants
- Pastificio Lucio Garofalo: Gragnano plant

Investments in environmental risk prevention

Thirteen of the 34 companies covered by this Report have reported investments in measures to mitigate climate change risks.

The investments reported here include measures to reduce energy consumption, reduce water consumption, improve the quality of effluent, reduce GHG and particle emissions, improve waste management, sustainable agriculture and due diligence, and the costs of waste management, regulatory inspections, noise measurements and analyses.

Those companies were:

- Arrozeiras Mundiarroz
- Bertagni
- Ebro Foods Belgium
- Ebro Foods Netherlands
- Ebro India
- Ebro Ingredients
- Garofalo
- Herba Bangkok
- Herba Ricemills
- Lustucru Frais
- Mundiriso

- Riviana Foods Canada
- Tilda

The principal investments were made by Bertagni, Mundiriso and Herba Bangkok.

Environmental expense and investment	2023 (€)	2022 (€)
Cost of management and control	2,337,768	1,404,433
Initiatives to mitigate climate change risks	9,473,237	5,763,427
Total	11,811,005	7,167,860

NB: The 2022 figures have been recalculated to include the investment in sustainable agriculture projects, which had not been reported earlier.

Summary of initiatives to mitigate climate change risks	2023 (€)	2022 (€)
Energy - direct and indirect consumption	905,971	1,017,718
Water	35,138	184,308
Effluent	761,724	233,298
GHG emissions - scopes 1&2	1,774,462	1,397,933
Air quality	1,102,428	0
Waste - cat. 5 scope 3	189,990	14,100
Noise pollution	16,000	0
Sustainable agriculture - cat. 1 scope 3	4,687,526	2,916,070
Total	9,473,237	5,763,427

ANNEX 1

List of subsidiaries of the Ebro Group

Company	Country	Business Area
Agromeruan, S.A.R.L. AU	Morocco	Rice
Arotz Foods, S.A.	Spain	Others
Arrozeiras Mundiarroz, S.A.	Portugal	Rice
Bertagni 1882, S.P.A.	Italy	Fresh pasta
Ebro Foods Belgium, N.V.	Belgium	Rice
Ebro Foods Netherland, B.V.	Netherlands	Rice
Ebro Foods, S.A.	Spain	Parent (Holding)
Ebro India, Private Ltd.	India	Rice
Ebro Ingredients, B.V.	Netherlands and Belgium	Ingredients
Ebro UK	United Kingdom	Rice
Ebrofrost Denmark, A/S	Denmark	Rice and pasta
Ebrofrost Germany, Gmbh	Germany	Rice and pasta
Ebrofrost UK, Ltd	United Kingdom	Rice and pasta
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 Ricemills, S.L.U.	Spain	Rice
Indo European Foods Limited	United Kingdom	Rice
La Loma Alimentos, S.A.	Argentina	Rice
Lustucru Frais, S.A.S.	France	Fresh pasta
Lustucru Premium Groupe	France	Rice and 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 Canada Corporation	Canada	Fresh pasta
Riviana Foods, Inc.	United States	Rice
S&B Herba Foods, Ltd.	United Kingdom	Rice
Santa Rita Harinas, S.L.U.	Spain	Others
Tilda, Ltd.	United Kingdom	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
Agromeruan, SARL AU	Morocco	Coruche	Office (lease)
Arotz Foods, S.A.	Spain	Navaleno	Industrial
Arrozeiras Mundiarroz	Portugal	Coruche	Industrial
		Lisbon	Office (lease)
Bertagni 1882, S.P.A.	Italy	Vicenza (Arcugnano)	Industrial
		Avio	Industrial
		Avio (ex Le Cont)	Warehouses
		Avio (ex Ginos)	
		Arcugnano (via Fermi)	
Arcugnano (ex Campagnolo)			
Ebro Foods Belgium, N.V.	Belgium	Merksem (plant A)	Industrial
Ebro Foods, S.A.	Spain	Madrid	Offices (lease)
		Barcelona	
		Granada	
Ebro Foods Netherlands BV	Netherlands	Wormer + Plant D	Industrial
Ebro India, Private Ltd.	India	Taraori	Industrial
		Delhi	Office (lease)
Ebro Frost Denmark, A/S	Denmark	Orbaek	Industrial
Ebrofrost Germany, GmbH	Germany	Offingen	Industrial
Ebrofrost UK, Ltd	United Kingdom	Beckley	Industrial
Euryza, GmbH	Germany	Hamburg	Office (lease)
Geovita Functional Ingredients, S.R.L.	Italy	Bruno	Industrial
		Nizza Monferrato	
		Verona	
		Villanova Monferrato	
Herba Bangkok, S.L.	Thailand	Nong Khae	Industrial
		Bangkok	Office (lease)
Herba Cambodia, Co. Ltd	Cambodia	Phnom Phen	Industrial
Ebro Ingredients, B.V.	Belgium	Plant B	Industrial
		Plant C	Industrial
		Euro Rice Handling+Plant E	Industrial

Company	Country	Workplace	Type of facility
		Plant F	Industrial
		Beernem	Office (lease)
	Netherlands	Plant D	Industrial
Herba Ricemills, S.L.U.	Spain	Jerez de la Frontera	Industrial
		Silla	
		Algemesí	
		L'Aldea	
		La Rinconada	
		Los Palacios	
		San Juan de Aznalfarache	
		Coria del Río	
		Isla Mayor	
		Cotemsa	
	Raza		
	Ecorub		
Indo European Foods Ltd.	United Kingdom	Felixstowe	Industrial
La Loma Alimentos, S.A.	Argentina	Los Charrúas	Industrial
		Chajarí	
		Los Conquistadores	
		Buenos Aires	Office (lease)
Lustucru Frais, S.A.S.	France	St Genis Laval	Industrial
		Lorette	
		Communay	
		Lyon	Office (owned)
Mundi Riz, S.A.	Morocco	Larache	Industrial
Mundi Riso, S.R.L.	Italy	Vercelli	Industrial
Neofarms BIO, S.A.	Argentina	Concordia	Office (lease)
Pastificio Lucio Garofalo, Spa	Italy	Gragnano	Industrial
Riceland Magyarorzag, Kft	Hungary	Budapest	Office (lease)
Riviana Foods Canada	Canada	Delta	Industrial
		Hamilton	
		Toronto	Office (lease)
Riviana Foods	United States	Houston	Office (lease)
		Memphis	Industrial
		Carlisle	
		Brinkley	

Company	Country	Workplace	Type of facility
		Hazen	
		Clearbrook	
		Freeport	
		Alvin	
		Colusa	
S&B Herba Foods, Ltd.	United Kingdom	Fullbourn	Industrial
		Regent	
		Orpington	Office (lease)
Santa Rita Harinas, S.L.U.	Spain	Loranca de Tajuña	Industrial
Tilda, Ltd.	United Kingdom	Classic	Industrial
		Jazz	
Transimpex, Gmbh	Germany	Lambsheim	Industrial
		Lambsheim	Office (owned)

ANNEX 2

List of Food Safety and Quality certifications of the Group's subsidiaries

Company	Country	Workplace	Certification
Arotz Food	Spain	Navaleno	IFS
			CAAE (ecological products)
Arrozeiras Mundiarroz	Portugal	Coruche	ISO 9001
			IFS
Bertagni 1882	Italy	Avio	BRC
			MSC
			ASC
	Arcugnano	ORGANIC	
		IFS	
		ORGANIC	
Ebro Foods Belgium	Belgium	Merksem	BRC
			IFS
			IFS
			KOSHER
Ebro Foods Netherlands	Netherlands	Wormer	FEED CHAIN ALLIANCE (FCA)
			ORGANIC
			ORGANIC
			IFS
Ebrofrost Denmark	Denmark	Orbaek	GMP +
			ORGANIC
			KOSHER
Ebrofrost Germany	Germany	Offingen	BRC
			IFS
			KAT
Ebrofrost UK	United Kingdom	Beckley	ORGANIC/BIO
			BRC
Ebro India	India	Taraori	ORGANIC (organic paddy rice crop)
			ORGANIC (organic rice processing)
			BRC
			IPQC
			PPQS USA

Company	Country	Workplace	Certification
			ISO 22000
			FSSAI
			HALAL
Euryza	Germany	Hamburg	ORGANIC
Geovita Functional Ingredients	Italy	Bruno	BCR
			ORGANIC
			KOSHER
			IFS
	Villanova Monferrato	HALAL	
		BRC	
		KOSHER	
		IFS	
			ORGANIC
Harinas Santa Rita	Spain	Loranca de Tajuña	IFS
Herba Bangkok	Thailand	Saraburi	ISO 9001
			BRC
			ORGANIC EU
			ORGANIC USA
			HALAL
			KOSHER
			GMP & HACCP
			NATURLAND ORGANIC
			GLUTEN FREE
Herba Cambodia	Cambodia	Phnom Phen	ORGANIC EU
			BRC
			ORGANIC USA
			KOSHER
Ebro Ingredients	Belgium	Schoten (planta B)	IFS
			GMP + B1
		Schoten (planta C)	IFS
			GMP + B1
			BIO EU
		Schoten (planta F)	IFS
	BIO EU		
	Netherlands	Wormer	IFS

Company	Country	Workplace	Certification
			GMP + B3 GMP + B1 KOSHER HALAL NON-GMO BIO EU BIO CHINA ORGANIC EU NATURLAND ORGANIC
Herba Ricemills	Spain	Coria del Río	IFS ISO 9001 ECOLOGICAL KOSHER
		San Juan de Aznafarache	ISO 9001 BRC IFS ECOLOGICAL KOSHER
		Jerez de la Frontera	ISO 9001 IFS KOSHER GLUTEN FREE ECOLOGICAL BRC
		Silla	IFS KOSHER ISO 9001 GLUTEN FREE BRC
		Algemesí (ready foods plant)	GLUTEN FREE IFS BRC
		Algemesí (rice plant)	ISO 9001
		Algemesí (flour mill)	IFS KOSHER
		La Rinconada	BRC GLUTEN FREE

Company	Country	Workplace	Certification
			IFS
		Isla Mayor	ECOLOGICAL
		Los Palacios	ISO 9001 ECOLOGICAL
Indo European Foods	United Kingdom	Felxtowe	BRC FEMAS
La Loma Alimentos	Argentina	Los Charrúas	GLUTEN FREE GMP + HACCP
			KOSHER
		Chajarí	KOSHER GMP + HACCP GLUTEN FREE
Lustucru Frais	France	Saint Genis Laval	IFS
		Lorette	IFS
		Communay	IFS
Mundi Riso	Italy	Vercelli	IFS BRC ORGANIC EU FSSC 22000 KOSHER
Mundi Riz	Morocco	Larache	ISO 22000
Neofarms Bio	Argentina	Entre Ríos	ORGANIC CHINA KOSHER ORGANIC USA GLUTEN FREE
Pastificio Lucio Garofalo	Italy	Gragnano	BRC IFS FSMA-VQIP VEGAN KOSHER HALAL BIO CERTIFICATE PGI GLUTEN FREE
Riviana Foods Canada	Canada	Delta	BRC
		Hamilton	BRC
Riviana Foods		Memphis	KOSHER

Company	Country	Workplace	Certification
	United States		SQF
			HALAL
			ORGANIC
			NON-GMO
			GLUTEN FREE
		Brinkley	SQF
			KOSHER
			GLUTEN FREE
			NON-GMO
			HALAL
			ORGANIC
		Clearbrook	KOSHER
			GLUTEN FREE
			NON-GMO
			SQF
		Alvin	KOSHER
			SQF
			GLUTEN FREE
			NON-GMO
			ORGANIC
		Carlisle	KOSHER
			ORGANIC
			GLUTEN FREE
			NON-GMO
			HALAL
			SQF
		Freeport	KOSHER
			GLUTEN FREE
			NON-GMO
			SQF
Memphis (EbroFrost)	BRC		
	KOSHER		
	ORGANIC		
	HALAL		
Colusa (Inharvest)	BRC		
	ORGANIC		
	NON-GMO		

Company	Country	Workplace	Certification
			GLUTEN FREE
			KOSHER
S&B Herba Foods	United Kingdom	Cambridge	BRC
			FEMAS
			NON-GMO
			ORGANIC
		Liverpool	KOSHER
			BRC
			ORGANIC
			NON-GMO
Tilda	United Kingdom	Rainham (classic site)	KOSHER
			FEMAS
			BRC
		Rainham (Jazz site)	BRC
Transimpex	Germany	Lambsheim	IFS
			ORGANIC
			NATURLAND ORGANIC

ANNEX 3

Calorific power of fuels, emission factors and water stress classification

Table 1. Net calorific value (NCV) of Fuels

Fuel in Stationary Sources	NCV	Unit NCV	Source NCV
Natural Gas	0.03789	GJ/m ³ N	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	0.0473	GJ/kg	IDEA
Liquefied Natural Gas (LNG)	0.0442	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1)
Butane	0.0473	GJ/kg	IDEA
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 and 2)
Biomass (rice husk)	0.0116	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 and 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 and 3)
Liquefied Petroleum Gas (LPG)	0.0473	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 and 3)
Gasoline	0.0443	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 and 3)
Diesel	0.043	GJ/kg	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.1 and 3)

Table 2. Emission Factors of fuels and activities

Fuel in Stationary Sources	EF CO ₂ e (kgCO ₂ e/GJ _{NCV})	EF CO ₂ (kgCO ₂ /GJ _{NCV})	EF CH ₄ (kgCH ₄ /GJ _{NCV})	EF N ₂ O (kgN ₂ O/GJ _{NCV})	Unit EF	Source NCV
Natural Gas	56.1545	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)	63.1545	63.1	0.001	0.0001	kg CO ₂ /GJ _{NCV}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Propane	62.7000	63.6	0	0	kg CO ₂ /GJ _{PCI}	EF of MITERD* v.23
Liquefied Natural Gas (LNG)	64.4430	64.2	0.003	0.0006	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Butane	62.7000	66.2	0	0	kg CO ₂ /GJ _{PCI}	EF of MITERD* v.23
Gasoline	69.5430	69.3	0.003	0.0006	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Diesel	74.3430	74.1	0.003	0.0006	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Charcoal	6.66	0	0.2	0.004	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch.2)
Biomass (wood chips)	1.90	0	0.03	0.004	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1&2)
Biomass (rice husk)	1.90	0	0.03	0.004	kg CO ₂ /GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse

						Gas Inventories (vol.2, ch. 1&2)
Fuel in Mobile Sources	EF CO2e (kgCO2e/GJ_{NCV})	EF CO2 (kgCO2/GJ_{NCV})	EF CH4 (kgCH4/GJ_{NCV})	EF N2O (kgN2O/GJ_{NCV})	Unit EF	Source NCV
Liquefied Natural Gas (LNG)	59.4710	56.1	0.092	0.003	kg CO2/GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1&3)
Liquefied Petroleum Gas (LPG)	64.8890	63.1	0.062	0.0002	kg CO2/GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1&3)
Gasoline	72.1200	69.3	0.025	0.008	kg CO2/GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1&3)
Diesel	75.2427	74.1	0.0039	0.0039	kg CO2/GJ _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.2, ch. 1&3)
Propane	62.7000	63.6	0	0	kg CO2/GJ _{PCI}	EF of MITERD* v.23
Butane	62.7000	66.2	0	0	kg CO2/GJ _{PCI}	EF of MITERD* v.23
Other data on activity	EF CO2e (kgCO2e/GJ_{NCV})	EF CO2 (kgCO2/GJ_{NCV})	EF CH4 (kgCH4/GJ_{NCV})	EF N2O (kgN2O/GJ_{NCV})	Unit EF	Source NCV
Rice crop	33.32	0	1.1900	0	kg CO2/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	2.0821	0	0	0.005	kg CO ₂ /G J _{PCI}	2006 IPCC Guidelines for National Greenhouse Gas Inventories (vol.5, ch.6)
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* MITERD = Ministry for Ecological Transition and Demographic Challenge

Table 3. Emission Factor of biogenic CO₂

Fuel	EF	Unit EF
Charcoal	112	kg CO ₂ e/GJ
Biomass (wood chips)	112	kg CO ₂ e/GJ
Biomass (rice husk)	100	kg CO ₂ e/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 fifth assessment report
CH ₄	28	IPPC fifth assessment report
N ₂ O	265	IPPC fifth assessment report

Table 5. Emission Factor Electricity (based on location)

Country	EF	Unit EF	Source EF
Spain	0.2720	kgCO ₂ e/kWh	Emission factors, Registration of Carbon Footprint, CO ₂ Offset and Absorption Projects. MITERD v.23
UK	0.207074	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2023
France	0.0521	kgCO ₂ e/kWh	Ecoinvent
Germany	0.4610	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Argentina	0.3670	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Belgium	0.2200	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Cambodia	0.8040	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency
Canada	0.1860	kgCO ₂ e/kWh	Centre de ressources sur les bilans de gaz a effet de serre. Base Carbone. ADEME. International Energy Agency

Country	EF	Unit EF	Source EF
Denmark	0.3600	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
United Arab Emirates	0.5980	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
USA	0.4170	kgCO2e/kWh	US EPA
Morocco	0.7180	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Netherlands	0.4150	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Portugal	0.2550	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Romania	0.4990	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Hungary	0.3170	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
India	0.9120	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Italy	0.4060	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Thailand	0.5130	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre. Base Carbone. ADEME. International Energy Agency
Steam or heat purchased and consumed	0.17965	kgCO2e/kWh	UK Government GHG Conversion Factors for Company Reporting. DEFRA 2023
Cooling purchased and consumed	0.12	kgCO2e/kWh	Centre de ressources sur les bilans de gaz à effet de serre 2021. Base Carbone. ADEME.

Table 6. Emission Factors of Refrigerants

Name of Refrigerant	EF (KgCO ₂ e/kg)
Carbon dioxide	1
Desflurane	1.790
hexafluoroethane	11.100
HFC-125	3.170
HFC-134	1.120
HFC-134a	1.300
HFC-143	328
HFC-143a	4.800
HFC-152	16
HFC-152a	138
HFC-161	4
HFC-227ea	3.350
HFC-23	12.400
HFC-236cb	1.210
HFC-236ea	1.330
HFC-236fa	8.060
HFC-245ca	716
HFC-245fa	858
HFC-32	677
HFC-365mfc	804
HFC-41	116
HFC-43-10mee	1.650
Isoflurane	491
Methane	28
Nitrogen trifluoride	16.100
Nitrous oxide	265
Octofluoropropane	8.900
Perfluorobutane (PFC-31-10)	9.200
Perfluorocyclobutane (PFC-318)	9.540
Perfluoroethane (PFC-116)	11.100
Perfluorohexane (PFC-51-14)	7.910

Name of Refrigerant	EF (KgCO ₂ e/kg)
Carbon dioxide	1
Desflurane	1.790
hexafluoroethane	11.100
HFC-125	3.170
HFC-134	1.120
HFC-134a	1.300
Perfluoromethane (PFC-14)	6.630
Perfluoropentane (PFC-41-12)	8.550
Perfluoropropane (PFC-218)	8.900
R-403A	3.100
R-404A	3.943
R-407A	1.923
R-407B	2.547
R-407C	1.624
R-407F	1.674
R-408A	3.257
R-410A	1.924
R-410B	2.048
R-413A	1.945
R-417A	2.127
R-417B	2.742
R-422A	2.847
R-422D	2.473
R-424A	2.212
R-426A	1.371
R-427A	2.024
R-428A	3.417
R-434A	3.075
R-437A	1.639
R-438A	2.059
R-442A	1.754
R-448A	1.387

Name of Refrigerant	EF (KgCO ₂ e/kg)
Carbon dioxide	1
Desflurane	1.790
hexafluoroethane	11.100
HFC-125	3.170
HFC-134	1.120
HFC-134a	1.300
R-449A	1.282
R-452A	1.945
R-453A	1.636
R-507A	3.985
R-508B	11.698
Sevoflurane	216
Sulphur hexafluoride	23.500

Source: MITERD v.23,
DEFRA 23

Table 7. Emission Factors of Pollutants NO_x, CO, SO_x, COV, PM

GJ	STATIONARY COMBUSTION		
	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, Propane & Butane	LNG
Pollutant	FC (g/GJ)	FC (g/GJ)	FC (g/GJ)	FC (g/GJ)
CO	1,911.96	77.44	1,790.70	128.96
COV	226.86	16.28	288.37	5.88
NOX	197.07	301.40	321.35	294.12
PM	0.68	25.58		49.77

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)
Argentina	Low-Medium
Belgium	High
Cambodia	Low
Canada	Low
Denmark	Medium-High
France	Medium-High
Germany	Medium-High
Hungary	Low
India	Extremely High
Italy	High
Morocco	High
Netherlands	Low-Medium
Portugal	High
Romania	Low-Medium

Country	Water Stress Classification (World Resources Institute)
Spain	High
Thailand	Medium-High
UAE	Extremely High
UK	Low-Medium
USA	Low-Medium

ANNEX 4

[Report regarding EU Taxonomy](#)

- Regulatory context

To facilitate the shift of capital flows towards more sustainable activities, meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, on 22 June 2020 the EU published the Taxonomy Regulation 2020/852.

The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The Regulation also indicates the four conditions that must be met by an economic activity to be considered 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 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 the technical screening criteria established by the Commission through specific delegated acts.

Against this backdrop, a first delegated act on sustainable activities for climate change mitigation and adaptation objectives was approved on 21 April 2021 and formally adopted on 4 June 2021 (Delegated Regulation (EU) 2021/2139).

On 6 July 2021, the European Commission adopted Delegated Regulation (EU) 2021/2178, which specified the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings. Under this Regulation, companies must disclose the extent of eligibility and alignment of their activities through the three key performance indicators (KPIs): turnover, capital expenditure (CapEx) and operating expenditure (OpEx), as well as the accounting policy used to report how the three KPIs were determined and allocated to the numerator.

On 9 March 2022, the European Commission adopted Delegated Regulation (EU) [2021/2139](#) amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

On 27 June 2023, the European Commission adopted Delegated Regulation (EU) 2023/2486 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy,

to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities. It also adopted Delegated Regulation (EU) 2023/2485 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

To help interpret and implement the Delegated Acts, the European Commission publishes documents regarding certain legal provisions on Taxonomy, with a view to reducing any uncertainty deriving from the current regulatory framework.

- Application of the Taxonomy in Ebro Foods: eligibility analysis

The Taxonomy Regulation stipulates that the undertakings subject to the Non-Financial Reporting Directive (NFRD) are obliged to publish how their economic activity is contemplated within the regulatory framework on taxonomy. Accordingly, for 2023 non-financial undertakings must report on:

- The eligibility and alignment of the economic activities contemplated in the Climate Delegated Act.
- The eligibility of new activities contemplated in the Environmental Delegated Act and the amendment to the Climate Delegated Act.

In line with these reporting obligations, in 2023 the Social Responsibility, Sustainability and Finance departments of Ebro Foods, as parent of the Group, carried out an eligibility analysis to determine whether the Group's economic activities fitted in with the descriptions of activities included in the Annexes of the Delegated Regulations.

The economic activities of the different companies that perform the Ebro Group's business - classified within the Statistical Classification of Economic Activities of the European Community (NACE) in C1061 (manufacture of grain mill products), C1073 (manufacture of pastas) and C1085 (manufacture of prepared meals and dishes) - are not included within the taxonomy-eligible activities. However, during our eligibility analysis we identified two secondary activities related with activities included in the Climate Delegated Act:

- Activity 4.30 of climate change mitigation: High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels.
- Activity 7.6 of climate change mitigation: Installation, maintenance and repair of renewable energy technologies.

Following a more exhaustive analysis of taxonomy, the Group concluded that the eligible activity reported in the previous year (4.20. Combined cooling, heat and power cogeneration from bioenergy) did not correspond to any of the economic activities performed by Ebro Foods, so it was excluded from the eligibility analysis.

Moreover, in accordance with the regulatory changes published in 2023, the Environmental Delegated Act was also reviewed, concluding that there were no other eligible activities related with the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control or the protection and restoration of biodiversity and ecosystems.

- Application of the Taxonomy in Ebro Foods: alignment analysis

To analyse the substantial contribution of eligible activities to climate change mitigation, we reviewed the substantial contribution criteria.

Technical screening criteria

- To comply with the technical screening criteria for activity 7.6, the activity must consist of the installation, maintenance and repair of certain individual measures if installed on-site as technical building systems. In this case, we directly meet the technical screening criteria because photovoltaic panels have been installed on-site for self-supply.
- The technical screening criteria for activity 4.30 were reviewed, concluding that as we have no internal system for compiling and segregating the information on taxonomy, we cannot prove that those criteria are met.

Do no significant harm (DNSH)

► Climate change adaptation

Appendix A to Annex I of the Climate Delegated Act establishes as one of the general criteria of not causing significant harm to climate change adaptation, that undertakings should carry out an analysis of physical climate risks for the activity, by making a vulnerability assessment using climate projections based on state-of-the-art science. They are also required to adopt adaptation solutions that reduce the most important physical climate risks. The Ebro Group is currently making an analysis of both physical and transition climate risks under the reference framework of the Task Force on Climate-related Financial Disclosures (TCFD) and the International Panel of Experts on Climate Change (IPCC), considering short-term (0-5 years), medium-term (5-10 years) and long-term (more than 10 years) time horizons. Since the analysis is currently being developed, the Ebro Group will report the results for the coming year in 2024. For more information on the assessment of climate risks, see chapter *4 Risk Management*.

► Sustainable use and protection of water and marine resources

For high-efficiency cogeneration of heat/cool and power from fossil gaseous fuels, in order to meet the general criteria established in Appendix B to Annex I of the Climate Delegated Act, environmental degradation risks related to preserving water quality and avoiding water stress must be identified and addressed. The company did not identify such risks in 2023.

► Transition to a circular economy

Although neither of the two activities analysed is obliged to meet the DNSH criteria, the company is developing new packaging made of recycled plastic, developing zero impact programmes and replacing packaging materials with biological-based bioplastic. For

more information on the assessment of climate risks, see the section *Scope 3 decarbonisation levers* in Chapter 10 Commitment to the Environment.

► **Pollution prevention and control**

High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels must conform to the general criteria established in Appendix C to Annex I of the Climate Delegated Act (not place on the market or use substances, whether on their own, in mixtures or in articles of the polluting substances). Moreover, the emissions must be within or lower than the emission levels associated with the best available techniques (BAT) ranges. We were unable to confirm those criteria in 2023.

► **Protection and restoration of biodiversity and ecosystems**

High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels must conform to the general criteria established in Appendix D to Annex I of the Climate Delegated Act, which include the completion of an Environmental Impact Assessment (EIA) that includes a description of the project and measures to avoid and reduce the adverse impact of the facilities. We were unable to make that assessment in 2023.

[Minimum social safeguards](#)

In accordance with Article 18 of the Taxonomy Regulation, undertakings must implement a number of procedures to ensure the alignment of their economic activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Company has a number of policies, procedures and mechanisms to ensure compliance with the minimum social safeguards required: Human Rights, corruption and bribery, taxation and fair competition. To be more specific, the Company has a global Code of Conduct with public access, binding on all our stakeholders and characterised by values such as the protection of human rights and the fight against corruption and bribery. These issues are described in Chapter 5. Human Rights in the value chain and Chapter 6. Anti-corruption and bribery measures of this Report. In addition our Group, led by those responsible for taxation, monitor legislation and possible interpretations, requesting specific reports from specialists.

Following this assessment, we concluded that the activities identified by the Ebro Group as eligible cannot be considered taxonomy-aligned because:

- We do not have a sufficient breakdown of the information to comply with the technical screening criteria for activity 4.30.
- We have not been able to meet the requirements of doing no significant harm to the other environmental objectives.

- Calculation methodology and main results

In order to calculate the three KPIs required by the taxonomy, we extracted information from the accounting systems of the Group companies that are included in the Internal Control over the Financial Reporting System.

To make sure no items have been duplicated, the same controls have been applied to the extracted data as to the rest of the Group's consolidated reporting.

Key performance indicators related to turnover

The proportion of turnover was calculated as the part of the net turnover derived from products or services, including intangibles, associated with taxonomy-aligned economic activities (numerator), divided by the net turnover as recognised in the Consolidated Statement of Profit or Loss in the Annual Accounts (denominator), as defined in section 1.1.1. of Annex I of the Disclosures Delegated Act.

Key performance indicators related to capital expenditure (CapEx)

The proportion of CapEx was calculated through identification of the capital expenditure of the economic activities contemplated in the Climate Delegated Act (numerator) divided by the total CapEx of the Group (denominator), as specified in points 1.1.2.1. and 1.1.2.2. of Annex I of the Disclosures Delegated Act (additions to the tangible and intangible assets during the year before depreciation, amortisation and possible revaluations, including those resulting from any increases in value or impairment losses, for the relevant year, excluding changes in fair value and including additions to tangible and intangibles as a result of business combinations and RoU. The CapEx denominator is thus the total movements of new investments indicated in Notes 9, 10 and 11 to the Consolidated Annual Accounts.

Key performance indicators related to operating expenditure (OpEx)

The proportion of OpEx was calculated as the operating expenditure included in the denominator associated with taxonomy-aligned economic activities (numerator), divided by the direct non-capitalised costs that represent research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets (denominator).

According to section 1.1.3.2 of Annex I of the Disclosures Delegated Act, where the operational expenditure is not material for the business model of non-financial undertakings, those undertakings shall:

- a) be exempted from the calculation of the numerator of the OpEx KPI in accordance with point 1.1.3.2 and disclose that numerator as being equal to zero;
- b) disclose the total value of the OpEx denominator calculated in accordance with point 1.1.3.1;
- c) explain the absence of materiality of operational expenditure in their business model.

In 2023, the Ebro Group analysed the eligible proportion of its operating expenditure associated with the economic activities included in the Climate Delegated Act (EUR 390.8 million associated with cogeneration and the photovoltaic panels), representing

0.46% of the total OpEx in 2023 (EUR 84,107.3 million). Consequently, we determined that the OpEx KPI is not material.

Reporting of the key performance indicators

Proportion of turnover

2023	2023		Substantial contribution criteria							DNSH criteria ("Does not significantly harm")							Category enabling activity	Category transitional activity
	Codes	Absolute turnover (€m)	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards		
Economic activities																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (taxonomy-aligned)																		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0.0%	
Of which: enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	0.0%	F
Of which: transitional		0	0.0%	0.0%						-	-	-	-	-	-	-	0.0%	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	
A. Turnover of taxonomy-eligible activities (A.1+A.2)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of taxonomy-non-eligible activities		3084457.0	100%															
TOTAL		3084457.0	100%															

	Proportion of Turnover/Total Turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0%*	0.0%
CE	0%*	0.0%
PPC	0%*	0.0%
BIO	0%*	0.0%

* According to the reporting obligations for FY23, the proportion of taxonomy-aligned KPIs should not be reported for the four new environmental objectives.

Proportion of CapEx

2023	2023			Substantial contribution criteria						DNSH criteria ("Does not significantly harm")						Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of CapEx, 2022	Category enabling activity	Category transitional activity
	Economic activities	Codes	CapEx (€m)	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy			
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (taxonomy-aligned)																		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0.0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0.0%	
Of which: enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	0.0%	F
Of which: transitional		0	0.0%	0.0%							-	-	-	-	-	-	0.0%	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																		
Installation, maintenance and repair of renewable energy technologies		CCM 7.6	3563.6	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							N/A*	
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)			3563.6	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%							0.0%	
A. CapEx of taxonomy-eligible activities (A.1+A.2)			3563.6	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%							0.0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CapEx of taxonomy-non-eligible activities			151027.4	97.7%														
TOTAL			154591.0	100%														

*This activity was not reported as eligible last year.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0.0%	2.3%
CCA	0.0%	0.0%
WTR	0%*	0.0%
CE	0%*	0.0%
PPC	0%*	0.0%
BIO	0%*	0.0%

* According to the reporting obligations for FY23, the proportion of taxonomy-aligned KPIs should not be reported for the four new environmental objectives.

Proportion of OpEx

2023	2023		Substantial contribution criteria							DNSH criteria ("Does not significantly harm")							Taxonomy-aligned (A.1.) or taxonomy-eligible (A.2) proportion of OpEx, 2022	Category enabling activity	Category transitional activity
	Codes	OpEx (€m)	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	N/A		
Of which: enabling		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	N/A	F	
Of which: transitional		N/A	N/A	N/A						-	-	-	-	-	-	-	N/A	T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A								N/A		
A. OpEx of taxonomy-eligible activities (A.1+A.2)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A								N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities		84107.3	100%																
TOTAL		84107.3	100%																

The OpEx KPI is immaterial

Activities related with nuclear energy and fossil gas
Delegated Regulation (EU) 2022/1214)

Template 1 Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

During 2023, Activity 4.30 (High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels) did not generate eligible income because the activity is for self-supply. With regard to the amount and proportion of CapEx, there were no investments associated with that activity. Finally, the maintenance costs were considered not material. Consequently, templates 2, 3, 4 and 5 of the Delegated Regulation (EU) 2022/1214 are not completed for that year.

ANNEX 5

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	<p>Description of the business model:</p> <p>Business environment</p> <p>Organisation and structure</p> <p>Markets in which it operates</p> <p>Objectives and strategies</p> <p>Principal factors and trends that may affect its future evolution</p> <p>Materiality</p>	<p>GRI 2-1 Organizational details</p> <p>GRI 2-2 Entities included in the organization's sustainability reporting</p> <p>GRI 2-6 Activities, value chain and other business relationships</p> <p>GRI 2-9 Governance structure and composition</p> <p>GRI 2-23 Policy commitments</p> <p>GRI 3-3 Management of material topics</p> <p>GRI 3-2 List of material topics</p> <p>GRI 3-1 Process to determine material topics</p>	<p>P. 4 - 11</p> <p>P. 13 - 15</p>	
General	Reporting framework	GRI 2-5 External assurance	<p>P. 3</p> <p>Independent Verification Report</p>	
Policies and results of the policies	Description of the policies applied by the group and the results of those policies, including the key indicators of the relevant non-financial results	<p>GRI 2-23 Policy commitments</p> <p>GRI 2-24 Embedding policy commitments</p>	P.12 - 20	
Principal risks and impacts identified	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	GRI 3-3 Management of material topics	P.21 - 30	

	may have an adverse effect on those areas			
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Environmental aspects

Area		Reporting framework	Reference	Comments / Reason for omission
Environmental management	Existing and foreseeable effects of the company's activities	Internal framework: internal procedures, Code of Conduct, GRI 2-27	P.75 - 76	
	Environmental certification or assessment procedures	ISO 14001	P.103	
	Resources employed for preventing environmental risks	Internal framework: Accounting	P.103 -104	
	Application of the precautionary principle	Internal framework: Code of Conduct, Sustainability Environmental and CSR policy	P.76	
	Quantity of provisions and guarantees for environmental risks	Internal framework: Insurance policy for third-party liability and accidental pollution damage	P.102 - 103	
Pollution	Measures to prevent, reduce or remedy carbon emissions (including noise and light pollution)	Internal framework: Sustainability Plan HEADING FOR 2030, sustainability programmes GRI 305-5 GRI 305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	P.90 - 91	
Circular economy and waste management and prevention	Measures for waste prevention, recycling, reuse and other forms of recovery and elimination	GRI 306-3	P.99 - 102	
	Actions to combat food waste	Internal framework: 1) AECOC programme 2) Donations to food banks	P.99 - 100	
Sustainable use of resources	Water consumption and water supply within local limits	GRI 303-1, 303-2, 303-3, 303-4 & 303-5	P.82 - 86	

Area		Reporting framework	Reference	Comments / Reason for omission
	Consumption of raw materials	GRI 301-1, 301-2	P.76 - 78	
	Direct and indirect energy consumption	GRI 302-1, 302-2, 302-3, 302-4	P.78 - 81	
	Measures implemented to enhance energy efficiency	GRI 302-4	P.81 - 82	
	Use of renewable energies	GRI 302-1	P.79 - 80	
Climate change	Important elements of the GHG emissions generated	GRI 305-1, 305-2, 305-3	P.86 - 90	
	Measures taken to adapt to the consequences of climate change	1) Decarbonisation levers and actions of scopes 1, 2 & 3	P.91 - 100	
	Reduction goals established voluntarily	Mitigation of risk and reduction of carbon footprint GRI 305-5	P.91 - 100	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 304-1, 304-2 & 304-3	P.86	
	Impacts caused by activities or operations in protected areas	Internal framework: CSR internal reporting tool		

Social and labour aspects

Area		Reporting framework	Reference	Comments / Reason for omission
Employment	Total number and distribution of employees by gender, age, country and professional category	Internal framework: Quantitative information of the CSR tool	P.56 - 57	
	Total number and distribution of types of employment contract	GRI 2-7 Employees	P. 58	
	Annual average of permanent, temporary and part-time contracts by gender, age and professional category	Internal framework: Quantitative information of the CSR tool	P. 58 - 59	
	Number of dismissals by gender, age and professional category	Internal framework: Quantitative information of the CSR tool	P. 59	
	Pay gap	Internal framework: Calculated with the following formula: (Average pay Men –		

Area		Reporting framework	Reference	Comments / Reason for omission
		Average pay Women)/ Average pay Men GRI 405-2 Ratio of basic salary and remuneration of women to men	P. 69	
	Average remuneration by gender, age and professional category	Internal framework: Average remuneration (including total remuneration for the year, fixed remuneration and all variable remunerations (attendance fees, etc.) obtained during the year	P. 68 - 69	
	Average remuneration of directors by gender		P. 70	
	Average remuneration of executives by gender		P. 69	
	Implementation of policies on disconnection from work	Internal framework: Management of material topics	P. 63 - 64	
	Employees with disability	Internal framework: Quantitative information of the CSR tool	P. 68	
Organisation of work	Organisation of working time	Internal framework: Management of material topics	P. 60	
	Number of hours absenteeism	Internal framework: Absentee rate	P. 60	
	Measures to facilitate work-life balance and responsible joint exercise of those measures by both parents	Internal framework: Management of material topics	P. 63 - 64	
Health and safety	Conditions of health and safety at work	Internal framework: Management system for health and safety at work GRI 3-3 Management of material topics	P. 64 – 65 P.13 - 15	
	Number of occupational injuries and disease by gender, frequency rate and severity by gender	Internal framework: Work-related injuries Frequency rate = (total no. lost-time injuries / total no. hours worked) x1000000 Severity rate = (no. lost days due to work-related injuries / total no. hours worked) x1000 GRI 3-3 Management of material topics	P. 65 P.13 - 15	
Labour relations	Organisation of social dialogue	GRI 3-3 Management of material topics	P.13 - 15	
	Percentage of employees covered by collective agreements by country	GRI 2-30 Collective agreements	P. 66	

Area		Reporting framework	Reference	Comments / Reason for omission
	Balance of collective agreements, particularly in the area of health and safety at work	Internal framework: Quantitative information of the CSR tool	P. 64 - 66	
	Mechanisms and procedures that the company has to promote employee engagement in the management of the company, in terms of information, consultation and participation	Internal framework: Focus on participation of stakeholders	P. 66	
Training	Policies implemented in the training area	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR reporting tool GRI 3-3 Management of material topics	P. 66 - 67 P.13 – 15	
	Total hours training by professional category	Internal framework: Quantitative information of the CSR tool GRI 3-3 Management of material topics		
Universal accessibility by persons with disability		Internal framework: Qualitative description of the universal accessibility measures for persons with disability	P. 67 - 68	
Equality	Measures implemented to promote equal treatment and opportunities between women and men	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR reporting tool	P. 67 – 68	
	Equality plans Measures taken to promote employment, protocols against sexual and gender-related harassment	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR reporting tool	P. 68	
	Integration and universal accessibility of persons with different abilities	Internal framework: Qualitative description of the universal accessibility measures for persons with disability		
	Policy against all forms of discrimination and, where appropriate, diversity management	Internal framework: 1) Corporate Code of Conduct 2) Internal CSR reporting tool GRI 3-3 Management of material topics	P. 67 - 68 P.13 - 15	

Information on respect for human rights

Area	Reporting framework	Reference	Comments / Reason for omission
Application of due diligence procedures in respect of human rights	GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 3-3 Management of material topics	P. 31 – 43 P.13 - 15	
Prevention of the risks of violating human rights and, where necessary, measures to mitigate, manage and redress possible abuse committed	GRI 3-3 Management of material topics GRI 2-23 Policy commitments GRI 2-26 Mechanisms for seeking advice and raising concerns	P.13 - 15 P. 31 – 43	
Complaints of violation of human rights	Internal framework: Quantitative information on the number of complaints GRI 3-3 Management of material topics GRI 406-1 Incidents of discrimination and corrective actions taken	P. 43 P.13 - 15	
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 GRI 3-3 Management of material topics	P. 31 - 33 P.13 - 15	

Information on anti-corruption and bribery

Area	Reporting framework	Reference	Comments / Reason for omission
Anti-corruption and bribery measures	GRI 2-23 Policy commitments GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 205-2 Communication and training about anti-	P. 44 - 46	

	corruption policies and procedures		
Anti-money laundering measures	GRI 2-23 Policy commitments GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns	P. 47	
Contributions to foundations and not-for-profit entities	Internal framework: Quantitative description of contributions to not-for-profit foundations	P. 48	

Information on the company

Area		Reporting framework	Reference	Comments / Reason for omission
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 GRI 3-3 Management of material topics	P. 51 - 54	
	Impact of the company's activities on local populations and region	Internal framework: CSR internal reporting tool GRI 3-3 Management of material topics	P. 51 - 54	
	Relations with local communities and forms of dialogue with them	Internal framework: Qualitative description of the relations with local communities GRI 3-3 Management of material topics	P. 51 - 54	
	Association or sponsorship actions	GRI 3-3 Management of material topics GRI 2-28 Membership associations Internal framework: Description of association or sponsorship actions	P. 51 - 54	
Outsourcing and suppliers	Inclusion in the procurement policy of social, gender equality and environmental issues	Internal framework: Supplier Code of Conduct		

	<p>Consideration in relations with suppliers and subcontractors of their social and environmental responsibility</p>	<p>CSR internal reporting tool</p>	<p>P. 33 - 41</p>	
	<p>Supervision and audit systems and results</p>	<p>GRI 3-3 Management of material topics</p> <p>GRI 2-6 Activities, value chain and other business relationships</p>		
Consumers	<p>Measures to guarantee consumer health and safety</p>	<p>Internal framework: Qualitative description of the measures for consumer health and safety</p> <p>GRI 3-3 Management of material topics</p>	<p>P. 71 – 73 Annex 2</p>	
	<p>Grievance systems</p>	<p>GRI 2-16 Communication of critical concerns</p> <p>GRI 2-25 Processes to remediate negative impacts</p>	<p>P. 72</p>	
	<p>Complaints received and solution provided</p>	<p>GRI 2-25 Processes to remediate negative impacts</p> <p>Internal framework : Information on complaints and opportunities for improvement</p>	<p>P. 73 – 74</p>	
Tax information	<p>Profit obtained, country by country</p>	<p>Internal framework: Tax and Finance Department</p>	<p>P. 49 - 50</p>	
	<p>Corporate income tax paid</p>	<p>GRI 201-1 Direct economic value generated and distributed</p>		
	<p>Government grants received</p>	<p>Internal framework: Tax and Finance Department</p>		

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended December 31, 2023

EBRO FOODS, S.A. and SUBSIDIARIES

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, 2023, 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 5 "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" of the accompanying NFS.

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 current commercial regulation 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 5 "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" from the accompanying NFS.

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 management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable 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 2023 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 2023 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 2023 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Emphasis paragraph

Pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and pursuant to the Delegated Acts enacted in accordance with the provisions of that Regulation, undertakings shall disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities in relation to the following environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems (other environmental objectives). For certain new activities included in the climate change mitigation and adaptation objectives, undertakings shall disclose for the first time for the year 2023 additional information on eligible and aligned activities that was already required in 2022 in relation to the climate change mitigation and adaptation objectives. As a result, no comparative information on eligibility has been included in the accompanying NFS in relation to other environmental objectives listed above or to the new activities included in the climate change mitigation and adaptation objectives. Additionally, to the extent that the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying NFS is not strictly comparable, either. Furthermore, it should be noted that Ebro Foods, S.A. directors have included information on the criteria that, in their opinion, allow for better compliance with the aforementioned obligations. These criteria are defined in the Annex 4 "Report regarding EU Taxonomy" of the accompanying NFS. Our conclusion is not modified in respect of 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, 2023 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 5 "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" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida



As Secretary of the Board of Directors of Ebro Foods, S.A. (the "Company"), I hereby state for the record that on March 22, 2024, the Company's Board of Directors, in compliance with company law, authorized for issue the Consolidated Financial Statements and the Consolidated Management Report (including the Non-Financial Statement, the Annual Corporate Governance Report together with the Report on the SICFR and the Directors' Remuneration Report) for the financial year ended December 31, 2023, with the format and labeling requirements established by Commission Delegated Regulation (EU) 2019/815 of December 17, 2018. These consolidated financial statements and the consolidated management report are included in the electronic file with hash code:

2B2B8331DF3316C1E71E9250AEBC753BF4F04A657948FE32A6B23B6EDA91C250

This statement is signed by all of the directors either personally or by their representatives, followed by their names and surnames.

Madrid, March 22, 2024.

Luis Peña Pazos
(Secretary)

Antonio Hernández Callejas
(Chairman)

Demetrio Carceller Arce
(Vice-Chairman)

Belén Barreiro Pérez-Pardo

María Carceller Arce

José Ignacio Comenge Sánchez-Real

Mercedes Costa García
(Lead Independent Director)

Corporación Financiera Alba, S.A.
Alejandra Olarra Icaza

Empresas Comerciales e
Industriales Valencianas, S.L.
Javier Gómez-Trenor Vergés

Javier Fernández Alonso

Grupo Tradifín, S.L.
Blanca Hernández Rodríguez

Hercalianz Investing Group, S.L.
Félix Hernández Callejas

Marc T. Murtra Millar

Elena Segura Quijada

Jordi Xuclà Costa