ESRS 2
GENERAL DISCLOSURES

BP – 1. General basis for preparation of the sustainability statement

*(5a, 5b, 5c, 5d)

This Sustainability Statement (the "**Statement**") incorporates the non-financial statement of Ebro Foods, S.A. (the "**Company**") and is part of the Management Report on the Consolidated Annual Accounts of the Company, as parent of the Ebro multinational group (the "**Ebro Group**" or the "**Group**").

The Statement: (i) covers the global operations of the Group throughout its entire value chain, (ii) includes information on all the subsidiaries that currently perform the main businesses of the Ebro Group and their respective industrial facilities (see Annex 5.6) and (iii) covers the same scope of consolidation as the Financial Statements of Ebro Foods, S.A. at 31 December 2024. Where the scope of information reported for certain indicators does not cover all the undertakings in the consolidation, this is specifically stated.

The purpose of this Statement is to give our stakeholders a true and fair view of the most important social, environmental and governance aspects and our commitments, practices and results for 2024. To do this, we have identified all the activities in the Group's upstream and downstream value chain with a view to determining all incidents and impacts that may be associated with our business activities.

As stipulated in the guidelines set out in the Corporate Sustainability Reporting Directive (CSRD), the Statement contemplates the social, environmental and governance factors that are material for the Ebro Group and it has been prepared, in all significant aspects, in accordance with the provisions of **Directive (EU) 2022/2464 of 14 December 2022 as regards Corporate Sustainability Reporting** (CSRD). Therefore, this Statement has been prepared in accordance with the disclosure requirements established in the CSRD standards developed by the European Financial Reporting Advisory Group (EFRAG). This directive aims to standardise the sustainability information disclosed by undertakings, putting this information on a par with the financial information and meeting the information needs of the different stakeholders.

Since that legislation had not been transposed into Spanish law before 31 December 2024, the Statement contains a final appendix with the information corresponding to the ESG (environmental, social and governance) disclosures required under the Spanish **Non-Financial and Diversity Reporting Act 11/2018**.

Moreover, the EU Taxonomy Regulation (Regulation (EU) 2020/852) establishes in Article 8 the obligation to disclose how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable, and the proportion of their turnover, capital expenditure and operating expenditure derived from products or services associated with those sustainable activities. This regulation is binding for certain undertakings, including the Ebro Group, which consolidates the presentation of this information in the section European Taxonomy of Sustainable Activities within Chapter 2 / section Environmental Disclosures.

In this Statement, Ebro Foods has exercised the option to disclose only partially the specific information related with intellectual property, know-how or the results of innovation, which is an essential asset in its value added strategy and a key aspect for strengthening its competitive edge. Apart from this partial omission, all the other information that is important to provide a full, transparent view of the Group's performance in its respective material impacts, risks and opportunities has been disclosed.

The Ebro Group has not applied the exemption from disclosure of information relating to impending developments or matters in the course of negotiation under Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

This Statement has been drawn up taking into account the material sustainability matters connected with the Group's own operations and our upstream and downstream value chain. The policies, actions and targets described within the document also include value chain information.

BP – 2. Disclosures in relation to specific circumstances

***(9, 10, 11)**

DEFINITION OF TIME HORIZONS

With regard to the disclosure of definitions of medium- or long-term time horizons, the double materiality assessment (DMA) of the Ebro Group made in 2024 used a different definition of time horizons from that established by the CSRD. In our DMA, medium-term is defined as "within the next three years", as opposed to the five years stipulated by the CSRD, while long-term is considered "at more than three years", rather than the five years established in the CSRD. This difference is due to the need to align the analysis with the Group's financial planning and corporative business strategy, which establishes three-year cycles for development of its different strategic plans.

Similarly, the Ebro Foods analysis of climate-related risks and opportunities made in 2023 in line with the recommendations of the **Task Force on Climate-Related Financial Disclosures** (TCFD) was based on the climate scenarios developed by the **Intergovernmental Panel on Climate Change** (IPCC), using time horizons that deviated from those stipulated in the CSRD.

METRICS

This Statement contemplates certain metrics, analysed for all the value chain activities, relating to measurement of Carbon Footprint Scope 3 emissions, the quantification of which involves a certain degree of inherent uncertainty, as they were obtained from estimates instead of direct measurements. The same is true of long-term projections of climate scenarios, due to the complexity and variability of the factors included in their calculation. For this reason, the Group does not anticipate any short-term changes in the measurement system used for those metrics.

The information on the sustainability indicators reported is obtained from primary data provided through the Group's subsidiaries. When no original data are available, estimates are used, notably with regard to certain Environment Datapoints. These estimates are used whenever there is a reliable source of information recognised by the sector or experts in the matter and provided the estimated information meets the qualitative criteria established in ESRS 1. Explanations regarding the methodologies and/or the scope of the information disclosed have been provided wherever required.

For indicators in which there have been changes in the quantification methods since the previous report, or in which the disclosure or presentation format has been altered, a brief explanation is included with the corresponding indicator. The Company has also revised the methodology for calculating several metrics with a view to making them more precise and bringing them into line with the best practice in the sector.

The historic values of the indicators presented may suffer changes due to updates of the methodologies or other circumstances, which might affect the sources of information and their subsequent disclosure in the Statement. If those modifications are due to the correction of inaccuracies in earlier reports, this is explicitly stated together with the corresponding metric or value, indicating the nature of those corrections.

There are numerous cross-references in different sections of this Statement. Some refer to public content and additional references are included that are beyond the remit of the external audit.

ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

***(GOV-1 21, 22 & 23) (GOV-2, 26)**

Information on the composition of the Board of Directors and its Committees

The following table contains details of the composition of the Board of Directors and categories of Directors, and the Committees they were on at year-end 2024 (information as at 31.12.2024):

DIRECTOR (REPRESENTATIVE)	CATEGORY	COMMITTEES THEY ARE ON
Antonio Hernández Callejas Chairman	Executive	Executive Committee (Chair) and Investment and Strategy Committee
Demetrio Carceller Arce Vice-Chairman	Proprietary (Significant shareholder: Sociedad Anónima Damm through Corporación Económica Delta, S.A.)	Executive Committee, Nomination and Remuneration Committee and Investment and Strategy Committee (Chair)
Belén Barreiro Pérez-Pardo (1)	Independent	Nomination and Remuneration Committee
María Carceller Arce	Proprietary (Significant shareholder: Sociedad Anónima Damm through Corporación Económica Delta, S.A.)	--------
José Ignacio Comenge Sánchez-Real	Proprietary (Significant shareholder through Mendibea 2002, S.L.)	Investment and Strategy Committee
Corporación Financiera Alba, S.A. (Alejandra Olarra Icaza)	Proprietary (Significant shareholder: Corporación Financiera Alba, S.A.)	--------
Mercedes Costa García Lead Independent Director	Independent	Nomination and Remuneration Committee (Chair) and Audit, Control and Sustainability Committee
Empresas Comerciales e Industriales Valencianas, S.L. (Javier Gómez-Trenor Vergés)	Proprietary (Significant shareholder: Empresas Comerciales e Industriales Valencianas, S.L.)	--------
Javier Fernández Alonso	Proprietary (Significant shareholder: Corporación Financiera Alba, S.A.)	Executive Committee, Audit, Control and Sustainability Committee and Investment and Strategy Committee
Blanca Hernández Rodríguez	Proprietary (Significant shareholder: Grupo Tradifín, S.L.)	Nomination and Remuneration Committee
Félix Hernández Callejas (2)	Executive (Significant shareholder: Hercalianz Investing Group, S.L.)	Investment and Strategy Committee
Marc Thomas Murtra Millar (3)	Independent	Executive Committee and Audit, Control and Sustainability Committee (Chair)

DIRECTOR (REPRESENTATIVE)	CATEGORY	COMMITTEES THEY ARE ON
Elena Segura Quijada (4)	Independent	Nomination and Remuneration Committee and Audit, Control and Sustainability Committee
Jordi Xuclà Costa	Proprietary (Significant shareholder: Sociedad Estatal de Participaciones Industriales -SEPI- through Alimentos y Aceites, S.A.)	Audit, Control and Sustainability Committee

(1) Belén Barreiro Pérez-Pardo was appointed member of the Audit, Control and Sustainability Committee on 28 January 2025 to fill the vacancy produced by the resignation of Marc Thomas Murtra Millar as Director, tendered on 23 January 2025 with effect from 27 January 2025.

(2) Félix Hernández Callejas was nominated Director by the significant shareholder Hercalianz Investing Group, S.L. and is classified as an executive director by virtue of his status as executive in one Group subsidiary and director in another.

(3) Marc Thomas Murtra Millar stepped down from the Board and the Committees he was on, tendering his resignation on 23 January 2025, with effect from 27 January 2025. The vacancy produced on the Board and Executive Committee by Mr Murtra Millar's resignation had not been filled by the date of issue of this Statement.

(4) Elena Segura Quijada was appointed Chair of the Audit, Control and Sustainability Committee on 28 January 2025 to fill the vacancy produced by Mr Murtra Millar's resignation.

None of the Directors represent the employees or other workers.

During 2024 the Board had a total of 14 members, coinciding with the number set at the Annual General Meeting of Shareholders held on 29 July 2020.

Information regarding the classification of Directors

At year-end 2024, the composition of the Board from the point of view of categories of the Directors was as follows:

* 2 Directors are classified as executive, equivalent to 0.14% of the 14 members;
* 8 Directors are classified as proprietary, equivalent to 57.14% of the 14 members, and
* 4 Directors are classified as independent, equivalent to 28.57% of the 14 members.

At the date of issue of this Statement, following the resignation from the Board tendered by Marc Thomas Murtra Millar on 27 January 2025, (i) the number of Independent Directors has fallen from 4 to 3, which is equivalent to 23.08% of 13 members; and (ii) the 8 Proprietary Directors represent 61.54% of 13 members.

Information regarding the presence of women on the Board of Directors, corporate Committees and in the Group management

At year-end 2024 there were 6 women on the Board of Directors (the gender least represented on this body), equivalent to 42.86% of the total 14 members, of whom:

* 3 are classified as independent, so 75% of that category are women; and
* 3 are classified as proprietary, so 37.50% of that category are women.

No women were classified as Executive Directors.

At year-end 2024, the numbers of women on the Board Committees were as follows:

* 4 women on the Nomination and Remuneration Committee, representing 80% of the total members (5) of this Committee; and
* 2 women on the Audit, Control and Sustainability Committee, representing 40% of its total members (5).

There are no women on the Executive Committee or the Investment and Strategy Committee.

Following the incorporation on 28 January 2025 of Belén Barreiro Pérez-Pardo in the Audit, Control and Sustainability Committee to fill the vacancy left by Mr Murtra Millar, the number of women on this Committee rose from 2 to 3, so at the date of issuing this Statement, women represented 60% of the total Committee members.

Finally, of the 10 senior executives of Ebro Foods, S.A. (15 in the entire Ebro Group) 4 are women, representing a proportion of 40% of the top management of the Company and 26% of the Group's top management. In this regard, both the Chief Operating Officer (COO) of the Ebro Group, 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. are considered "top management" even if their respective employment relationships are not specified as "top management".

Information regarding diversity of age, expertise and experience in the Board as a whole

The Board of Directors as a whole has proven experience in the following sectors and markets that it considers key to development of the Group's national and international operations: economic, financial, legal, business, industrial, consumer and distribution markets, rice, pasta and ESG.

The different professional profiles of the Directors, as specialists in the aforesaid sectors and markets, together with the in-depth knowledge that some of them have of the Group, give the Board as a whole an ideal composition for efficient functioning, as well as an adequate diversity of expertise and professional experience for the Company and Group interests.

Summaries of the Directors' professional experience can be consulted on the corporate website: https://www.ebrofoods.es/wp-content/uploads/2025/04/2025.04.30-Professional-profile.pdf.

Furthermore, in keeping with the underlying principles of the Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors, the age of Directors is a diversity aspect taken into account by the Company. With an average age of 57, the Board has Directors aged between 39 (1 female director) and 74 (2 male directors).

Information regarding supervision of IROs

The Board of Directors of the Company, as parent of the Group, 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 Company 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 responsible for sustainability in the Group companies 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 (RUMBO A 2030).

The strategy established by the Board of Directors and developed by the Corporate Communications and Social Responsibility Department and the actions taken in the area of Social Responsibility and Sustainability of the Group and in the Non-Financial and Sustainability Statements are monitored and overseen by the Audit, Control and Sustainability Committee of the Company, which reports regularly to the Board of Directors of the Company on that monitoring and, where appropriate, on material aspects in this area.

For this purpose, the Corporate Communications and Social Responsibility Department regularly attends the meetings of the Audit, Control and Sustainability Committee to report on the work done and material aspects of the year. In 2024, the Corporate Communications and Social Responsibility Department attended two Audit, Control and Sustainability Committee meetings to report on: (i) the information on sustainability corresponding to 2023, (ii) the degree of progress within the long-term Sustainability Plan "HEADING FOR 2030" and (iii) the work done during 2024 to adapt equipment and systems to the new reporting requirements in force for 2024.

The monitoring and supervision by the Audit, Control and Sustainability Committee in this area is complemented, as far as risk management is concerned, with the powers exercised by that Committee in risk control and management, which includes risks related with sustainability. In this regard, within its oversight of the Risk Control and Management Policy, the Audit, Control and Sustainability Committee receives regular reports (at least twice a year) on the results of risk control and management work done by the Risks Committee.

The Audit, Control and Sustainability Committee reports to the Board of Directors on all monitoring and oversight and sends it the documentation on Risks Committee meetings.

Apart from the structure described above, the integration of Sustainability within the Group's corporate governance can be seen in aspects directly related with the administrative tasks performed by the Board of Directors. By way of example, any investment submitted to the Board for approval is accompanied by a financial analysis of the investment (NPV, IRR, pay-back) and an analysis of the non-financial aspects to be considered for its approval.

The Board of Directors of the Company, ultimately responsible for administration of the Group, has established the general principles for actions regarding Sustainability within the Sustainability, Environment and Corporate Social Responsibility Policy. Those principles include, among others: (i) ethical management, (ii) minimising economic, social and environmental risks, (iii) respect for human rights, (iv) ensuring compliance with sustainable standards in the value chain, (v) environmental protection...

Based on those principles, sustainability is integrated in business management through the functions of each link in the structure described above (Sustainability Department, Risks Committee, Audit, Control and Sustainability Committee ...). In accordance with the guidelines established by the Board of Directors in the Sustainability, Environment and Corporate Social Responsibility Policy, the targets related with impacts, risks and opportunities (IROs) are defined by the Corporate Communications and Social Responsibility Department of the parent, in coordination with the sustainability managers in Group companies. Once the targets have been defined, they are incorporated in the annual budgets, the strategic plans (three-year) or specific Sustainability plans (such as the current Long-Term Sustainability Plan "HEADING FOR 2030").

All in all, impacts, risks and opportunities are an essential element of decision-making in the different bodies, within their respective remits. To give an example of this, at the highest level of power within the Group, the Board of Directors of the Company, which is competent to assess and decide on the most important and strategic investments of the Group, analyses the IROs along with the purely financial aspects of the investments.

During 2024, the Risks Committee, the Audit, Control and Sustainability Committee and the Board of Directors have addressed different aspects related with sustainability, including especially:

- The new sustainability regulation, analysed by the Audit, Control and Sustainability Committee, which has monitored at its meetings the measures and tasks designed to reduce risks and comply with the new legislation.
- Aspects related with food safety, such as the measures taken to avoid risks deriving from a non-conformity detected in a commodity supplier.

* Problems deriving from the COL (cut-off low) (related with fixed assets, inventories, logistics, loss of business activity and/or fulfilment of commitments to customers), which affected the Group's facilities in the Region of Valencia, with a financial impact estimated at 1.8 million at the date of issuing this Statement.

Competence and expertise to oversee sustainability matters

The administrative, management and supervisory bodies of the Group have the necessary powers to oversee sustainability matters, backed by different mechanisms to guarantee an informed approach.

In this regard, the Board of Directors is made up of Directors with experience in large-cap companies, so they are familiar and up-to-date with the management of sustainability-related impacts, risks and opportunities in contexts with similar requirements to those of the Group. Moreover, the Company promotes training and retraining in this area. Accordingly, the Audit, Control and Sustainability Committee recently organised a training session with the external auditor, open to all Directors, to expand their knowledge of the new regulation applicable and its implications.

Moreover, those responsible for overseeing these matters within the organisation have extensive experience in the management of ESG matters and have received specific training to guarantee adequate governance of material sustainability-related impacts, risks and opportunities. All the Group professionals involved in the different matters contemplated in this Statement have also received specific training in the Group's double materiality assessment and its results, thus ensuring a focus aligned with the applicable reporting standards and corporate business strategy.

GOV – 3. Integration of sustainability-related performance in incentive schemes

***(29)**

The top tier executives of the Group, including the Executive Chairman and the Chief Operating Officer (COO), regularly participate in the different Long-Term Bonus Schemes tied to the Group's different three-year strategic plans.

Commencing with the previous Long-Term Bonus Scheme (tied to the previous Strategic Plan 2022-2024), the remuneration scheme contemplated in that Plan makes part of the bonus subject to meeting non-financial/sustainability-related targets. So, when the Nomination and Remuneration Committee is defining the Long-Term Bonus Scheme, it studies the non-financial/sustainability-related targets included in the strategic plans and selects the ones it considers best suited to material goals and that enable objective measurement as far as possible. These (long-term) targets are incorporated in the Bonus Scheme such that part of the remuneration that the beneficiaries of the scheme (which, as mentioned earlier, are the top tier executives in the Group) might receive is tied to the degree of achievement of those targets over the three-year period. At the end of the corresponding three-year period, after assessment by other Board Committees, the Nomination and Remuneration Committee analyses (together with the other targets) the degree of achievement of the non-financial/sustainability-related targets established in the Scheme and, in view thereof, the bonus accrued by the beneficiaries of the Bonus Scheme in this aspect.

The Long-Term Bonus Scheme in place in 2024 was tied to the Strategic Plan 2022-2024. A detailed description can be found in the Directors' Remuneration Policy and in the Annual Reports on Directors' Remuneration for each year. (https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/remuneration-of-the-directors/).

The non-financial/sustainability-related targets established in the Long-Term Bonus Scheme tied to the Strategic Plan 2022-2024 are in the areas of circular economy, climate change mitigation and Human Rights. A 6.25% portion of the bonus for that three-year period is tied to achievement of those targets.

In 2025, at the same time as preparing this Statement, the Nomination and Remuneration Committee is working on the new Long-Term Bonus Scheme tied to the new Strategic Plan 2025-2027, which is expected to maintain broad continuity in the definition of targets. Therefore, under the new Bonus Scheme, part of the remuneration that the beneficiaries might receive is expected to be tied to the achievement of non-financial/sustainability-related targets. Accordingly, when defining the Scheme, the Nomination and Remuneration Committee will determine which of the non-financial/sustainability-related targets included in the Strategic Plan 2025-2027 must be established as targets for remuneration in the Long-Term Bonus Scheme and the percentage of the bonus to be tied to achievement of those targets. One of the criteria to be considered in that selection is the objective assessment of the degree of achievement (since the bonus receivable will depend on it).

GOV – 4. Statement on due diligence

In the Ebro Group, due diligence is conceived as a fundamental process to identify, prevent and mitigate sustainability-related risks throughout our value chain. Although our management of due diligence has traditionally focused on human rights and working conditions in the supply chain, our approach also takes account of environmental and governance aspects, in line with the regulatory frameworks and expectations of its stakeholders.

The Group focus is based on the following principles:

a) **Identification and management of ESG risks:** We assess the human rights, environment and governance-related impacts of our operations and business relationships, paying special attention to the risks within our value chain, such as decent work, health and safety at work and meeting environmental and labour standards in agricultural production.

b) **Proportionate, effective measures:** We take measures adapted to the nature and scale of the risks identified, including audits of suppliers, collaboration with strategic partners and promotion of best practice in our production processes.

c) **Integration in business management:** We incorporate due diligence in the sustainability assessments and supplier selection and supervision processes with the aim of encouraging responsible standards throughout our supply chain.

d) **Remediation of adverse impacts:** We work on identifying possible adverse effects associated with our operations and collaborates with business partners to apply corrective or preventive measures where necessary.

e) **Collaboration with key actors:** We work to international standards in order to strengthen the traceability and sustainability of our raw materials, fostering responsible standards in the food industry.

f) **Transparency and communication:** We report regularly on the Group's actions and progress in respect of sustainability matters, including information on our due diligence processes, audits and continuous improvement plans.

Although the Group does not have a specific sustainability-related due diligence policy, these principles are integrated in its risk management and are part of its sustainability and human rights strategies. Moreover, our initiatives in the value chain are consistent with the applicable international frameworks and sector-specific standards.

GOV – 5. Risk management and internal controls over sustainability reporting

*(36)

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.

Within this general framework, the integral, homogenous Risk Control and Management System is based on mapping business risks, through the identification, assessment and grading of risk management capacity to rank risks from greater to lesser impact for the Group and their probability of occurrence, including a time scale. The risk map takes account of 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, such as 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, so the risk level is considered acceptable or tolerable on a corporate level.

All risks are assessed and classified according to a single protocol for all Group subsidiaries under the responsibility of the risk managers, who report at least twice a year to the corporate Risks Committee, made up of the heads of the financial, tax, legal, auditing, sustainability and IT areas and the group Chief Operating Officer.

The Risks Committee reports directly to the Audit, Control and Sustainability Committee. Different sustainability-related aspects have been addressed over the year, particularly including the new regulation on sustainability, aspects associated with food safety and problems deriving from the COL (cut-off low) that affected the Group's facilities in the Region of Valencia.

The risk universe is grouped into five main groups: compliance, operational, strategic, financial and sustainability. They are all sub-divided into a large number of categories. Up to 2024, sustainability-related risks were included within the first four categories, but in the wake of the new sustainability reporting regulations and the double materiality assessment made in response thereto, it has been decided to put them into a separate category, adding a few new risks that were identified during this work.

The most important categories within the main sustainability-related risks identified are:

* **Climate change.** Risk with growing impacts in the short-, medium- and long-term that can directly affect the performance of our business activity.

  The Company completed the work to calculate its carbon footprint (Scope 3) and review Scopes 1 and 2 and has prepared, pending approval: (i) the definition of reduction targets in accordance with the Science Based Targets initiative (SBTi), and (ii) the calculation of the financial effect of the main risks associated with climate change.

  A total of thirteen physical and transition risks have been assessed, identified as those having a greater potential to impact the Group's financial statements. The risks associated with growing the main commodities used by the Group and the possibility that changes in the temperatures and/or rain cycles may lead to restrictions in the supply of those products (and, consequently, higher procurement prices) have been classified as moderate, as the Group has a mitigation strategy based on: (i) diversification of its sourcing areas, (ii) multi-location of the production assets, and (iii) improved management of the value chain. These aspects place the Group in a privileged position within the sector.

In any case, the possible impact on the Group's earnings of a possible price hike at source will depend on the Group's capacity to pass those price increases on to its customers based on the differentiation of its brands and products, the quality of its products and services, and innovation.

* **Water management and biodiversity.** Dependence on water resources, especially in sourcing areas and in regions with risks of drought, leading to low production yields and/or higher operating costs due to the loss of soil properties, which lower the productivity of the crops. To mitigate this risk, the Group has a multifaceted strategy based on: (i) the management and purification of water resources for own use, (ii) facilities in numerous locations and the use of several sources and types of commodities, and (iii) support to growers to enhance their economic stability and the implementation of sustainable agricultural practices.
* **Working conditions and work environment.** Risks related with the ability to attract and retain talent. The Group companies use different pay packages to tie down workers, such as contributions to pension schemes, health schemes, bonus schemes, support for achieving a suitable work-life balance and other benefits adapted to the circumstances of each company. One specific aspect of this is respect for and compliance with human rights and maintaining appropriate ethical standards, as indicated in the Sustainability Plan "Heading for 2030" and the Group's Code of Conduct. To mitigate this risk, the Group conducts random SMETA audits at its own and third-party (supplier) facilities.
* **Food safety.** Given the nature of its 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 the countries in which its products are produced and sold. The Group has food safety programmes to identify and control certain critical points (Hazard Analysis and Critical Control Points –HACCP-), so the residual risk is minimal. To mitigate this type of risks, most of the Group's food handling processes have obtained certification by IFS (International Food Safety), SQF (Safe Quality Food) and/or BRC (British Retail Consortium), 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 risk map identifies and assesses the potential financial and non-financial risk events that could affect the Group. The Internal Control over Financial Reporting (ICFR) System identifies the risks that affect the reliability of the financial information based on materiality in respect of the consolidated amounts, and other qualitative criteria (error, fraud, unusual transactions, etc.). Based on these criteria, the Group has determined the companies in the material Business Areas or Divisions that meet any of the criteria mentioned and the material accounting items of each one.

After defining the material items for each company, the processes and sub-processes impacted have been determined with a relationship matrix. For each sub-process identified within the scope, the inherent risks and the controls conducted by those responsible to mitigate them are identified and documented in a Risk-Control Matrix. Those risks take into account all the financial reporting targets (existence and occurrence; integrity; assessment; presentation, disaggregation and comparability; and rights and obligations).

The Group does not have a formal System to Control Non-Financial Information, but it has established an internal protocol to ensure such control, with: (i) segregation of the people responsible for collecting and compiling the information according to the nature thereof, and (ii) several levels of supervision and final approval by those responsible for sustainability-related reporting, including the Non-Financial and Sustainability Statement.

In order to collect and prepare sustainability information, a software tool has been implemented to increase the granularity of the information, process it in different ways and determine its traceability.

In this regard, the Ebro Group publishes annual non-financial and sustainability statements with a view to encouraging its stakeholders to share their non-financial information, giving a true and fair view of their performance in environment, social and governance-related aspects.

SBM – 1. Strategy, business model and value chain

***(40a,40b,40e,40f,40g,42)**

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, and sustainable business model.

BUSINESS MODEL

The Ebro Group operates through a portfolio of 81 brands in more than 60 countries, with industrial and commercial facilities in 16 of them. In the remaining 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	Denmark	Italy	Spain
Belgium	France	Morocco	Thailand
Cambodia	Germany	Netherlands	United Kingdom
Canada	India	Portugal	United States

List of countries with only commercial presence

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

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 Company, as parent, with a light, dynamic structure, is responsible for defining the Group's overall strategy and management guidelines. Decision-making is prompted by the Company's Board of Directors.

The Ebro Foods Group is managed by business areas that combine the type of activity they perform and their geographical location. Our core business areas are:

- **Rice:** This covers the production and distribution of different rice varieties and their by-products and culinary supplements. The industrial and brand business follows a multi-brand model. It is present throughout Europe, the Mediterranean Arc, Southern Cone and Southeast Asia through companies in the Herba Group and Lustucru Riz, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.

* **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 Lustucru Premium 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.

None of the products manufactured and/or sold by the Group is banned on any market.

One of the Group's most valuable assets is its **6,636 professionals, 5,667 of whom are employed directly by the company, 27 are independent contractors** and **942** are **contracted** through different external agencies. It is a very close-knit group 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 quality employment while strengthening their skills and abilities, as well as their personal and professional leadership skills.

Table of employees/geographical area/business area

TYPE OF WORKER	No. OF WORKERS
Employees	5,667
Supervised workers	942
Independent contractors	27
Total headcount	**6,636**

*Note: The total number of workers provided in this Statement does not coincide with the number indicated in the Consolidated Annual Accounts because some companies do not apply the same reporting criteria.

CONTINENT	TYPE OF WORKER	TOTAL
Africa	Employees	209
	Supervised workers	2
	Independent contractors	0
	Africa	**211**
Asia	Employees	489
	Supervised workers	211
	Independent contractors	6
	Asia	**706**
Europe	Employees	3,446
	Supervised workers	620
	Independent contractors	21
	Europe	**4,087**
North America	Employees	1,302
	Supervised workers	109
	Independent contractors	0
	North America	**1,411**
South America	Employees	222
	Supervised workers	0
	Independent contractors	0
	South America	**222**
	Total headcount	**6,636**

BUSINESS AREA	MEN	WOMEN	TOTAL
Rice	2,885	1,045	3,930
Pasta	1,041	578	1,619
Holding	37	24	61
Others	37	20	57
Total Employees	**4,000**	**1,667**	**5,667**

VALUE CHAIN

The Ebro Group's value chain gives an integral vision of all the stages of its business activity, from the sourcing of raw materials to final consumption of the product. It is structured in three major stages: upstream (sourcing and logistics), own operations (production, certification and distribution) and downstream (sale and consumption).

In the **upstream value chain**, the Ebro Group does not directly grow the commodities, but buys its principal agricultural raw materials (rice and durum wheat) from growers, cooperatives and millers. To guarantee stable, high-quality supplies, the Group works with strategic growers and suppliers applying quality and sustainability standards in sourcing. As the Group has expanded its product portfolio, it has also broadened these actions: from agricultural raw materials to other ingredients such as potato flakes, pulses, quinoa and "ancient grains". This sourcing stage is completed with the purchase of the auxiliary raw materials that are essential for our production process, packaging materials and other necessary inputs, such as water and energy.

Rice is the grain with the highest global consumption, but its market is conditioned by the production deficit in certain key countries such as China, the Philippines and Indonesia, which curbs its global trade in comparison with other cereals. To guarantee optimum sourcing, the Ebro Group has developed a strategy of geographic diversification embracing four major regions:

1. United States
2. Southern Europe
3. Southeast Asia
4. Argentina

As for durum wheat (to meet the requirements of the premium pasta category), the Group needs to buy this cereal with a high protein content, available on a much smaller market than other varieties used mainly to produce flour. Ebro mainly sources this grain in the United States, Canada and Southern Europe (France, Spain and Italy).

In **own operations**, Ebro transforms the raw materials at its facilities using different production processes, which vary according to the type and purpose of the product. These processes include milling, cleaning, polishing, extrusion, pre-cooking, cooking and freezing, ensuring in all these processes that the highest quality and food safety standards are met.

Consequently, the Group's product portfolio is structured in six main consumption areas:

1. Rice: dry, fresh, frozen, organic, aromatic and others encompassed in the healthy category, such as brown rice.
2. Premium pasta.
3. Fresh pasta and filled pasta.
4. Convenience: "ready-to-serve" rice and pasta dishes.
5. Sauces.
6. Flours and ingredients: natural products based on rice, pulse and ancient grains.

Finally, in the **downstream value chain**, the finished products are distributed through different sales channels, including supermarkets, e-commerce, catering and hospitality businesses and large customers, such as food distribution companies and multinationals in the sector, which use these products (as ingredients) as the basis for their own products. The process ends with purchase of the products by the end consumer, contemplating their experience of use and pre- and post-consumption waste management, thus enhancing the Ebro Group's commitment to sustainability and the circular economy.

Through adequate value chain management, the Group achieves different benefits for its customers and consumers, investors and other stakeholders. Customers and consumers are offered a nutritious, safe, versatile product, adapted to consumer trends and requirements and dietary preferences. For investors, the stability of the staples sector and the Group's ability to innovate and expand to new markets generate confidence in its sustained growth. Moreover, profitability is optimised thanks to the Group's efficient cost and logistics management. For other stakeholders, such as suppliers and distributors, the Group is a reliable partner with an efficient, stable supply chain. For the society at large, the Group's commitment to sustainability and responsible sourcing enhances the positive impact on agricultural communities and the environment.

INTEGRATION OF SUSTAINABILITY IN THE CORPORATE STRATEGY

Consistent with its commitment to sustainable and responsible business management, the Group aims to integrate sustainability in all its strategic operations and decisions, from the purchase of raw materials to the distribution and sale of its products. At the sourcing stage, it endeavours to guarantee responsible practice in agricultural production, promoting social and environmental standards in its supply chain. During the production process, the Group focuses on energy efficiency, reducing emissions, the circular economy and responsible use of natural resources. In distribution and sale, it strives to improve the sustainability of its packaging and optimise logistics in order to minimise its carbon footprint.

The Group's sustainability initiatives are developed in the main geographical areas in which it operates. In Europe, it concentrates on enhancing the efficiency of its production plants and strengthening its collaboration with local suppliers. In Asia, particularly in India and southeast Asia, it strives to improve the working conditions of the growers in its supply chain, promoting sustainable agricultural practice and respect for workers' rights. In North America, it focuses on product innovation and reducing the environmental impact in its logistics chain. And in South America, specifically Argentina, the Group has a major influence in the social and economic development of the communities in which it is present.

As regards other stakeholders, the Group collaborates actively with suppliers, customers and local communities to foster sustainable practices and generate a positive impact throughout its value chain.

The Sustainability Plan **HEADING FOR 2030** guides the Group's actions throughout its entire value chain: from the field to the table, from production to consumer experience.

HEADING FOR 2030 focuses on three main pillars of action:

* **People**. The Group implements specific plans to promote the well-being of our professionals at work, fostering continuous training and skills development to retain talent, seeking ways to balance work and home life, flexibility, equality, inclusion, 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**. Thanks to the Group's commitment to health, we offer a broad array of healthy, natural, differentiated products that help consumers to 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 habits and creative eating, through recipes, blogs and advertising campaigns.

* **Our planet**. With the aim of preserving and protecting the environment, the Group works actively to minimise the impact of both our production processes and our logistics and sourcing operations. We collaborate with several stakeholders in sustainable agriculture programmes, especially to mitigate and adapt to the effects of climate change. We also make a considerable effort to reduce our carbon footprint by promoting efficient energy measures and the use of green energies and developing different initiatives to guarantee the Group's transition towards a circular economy model, such as the recycling of packaging materials, replacing plastics, management of surplus food stocks and waste recovery.

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 with which the Group collaborates 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/
	Members Ethical Trade Audit, SEDEX https://www.sedex.com/

SUSTAINABILITY RATINGS

The inclusion of the Ebro Group in sustainability ratings reflects its commitment to transparency and the development of responsible business practices. These ratings not only show its performance in social, environmental and governance aspects, but also validate its efforts and continuous improvement to attain high standards in sustainability, demonstrating its positive contribution to a more sustainable and ethical future.

Sustainability indexes in which the Ebro Group is included

- Vigeo Eiris ESG
- FTSE Russell ESG
- The EthiFinance ESG (Gaïa Research)
- S&P Global Corporate Sustainability Assessment
- Morgan Stanley Capital International (MSCI)
- Standard Ethics Spanix Index
- IBEX Gender Equality Index to promote gender equality
- Carbon Disclosure Project (Climate Change)

BUSINESS ENVIRONMENT AND CONSUMER TRENDS IN 2024

In 2024, the global economy proved resilient to an environment of tough financial conditions and inflation, which was causing such concern among the central banks, commenced its progressive stabilisation. Overall, the large international economies achieved higher growth than expected, although there are still huge differences in the evolution of different regions.

Global GDP growth was estimated at 2.7% in 2024 (2.7% in 2023). United States had a high growth rate, of 2.8% compared to 2.9% in the previous year, while the European Union grew by only 0.7% (0.4% in 2023), dragged down once again by the German economy, which contracted by 0.2%. The Chinese economy also surprised with a growth of 5% per annum, driven by decisive monetary and fiscal measures.

The first activity data for 2025 maintain a growth pattern with leading growth indicators in the USA, pointing to a 0.7% growth in the first quarter of 2025, and improvements in the EU, with a better PMI in five months, although on the verge of contraction. Finally, employment rates are holding steady at a good level in most major economies.

Consumer environment

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. Personal experience is a right, not a choice. 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 sustainable products is creeping in. In spite of this, price is still the main consumer driver.

- **Social changes**

  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 and the new generation Alpha) 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 environmental issues and sustainability, but they are not prepared to pay a significantly higher price for them.

d) Increased mobility and immigration in many developed countries bring in new tastes, products 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, ...). New influencers and recommendation channels (Tik Tok, Instagram).

  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 actors 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 are key to success.

The technological revolution has brought radical change in how brands communicate in respect of both message and 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: from optimising inventories to e-commerce recommendations, including autonomous stores and tailored real-time communications.

FINANCIAL METRICS

In 2024, the Group's net turnover was €3,140.5 million, up 1.8% on 2023. Our Adjusted EBITDA grew 6.7% year on year to €413.1 million. Net profit was up 11.2% on 2023, at €207.9 million, and net debt stood at €593.2 million, €22.8 million more than at year-end 2023.

Details by business areas

(€ THOUS)	RICE	PASTA
SALES	2,454,016	691,775

SBM – 2. Interests and views of stakeholders

*(45)

The **principal stakeholders** of the Group are:

* Shareholders
* Customers, consumers and distributors
* Employees
* Suppliers
* Society (Government, NGOs and other institutions)
* Media

Continuous dialogue with all its stakeholders gives the Group an insight into their needs and expectations, enabling it to anticipate their demands, progress in areas such as food safety, product innovation and responsible sourcing practices, strengthen relationships with communities, anticipate and act ahead of regulatory and market changes, find out what stakeholders think of the Group, etc. In short, it enables the Group to identify opportunities and develop strategies aligned with sectoral trends, meet market demands and satisfy their social and environmental expectations.

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

This active communication is developed through different channels, combining formal and informal interactions, depending on the type of stakeholder.

STAKEHOLDERS	DIALOGUE CHANNELS
Shareholders	Corporate website Electronic shareholders' mailbox Shareholders' office CNMV regulatory announcements Investor Relations Department Meetings with analysts and investors Roadshows General Meeting of Shareholders Quarterly reports Annual Report Social media Press releases Whistleblowing channel
Employees	Corporate website and websites of our subsidiaries Corporate Intranet Suggestion box Social media Mailbox Digital newsletter Blogs (corporate and brand) Mailshots Department Days Works Council HR contacts Corporate Communications Department Annual Report Whistleblowing channel

STAKEHOLDERS	DIALOGUE CHANNELS
Customers, consumers and distributors	Corporate website and websites of our subsidiaries Customer services department Electronic mailboxes in each of the Group companies Parent company mailbox (comunicacion@ebrofoods.es) Advertising and Marketing Satisfaction surveys Regular one-to-one meetings and visits Social media Blogs (corporate and brand) Trade fairs, forums and conferences Annual Report Whistleblowing channel
Suppliers	Corporate website and websites of our subsidiaries Meetings with the Purchasing Departments of Group companies Supplier Code of Conduct Regular visits to suppliers Surveys Assessments through Sedex Annual Report Social media Whistleblowing channel
Society	Corporate website and websites of our subsidiaries Website of the Ebro Foods Foundation Social media Corporate blog Annual Report Communications and CSR Department Press releases Parent company mailbox (comunicacion@ebrofoods.es) Meetings with NGOs and social action institutions Meetings with local authorities Meetings with resident associations Whistleblowing channel
Media	Corporate website and websites of our subsidiaries Corporate Communications Department Parent company mailbox (comunicacion@ebrofoods.es) Press releases CNMV regulatory announcements Social media Corporate blog Regular meetings with different media Interviews Surveys and questionnaires Annual Report

The views and concerns expressed by the different stakeholders are addressed and handled by the corresponding departments, such as Marketing, Commercial, Procurements, Investor Relations and Communication. If they are considered important, these issues are submitted to the Management Committees of each of the Group companies, where the implications are analysed and assessed.

Based on that analysis, the General Managers of the Group companies inform the Chief Operating Officer (COO) of the most important aspects and the COO in turn submits them, where appropriate, to the Executive Committee and the Board of Directors of the Company. In addition, the Audit, Control and Sustainability Committee receives regular updates on these matters, at least in the reviews of the double materiality assessments, thus ensuring that the governing bodies have the necessary information to take strategic decisions.

The results of these interactions are taken into account for the relevant stakeholders. For example, customer and consumer concerns may lead to adjustments in the development of new products or improvements in communication; suppliers' comments may trigger a review of the procurement policies or new forms of collaboration; and investor and analyst expectations may have a bearing on the definition of profitability, sustainability and transparency targets.

This approach ensures that the views and opinions of the different stakeholders are reflected in the evolution of the Group's business model, favouring a strategy aligned with market demands and sustainability standards.

SBM – 3. Material impacts, risks and opportunities and their interaction with strategy and business model

***(48a,48b,48c,48d,48f,48g,48h)**

DOUBLE MATERIALITY ASSESSMENT

Giving continuity to the earlier double materiality assessments (DMA) and in accordance with the guidelines of the CSRD, in 2024 the Ebro Group made a new DMA in collaboration with an external consultancy, following the EFRAG recommendations, based on the fundamental sustainability standards and the regulatory and disclosure requirements. In that assessment, Ebro Foods identified 47 material impacts, risks and opportunities (IROs) of a total of 259 IROs assessed. The list of material IROs is set out in the following table:

E1 Climate Change

Contribution to mitigation and adaptation of the effects of climate change through the promotion of sustainable agriculture projects in the Group's principal sourcing areas, which also act as carbon sinks.	I+	A
Generation of greenhouse gases deriving from the Group's operations throughout its value chain (carbon dioxide CO_2, methane CH_4 and nitrous oxide N2O), due to land-use changes, if any, in agricultural activities, and emissions by transport and production of products through the consumption of fossil fuels by fixed and mobile sources.	I-	A
Greenhouse gas emissions associated with sourcing in the Group's supply chain (emissions associated with the sourcing of rice and raw materials used in the production of pasta), and emissions produced by land-use changes, if any, in agricultural activities.	I-	A
Improvement of the Group's reputation owing to the anticipation and reduction of risks associated with climate change, thanks to the identification, management, reporting and monitoring of the principal physical and transition risks of climate change.	O	P
Minimisation of the future vulnerability of sourcing areas due to climate-related challenges and reduction of operating costs, as a result of the mitigation and adaptation to climate change. This includes enhancement of crop resilience, strengthening of agricultural ecosystems and the identification of climate-related factors through the Task Force on Climate-related Financial Disclosures (TCFD) report.	O	P
Increase in the purchase costs of raw materials due to the impact of climate change on the natural resources that supply them. Extreme climate events can affect the quality, quantity and geographical distribution of agricultural raw materials, increasing the costs associated with their acquisition and management.	R	A
Increase in costs associated with changes to emission allowances and new regulations, such as the EU Carbon Border Adjustment Mechanism. This may generate significant impacts on the Group's financial strategies, requiring adaptations and further investments to comply with the new environmental legislation.	R	A
ENERGY		
Reduction of the use of non-renewable energy resources and greenhouse gas emissions as they are replaced with renewable fuels (biomass: rice husk, wood chips, wood charcoal, etc.), self-generation of photovoltaic energy and cogeneration, as well as the purchase of electricity with GOs (guarantees of origin)	I+	A
Reduction of energy consumption as a result of implementing energy saving practices (changing convention lights to LED, energy saving project, improved energy efficiency, etc).	I+	A

I+ Positive Impact I- Negative Impact O Opportunity R: Risk P Potential A Actual

E2 Pollution

Reduction of impacts by pollution with substances of concern or substances of very high concern in the sourcing areas by means of quality controls and detection of fungicides and pesticides, selection of suppliers with sustainability policies and provision of free biocontrol products to guarantee a rational use of pesticides.	I+	A
Pollution of effluent through own operations of pasta and rice production.	I-	P
Increase in soil acidity and impairment of microfauna as a result of the use of (inorganic or organic) fertilizers and pesticides on the crops in the Group's sourcing areas.	I-	P

E3 Management of Water Resources

Increase in water stress due to water withdrawal in areas of water stress, both in crop-growing areas and at production plants.	I-	A
Opportunities to access public/private financing through the implementation of projects, strategies or measures to improve water quality and management (e.g. European funds).	O	P
Dependence on water resources, especially in sourcing areas and in regions with drought risks, producing operating costs and low production yields.	R	A

E4 Biodiversity

Creation of agricultural habitats with high ecological value (wetlands, habitats of protected species, etc.)	I+	A
Land degradation and loss of soil properties as a result of intensive farming practices in the suppliers' sourcing areas.	I-	P
Operating costs as a result of reduced agricultural production due to the loss of soil properties or high temperatures that diminish crop yield.	R	A

E5 Circular Economy

Waste reduction and recovery through actions developed to increase recovery (e.g. use of by-products such as rice husk, wood chips and wood charcoal) and recycling.	I+	P
Increase in consumer food safety and reduction of food waste as a result of the Group's initiatives to combat food waste (e.g. participation of Ebro Foods in the Waste Warrior Brand Community, collaboration with AECOC, campaigns and actions to raise society and employee awareness of issues, etc.).	I+	A
Greater resilience in the Group's production processes due to broad diversification of the Group's supply chain which enables it to mitigate the risks and availability of raw materials over time.	O	P

S1 Own Workforce

WORKING CONDITIONS		
Greater satisfaction of workers as a result of oversight of workers' rights in the Group through the implementation of fair labour practices (e.g. adequate working times, adequate wages, control of occupational hazards). This not only strengthens the capacity of its workforce, but also contributes to social and economic stability in the communities in which it operates, promoting a fair and equal working environment that improves the well-being of the workers and their families.	I+	A
Greater access by workers to collective bargaining enabled by the Group through the existence of Works Councils that achieve improved working conditions and increase the proportion of workers covered by collective agreements, thus strengthening employment relationships. This contributes to workers' well-being and to social and economic stability in the communities in which the Group operates.	I+	A
Lack of equal pay, performance or length of service recognition or conditions of inequality deriving from a heterogeneous distribution of workforce remuneration not based on objective criteria (pay gap).	I-	P
Improvement of Group's reputation thanks to a good health and safety management system (e.g. certification under ISO 45001). The Group thus demonstrates its commitment to protecting the health and well-being of its workers. This not only reduces the possibility of occupational injuries and ill health, but also boosts the confidence of both employees and other stakeholders, such as customers, investors and local communities.	O	P
TRAINING AND SKILLS DEVELOPMENT		
Difficulty in attracting talent specialised in areas such as maintenance and electromechanics, which generates a critical operating risk for Ebro and its subsidiaries, as these jobs are essential to guarantee the continuous functioning of machinery and essential equipment.	R	A

I+ Positive Impact **I-** Negative Impact **O** Opportunity **R**: Risk **P** Potential **A** Actual

S1 Own Workforce

DIVERSITY AND INCLUSION		
Workers' confidence thanks to the creation of a culture of respect and safety among the Group's workers through implementation of the EU Whistleblowing Directive and the Internal Reporting System, boosting the confidence of society in the working environment and contributing to the building of safer, fairer communities.	I+	A
Increase in responsible brand value due to the implementation of policies that promote equal pay and equal opportunities based on gender, race, sexual orientation, disability, etc. in the company. This will promote the Group's position in the market as a socially responsible company committed to the inclusion of disability and diversity.	O	P
PROMOTION OF HUMAN RIGHTS		
Theft, leaks or unauthorised access to private or confidential information of the company or third parties, intellectual property or financial information of the Group; and cyber attacks that also cause interruptions in the Group's commercial transactions due to its highly automated and digitalised production processes and research and development.	R	P

S2 Workers in the Value Chain

Protection of children's rights for workers throughout the Group's value chain, strictly prohibiting child labour and forced labour as established in the Supplier Code of Conduct. This boosts social cohesion and sustainable development of the community.	I+	P
Impact on work-life balance, personal well-being and family and social relations due to lack of oversight by the Group to ensure that the working conditions stipulated in the Supplier Code of Conduct are met, especially with suppliers of wheat and rice within the supply chain. This deficient oversight could result in violations of labour rights, affecting not only the workers but also their personal and social environments.	I-	P
Improvement of Group's reputation by establishing business relationships with selection criteria to guarantee secure, stable employment with adequate wages and working times. This can in turn improve the performance of work teams in the value chain, contributing towards achieving a more productive and satisfied labour force, which has a positive impact on our operating performance.	O	P

S3 Affected Communities

Creation of labour, economic and social opportunities in the communities in which the Group has own or commercial operations, through the creation of employment in the society.	I+	A

S4 Customers and Consumers

CUSTOMER SATISFACTION		
Product supply security for customers thanks to the Group's diversification to procure raw materials in sourcing areas that can cope with raw material shortages or other sourcing problems that might be encountered by suppliers.	I+	A
Business expansion to new customers and markets, driving a growth in turnover, focusing on business lines with high potential such as microwave rice in the United States and Spain. Improvements are also being made in packaging productivity and alternative supply sources are being explored with a view to optimising operation and taking advantage of new opportunities.	O	P
Higher costs incurred in researching new consumer and/or customer needs and implementing measures to meet their requirements for improved product quality.	R	A
FOOD SAFETY AND QUALITY		
Enhanced consumer safety due to rigorous health and safety standards in products and the promotion of food safety programmes.	I+	A
Increased capitalisation of internalisation processes, ensuring that the essential safety aspects are incorporated in the development of new products at the industrial plants and R&D centres. This raises safety standards, strengthens the Group's commitment to quality and guarantees regulatory compliance on a global level, promoting safe, efficient operation.	O	P
Greater requirements due to changes in the European regulation of quality and safety standards, which entail increased sustainability reporting. Breach of or failure to adapt to these regulations could result in regulatory fines and a loss of credibility and confidence among consumers and other stakeholders.	R	A
PRODUCT AND BRAND DEVELOPMENT		
Loss of customers due to higher prices of end products, attributable to the fluctuations in availability and costs of the agricultural inputs, affected by climate, geopolitical and economic factors.	R	A

I+ Positive Impact **I-** Negative Impact **O** Opportunity **R**: Risk **P** Potential **A** Actual

GOV-1 Management of Relationships with Suppliers

Ability to support respect for human rights and social and environmental development by fostering the assessment and selection of suppliers based on social, ethical and environmental criteria.	I+	A
Positive influence on standards and practices in the food sector by joining sector-specific initiatives or collaborative platforms on sustainability and ethics-related topics (e.g.: *Forética* and SAI Platform).	I+	A
Increased demands of suppliers, who must strengthen sustainability-related aspects. This is due to the inclusion of new clauses in the Group's contracts in the wake of the new regulations on ESG.	I-	P
Strengthening of risk management in the Group's supply chain through the platform Countryrisk.io, prioritising due diligence with critical suppliers to mitigate identified risks.	O	P
Increase in operating costs as a result of unexpected fluctuations in input prices, quality issues in supplies that require additional corrections, or exchange rate fluctuations due to our dependence on suppliers located in different countries.	R	A
Loss of existing suppliers who fail to meet the new sustainability requirements.	R	A

Sector-Specific Innovation

Increase in costs above those initially budgeted in the implementation of the Group's research, development and innovation (R&D + innovation) projects. A shortage of financial resources can lead to slow or insufficient development of the project.	R	A

I+ Positive Impact **I-** Negative Impact **O** Opportunity **R**: Risk **P** Potential **A** Actual

The material IROs identified are fully aligned with the targets defined in the Group's sustainability strategy and business model, focusing on the reduction of emissions, responsible management of resources and the social and labour well-being of our people; giving priority to measures that reduce risks and manage negative impacts, both potential and real, on people and the environment, such as soil pollution, greenhouse gas emissions and labour risks in the supply chain, while at the same time strengthening the positive impacts identified, such as the improvement in energy efficiency, reduction of waste and promotion of sustainable production practices.

The material impacts are closely linked to the Group's principal activities and business relationships. Sustainability-related criteria have been established for suppliers in the supply chain, while in the production processes the Group is working on optimising resources and reducing our environmental impact. At the distribution stage, the primary goal is to guarantee supply and make sure that our products comply with the quality and safety standards and meet customers' and consumers' expectations.

The time horizons defined: short term (up to one year), medium term (1-3 years) and long term (more than three years), coincide with the Group's strategic periods, enabling it to improve planning, allocate resources more efficiently and track progress more accurately.

CURRENT FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES

The current financial effects of relative importance during 2024 are those related with the COL (cut-off low) that affected the Group's facilities in the Region of Valencia. Events of this nature have been linked with the climate change risk, due to the impact that climate change has on the quantity of energy available for this kind of natural phenomena. Details of the financial impact are set out in Note 7.2 of the Consolidated Annual Accounts (in a sum of €1.8 million). No material IRO has been identified for which there is a significant risk of a material adjustment within the next annual reporting period.

We apply the phase-in provisions of Appendix C of ESRS 1 to the anticipated financial effects.

RESILIENCE OF THE STRATEGY AND BUSINESS MODEL TO MATERIAL IMPACTS AND RISKS

The Ebro Group is working to reinforce its sustainability strategy for managing the material impacts and risks identified, including measures to increase its ability to adapt and respond to environmental, social and regulatory challenges.

Accordingly, the Group has adopted an approach structured around three main areas:

1. Management of environmental risks and operating efficiency
   * Implementation of initiatives to reduce greenhouse gas emissions, focusing on optimising energy consumption in its production processes.
   * Reinforcement of circular economy strategies, prioritising efficient water management, reduction of waste and re-use of materials in the value chain.
   * Adaptation to climate and environmental regulations, acting ahead of future regulations and ensuring that international standards are met.

2. Resilience in the supply chain and business relationships
   * Assessment and mitigation of risks in the supply chain, guaranteeing the traceability of raw materials and establishing sustainability criteria for strategic suppliers.
   * Diversification of sources of supply to minimise exposure to climate or geopolitical risks that might affect the availability of critical inputs.
   * Promotion of responsible business relationships, encouraging practices aligned with the Group's ESG commitments.
   * Integration of sustainability in the corporate strategy.

3. Development of a sustainable governance framework that incorporates ESG criteria in strategic decision-making
   * Investments in projects aligned with energy transition and innovation in sustainable production.
   * Reinforcement of the organisational sustainability culture, increasing employee awareness and providing training in responsible practices.

Through these efforts, the Ebro Group improves its ability to anticipate and respond to the material impacts identified, ensuring that its business model is still competitive and sustainable in the short, medium and long term.

It should be noted that there have been no changes in the material IROs in respect of earlier years because 2024 is the first year in which this Statement has been issued under the CSRD.

IRO –1. Description of the processes to identify and assess material impacts, risks and opportunities

*(53)

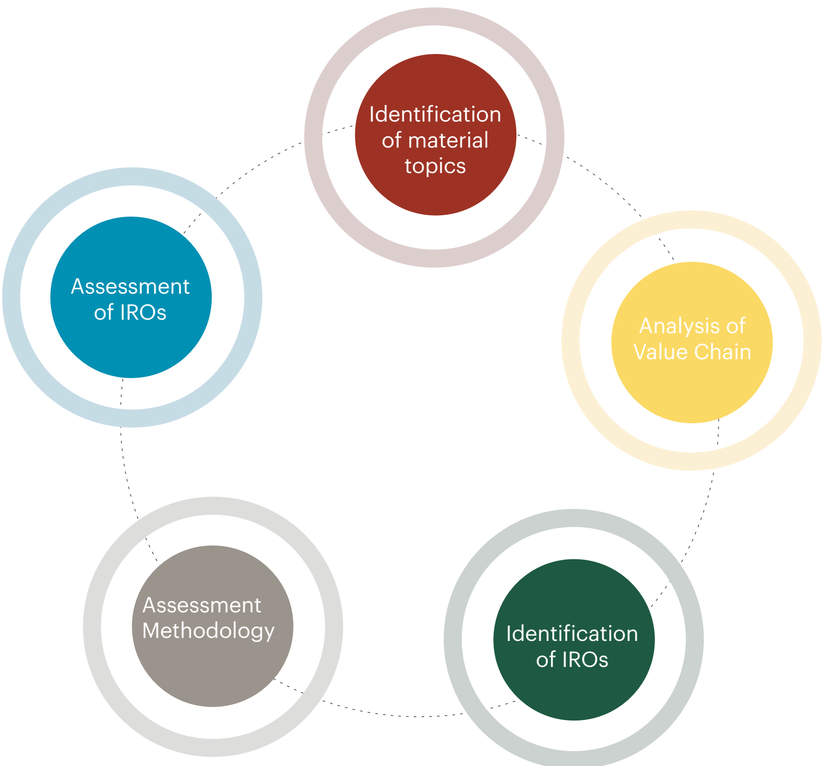
Implementation of the Double Materiality Assessment (DMA) must act as a tool to understand the current situation in terms of companies' sustainability and draw up action plans to promote real changes. For the Group's DMA, an integral assessment process was carried out, starting with identification of the material topics and ending with assessment of all the IROs identified. This assessment considered all the Group's tangible assets.

Each stage of this process was carefully defined and outlined to meet the requirements of the CSRD.

The assessment process included the stages indicated below:

- **Identification of material topics:** Material topics were identified and prioritised based on an integral diagnosis that included an analysis of internal and external documentation, stakeholders' expectations, sector-specific trends and the ESG impacts associated with our business activity.
- **Analysis of the value chain:** The value chain of the Ebro Group was mapped, outlining the scope of each stage and the relevant stakeholders to guarantee a deep understanding of the operating impacts and interconnections.
- **Identification of IROs:** The IROs were defined for each Sub-Topic and Sub-Sub-Topic, making sure that all potential impact areas were considered and addressed adequately, together with their dependencies.
- **Methodology of assessment:** Common standards were established for assessment of the IROs. This included establishing assessment criteria for quantification and final assessment, following the EFRAG recommendations.
- **Assessment of the IROs:** The IROs were assessed insofar as they affected stakeholders and throughout the value chain. The purpose of this exhaustive assessment was to validate the findings and guarantee the accuracy and relevance of the outcome of the assessment.

Figure 2. Integral Assesment Process



1. IDENTIFICATION OF MATERIAL TOPICS

The material topics were identified and prioritised based on an integral diagnosis that included an analysis of internal and external documentation, sector-specific trends and stakeholders' expectations.

This was done based on a regulatory framework encompassing the following:

* Corporate Sustainability Reporting Directive (CSRD)
* Materiality Assessment Implementation Guidance (EFRAG)
* Value Chain Implementation Guidance (EFRAG)

Internal documentation

The documentation of the Ebro Group was analysed to obtain an overall vision of the company and its business activities, while at the same time identifying the impacts, risks and opportunities deduced from those documents.

The analysis included checking public and internal documents selected in line with the ESRS guidance, providing information on the following:

* Reporting and Compliance Documents (e.g. Non-Financial Statement 2023)
* Organisation structure (e.g. organisation charts of the Group and subsidiaries)
* Organisational Culture and Management (e.g. Employee Climate Survey 2023)
* Corporate Policies and Strategies
* Policies, manuals and procedures that are applicable to the entire Group (e.g. Sustainability, Environment and Corporate Social Responsibility Policy, Corruption and Bribery Policy, Risk Control and Management Policy...)
* Codes of Conduct (e.g. Code of Conduct of the Ebro Foods Group, Supplier Code of Conduct)
* Strategy of the long-term sustainability plan "HEADING FOR 2030"

External documentation

To get a full view of the external context of the Ebro Group, the expectations of standards and best practice, stakeholder expectations (competitors, customers and consumers) and Indexes were analysed.

* **Analysis of ESG standards and best practice**

  The documentation of ESG standards and best practice includes sector-specific reports, studies and analyses.

  - Spanish Federation of Food and Beverage Industries (FIAB)
  - Spanish Commercial Coding Association (AECOC)
  - *Forética*
  - SAI Platform
  - Sustainable Rice Platform (SRP)
  - SASB

* **Analysis of competitors**

  A comparative analysis of competitors was made, based on a review of their public documentation, with the aim of identifying which sustainability matters they prioritise. The competitors analysed were:

  - Mars
  - KRBL Limited
  - Barilla
  - De Cecco
  - Unilever

Analysis of customer and consumer expectations

The sustainability-related expectations of our main customers were identified by analysing their Non-Financial Statements. This was done by assessing the requirements they establish for their suppliers and the material topics they prioritised in their respective value chains. The top 9 customers of the different subsidiaries were analysed, as named below:

- Mars Belgium
- Mercadona
- Carrefour
- Marks & Spencer
- Ocado
- Walmart
- Loblaws
- Tesco
- Sainsbury's

Consumer expectations were analysed based on the Reports on consumer trends and expectations published by the major consulting firms for consumer markets: Kantar, Mintel and Nielsen.

Analysis of expectations of reporting indexes

The material topics considered by the following principal sustainability reporting indexes were identified:

- MSCI
- Dow Jones Sustainability Index
- FTSE4Good
- Sustainalytics
- CDP

Identification of preliminary topics

The topics were organised and consolidated after an exhaustive compilation of the longlist of material topics based on the analyses indicated above. The matters identified were thus grouped into 17 potentially material topics (Figure 3), considering their similarities and interdependencies. This enabled us to define clearly and strategically the key aspects to be assessed in terms of impact materiality and financial materiality, facilitating their prioritisation in accordance with the CSRD requirements.

Figure 3. Comparison of ESRS standards with the preliminary topics of Ebro Foods Group

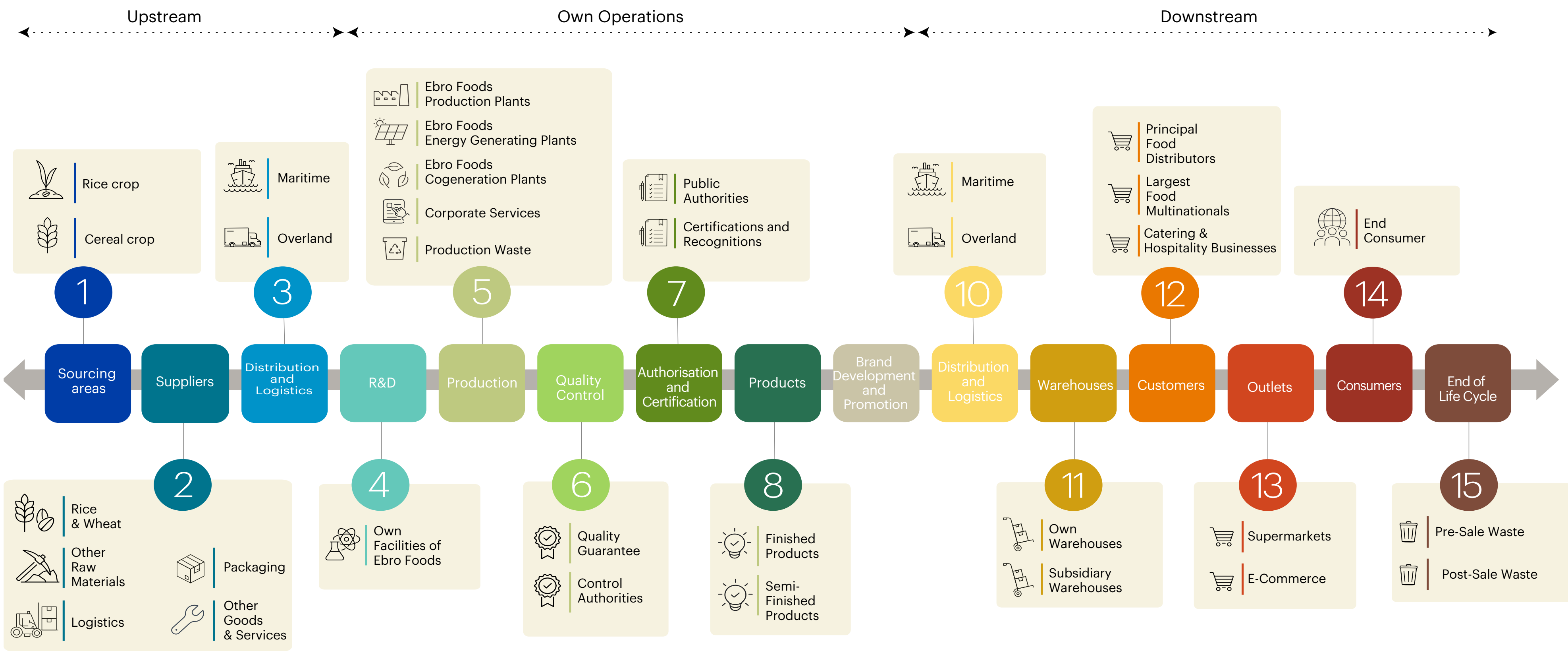
REPORTING BLOCK	ESRS STANDARD BY TOPIC	EBRO FOODS TOPICS			
		TOPIC 1	TOPIC 2	TOPIC 3	TOPIC 4
Cross-Cutting	ESRS 2 –General Disclosures				
Environmental	ESRS E1 – Climate Change	Climate Change	Energy		
	ESRS E2 – Pollution	Pollution			
	ESRS E3 – Water and Marine Resources	Management of Water Resources			
	ESRS E4 – Biodiversity	Biodiversity and Ecosystems			
	ESRS E5 – Circular Economy	Resource Management and Circular Economy			
Social	ESRS S1 – Own Workforce	Working Conditions	Diversity and Inclusion	Training and Skills Development	Promotion of Human Rights
	ESRS S2 – Workers in the Value Chain	Responsible Value Chain			
	ESRS S3 – Affected Communities	Affected Communities			
	ESRS S4 – Consumers and End-Users	Customer Satisfaction	Brand and Product Development	Food Safety and Quality	
Governance	ESRS G1 – Business Conduct	Management of relationships with suppliers			
Sector	Innovation and Digitisation				

2. ANALYSIS OF THE VALUE CHAIN

Construction of the value chain

In an effort to accurately identify the Impacts, Risks and Opportunities related with the Ebro Group's operations, an analysis was made of the value chain - upstream, own operations and downstream (Figure 4). This analysis involved mapping the principal activities and sub-activities of the Group.

Figure 4. Analysis of value chain



This analysis not only highlights the areas where sustainability-related practices could be improved, but can also be used to identify vulnerabilities where the Group's operations could be adversely affected by external factors.

Identification of stakeholders

An analysis was made of internal documents and the views of key stakeholders to obtain a comprehensive understanding of the environmental, social and governance (ESG) factors affecting the Group. The feedback from the stakeholders identified in the earlier DMA was also taken into account.

In order to carry out this Double Materiality Assessment process effectively in terms of both construction of the value chain and identification and evaluation of the Impacts, Risks and Opportunities, the key stakeholders were meticulously identified and classified into three main groups:

* **Internal stakeholders:** These included executives, employees and internal departments whose day-to-day operations and decision-making processes are essential for the sustainability initiatives.
* **External stakeholders:** These included suppliers, customers, local communities, regulatory authorities and non-governmental organisations, among others, whose contributions help to shape the Group's external sustainability practices and policies.
* **Silent stakeholders:** These included entities or elements that are impacted by and may influence our business decisions, but have no direct voice in the decision-making process. According to ESRS 1 (AR 7), nature can be considered a silent stakeholder. In this case, the ecological and species conservation data can help evaluate the relative importance of the company. Other examples of silent stakeholders could include ecosystems, endangered species or even future generations, who suffer the consequences of present decisions with no power to influence them directly. The environment was considered a silent stakeholder for this assessment.

3. IDENTIFICATION OF IROS

Impacts, Risks and Opportunities (IROs) were identified at the level of topic, sub-topic and sub-sub-topic to make sure all sustainability matters specified in the CSRD were covered.

We thus identified a total of 259 IROs. Moreover, the IROs were mapped within the value chain to identify which activities might be more impacted by them.

In addition, in pursuance of section 131(b) of ESRS 1, we identified sector-specific IROs corresponding to "Innovation and Digitalisation", in addition to the topics established in the ESRS. The number of IROs identified per topic is shown in Table 1 below.

Table 1. Total IROs identifies for each ESRS and *sector specific* IROs

TOPIC	IROs IDENTIFIED
E1 – Climatic change	21
E2 – Pollurtion	14
E3 – Water and marine resources	10
E4 – Biodiversity and ecosystems	17
E5 – Circular economy	15
S1 – Own workforce	48
S2 – Workers in he value chain	34
S3 – Affected communities	17
S4 – Consumers and end-users	35
G1 – Bussines conduct	38
Sector specific: Innovation and Digitisation	10
TOTAL	**259**

Justification of exclusions

After identifying the IROs, a second analysis was made to assess their correspondence to the internal and external context of the Group's activities. As a result of this process, any IROs that did not take account of the reality of our business were excluded, thus ensuring that the assessment focused on the impacts, risks and opportunities that actually applied to the Group and its value chain.

Dependencies

When identifying the risks and opportunities (RO), particular attention was paid to understanding their interconnections. The process involved an analytical examination of how the specific impacts within our operations or in external environments are linked to potential risks and opportunities.

4. ASSESSMENT METHODOLOGY

Impact materiality

In the impact assessment, we assessed both positive and negative impacts, distinguishing between potential and actual impacts and considering their impact on people, the environment and human rights in the short, medium and long term.

Different criteria were applied to establish the assessment categories, depending on whether they were positive or negative impacts:

- In the case of actual negative impacts, we considered aspects such as the scale, scope and irremediable character of the impact. For potential negative impacts, we assessed the likelihood of occurrence mapped onto the relevant time horizon.
- For actual positive impacts, the criteria of scale and scope were taken into account, and for potential positive impacts, their likelihood of occurrence was estimated and mapped onto the relevant time horizon.

We include a brief explanation regarding section 3.3.1 (Impact materiality assessment) of the EFRAG Materiality Assessment Implementation Guidance. Depending on the kind of impact, it is not always necessary to assess in depth each of the criteria of severity, based on the Group's specific facts and circumstances, to determine whether the impact is material or not. For example, when there is established scientific consensus about the severity of a particular kind of global or localised environmental impact, it is possible to conclude that it is a negative impact without having conducted an in-depth analysis of its scale, scope and irremediable character.

Financial materiality

As stipulated in ESRS 1 section 3.5 Financial materiality in the Annex to the Commission Delegated Regulation, from the financial perspective, certain risks and opportunities were identified by establishing appropriate qualitative thresholds related with the anticipated financial effects on performance, financial position, cash flows and access to finance, including the cost of capital. In this context, the materiality of the risks and opportunities is assessed based on a combination of the likelihood of occurrence and the potential scale of the financial effects.

5. SCALE OF ASSESSMENT

Impact materiality

As mentioned earlier, impact materiality takes account of severity and likelihood for each positive (Figure 5) and negative (Figure 6) impact identified in each Sub-Topic or Sub-Sub-Topic.

Severity was calculated as the average ratings for scale and scope, in the case of positive impacts, and for scale, scope and irremediable character for negative impacts.

In each of these dimensions, different aspects were qualitatively rated from 1 to 4, 4 being the highest level and 1 the lowest.

- **Scale:** This assesses the social impact, the impact on human rights and the environmental impact. The final value of the scale is that of the aspect given the highest rating.
- **Scope:** This includes both the geographical scope (whether the impacts are international, European or national) and how many stakeholders are affected. The final value of the scope is the average rating obtained for geographical scope and affected stakeholders.
- **Irremediable character:** This is only assessed in the case of negative impacts and considers the difficulty of mitigating the impact should it occur.

The final value of severity was obtained as the highest rating between scale (social and human rights, environmental) and irremediable character. The average was then taken of the final values of scale and scope.

With regard to likelihood (for potential impacts), two metrics were considered:

1. **Likelihood of occurrence:** Measured from 1 to 4, where 4 was the highest likelihood and 1 no likelihood.
2. **Time horizon:** A correction factor was applied according to the time horizon in which it was considered that the impact could occur:
   - Short term (less than 1 year): 0 points
   - Medium term (1 to 3 years): -0.25 points
   - Long term (more than 3 years, or with a time horizon that is difficult to define): -0.5 points

Finally, the value of impact was obtained by weighting the severity outcome and the likelihood outcome at 50% each.

With regard to impacts on Human Rights and as specified in ESRS 1 section 45, severity prevails over likelihood when identifying material issues.

To guarantee correct application of this principle in the methodology, a specific reference to Human Rights was incorporated in the social scale headings.

Furthermore, the prevalence of severity over Human Rights was integrated directly in the valuation scale, such that when an impact was greater on a social level, the assessment of Human Rights had priority over other factors such as the environmental impact or the possibility of remediation.

In addition, each of the negative impacts was analysed separately, considering any impact on Human Rights to be severe. Accordingly, the severity of the impact prevailed over its likelihood when assessing materiality.

Figure 5. Outline of the methodology used for the assessment of positive impacts

SCORE	SCALE – ENVIRONMENTAL	SCALE – SOCIAL	SCOPE – GEOGRAPHICAL	SCOPE – STAKEHOLDERS	LIKELIHOOD
4	Extremely positive impact on the environment, benefiting on a large scale the global targets for reducing emissions and controlling the temperature	Extremely positive impact on people's well-being, the development of society or human rights	International scope	All stakeholders benefit or are affected	Recurrent event, experienced in the past
3	Significant positive impact on the environment, benefiting the global targets for reducing emissions and controlling the global temperature	Significant positive impact on people's well-being, the development of society or human rights	European scope	More than 50% of the stakeholders benefit or are affected	Likely event, experience shows that it occurs more than once a year
2	Moderate positive impact on the environment with temporary effects	Moderate positive impact people's well-being, the development of society or human rights	National scope	Less than 50% of the stakeholders benefit or are affected	Possible event: Event is not common, but feasible
1	Little or no positive impact on the environment	Minor or no positive impact on people's well-being, the development of society or human rights	Does not affect anyone	No stakeholders benefit or are affected	Unlikely to occur or has never been experienced in the past

TIME HORIZON

Correction factor (When the impact will have most likelihood of occurrence)

Short term	+0
Medium term	-0.25
Long term	-0.5

POSITIVE IMPACT RATING

- Critical: Points > 3.4
- Material: Points = [2.5-3.4)
- Not material: Points < 2.5

ILLUSTRATIVE EXAMPLE

Environmental	Social	Geographical	Stakeholders
4	1	4	3

The highest score is taken of environmental (4) and social (1) = 4 + Average = Geographical (4) and Stakeholders (3)= 3.5 | Likelihood: 4 + Time horizon: 0

Average = Scale (4) and Scope (3.5) = 3.75 | 4

3.75 × 50% + 4 × 50% = 3.88

Figure 6. Outline of the methodology used for the assessment of negative impacts

SCORE	SCALE – ENVIRONMENTAL	SCALE – SOCIAL	POSSIBILITY OF REMEDIATION	SCOPE – GEOGRAPHICAL	SCOPE – STAKEHOLDERS	LIKELIHOOD
4	Extremely negative impact on the environment, affecting on a large scale the global targets for reducing emissions and controlling the temperature	Extremely negative impact on people's well-being, the development of society or human rights	Not remediable / Irreversible	International scope	All stakeholders benefit or are affected	Recurrent event, experienced in the past
3	Significant negative impact on the environment with lasting effects and affecting the global targets for reducing emissions and controlling the global temperature	Significant negative impact on people's well-being, the development of society or human rights	Very difficult to remedy or remediable in long / medium term	European scope	More than 50% of the stakeholders benefit or are affected	Likely event, experience shows that it occurs more than once a year
2	Moderate negative impact on the environment with temporary effects	Moderate negative impact on people's well-being, the development of society or human rights	Difficult to remedy in short term	National scope	Less than 50% of the stakeholders benefit or are affected	Possible event: Event is not common, but feasible
1	Little or no negative impact on the environment	Little or no negative impact on people's well-being, the development of society or human rights	Remediable	Does not affect anyone	No stakeholders benefit or are affected	Unlikely to occur or has never been experienced in the past

TIME HORIZON

Correction factor (When the impact will have most likelihood of occurrence)

Short term	+0
Medium term	-0.25
Long term	-0.5

NEGATIVE IMPACT RATING

- Critical: Points > 3.4
- Material: Points = [2.5-3.4)
- Not material: Points < 2.5

ILLUSTRATIVE EXAMPLE

Environmental	Social	Possibility of remediation	Geographical	Stakeholders	Likelihood	Time horizon
4	1	2	4	3		
The highest score is taken of environmental (4), social(1) and possible remediation (2) = **4**			Average = 3.5		3	+ -0.25
Average = Scale (4) and Scope (3.5) = 3.83					2.75	
2.89 × 50%					+ 2.75 × 50%	= 2.82

Financial materiality

Financial materiality takes account of the magnitude and likelihood of each risk (Figure 7) and opportunity (Figure 8) identified in each Sub-Topic or Sub-Sub-Topic.

Magnitude and likelihood were measured from 1 to 4, where 1 was the minimum and 4 the maximum.

The magnitude of the risks considered different risks:

* Reputational
* Business growth
* Financial performance
* Access to finance
* Regulatory
* Operational

The magnitude of the opportunities considered different opportunities:

* Reputational
* Business growth
* Financial performance
* Access to finance

To ensure that the assessment of risks and opportunities adequately reflected their impact on the Group and prevent dilution or distortion, the highest rating was taken of the different metrics rated. The rating thus prioritised the aspect with the greatest potential impact within each category, ensuring a more accurate and representative analysis of the financial materiality.

In the case of likelihood, we considered:

1. **Likelihood of occurrence:** Measured from 1 to 4, where 4 was the highest likelihood and 1 no likelihood.
2. **Time horizon:** A correction factor was applied according to the time horizon in which it was considered that the impact could occur:
   - Short term (less than 1 year): 0 points
   - Medium term (1 to 3 years): -0.25 points
   - Long term (more than 3 years or with a time horizon difficult to define): -0.5 points

Finally, the value of the risk/opportunity was obtained by weighting the magnitude outcome and the likelihood outcome at 50% each, in line with the methodology used in the Group's risk map, thus ensuring a homogeneous approach to identification and prioritisation of impacts.

Figure 7. Outline of the methodology used for the assessment of risks

SCORE	MAGNITUDE: REPUTATIONAL	MAGNITUDE: BUSINESS GROWTH	MAGNITUDE: FINANCIAL PERFORMANCE	MAGNITUDE: ACCESS TO FINANCING	MAGNITUDE: REGULATORY	MAGNITUDE: OPERATIONAL	LIKELIHOOD
4	Critical damage to reputation and stakeholder confidence	Adversely affects the company's financial statements (revenues, costs, assets or liabilities), with critical impact on performance and financial position	Adversely affects the cash flow and financial performance, with critical impact on performance and financial position	Adversely affects access to finance, with critical impact on the company's financing capacity	Critical breaches: possible suspension	Disruption of all businesses	Recurrent event, experienced in the past
3	Significant damage to reputation and stakeholder confidence	Significantly affects the financial statements (revenues, costs, assets or liabilities), requiring strategic action	Adversely affects cash flow and financial performance to a certain extent and requires evaluation	Adversely affects access to finance and requires evaluation	Serious breaches: possible revocation	Disruption in the rice business	Likely event, experience shows that it occurs more than once a year
2	Moderate damage to reputation and stakeholder confidence	Minor risk with low negative impact on the financial statements (revenues, costs, assets or liabilities)	Minor, low impact risk on cash flow and financial performance	Minor, low impact risk on access to finance	Moderate breaches	Disruption in the pasta and premium pasta business	Possible event: Event is not common, but feasible
1	Little or no damage to reputation and stakeholder confidence	Little or no impact on the financial statements (revenues, costs, assets or liabilities)	Little or no impact on the cash flow and financial performance	Little or no impact on access to finance	Minor or no breaches	Minor or no disruption in business lines	Unlikely to occur or has never been experienced in the past

+

TIME HORIZON

Correction factor (When the opportunity will have greatest effect)

Short term	+0
Medium term	-0.25
Long term	-0.5

RISKS RATING

- Critical: Points > 3.4
- Material: Points = [2.5-3.4)
- Not material: Points < 2.5

ILLUSTRATIVE EXAMPLE

Reputational	Business growth	Financial performance	Access to financing	Regulatory	Operational
4	3	4	3	2	2

The highest score is taken = 4 | Likelihood: 4 + Time horizon: -0.25

4 × 50% + 3.75 × 50% = 2.82

Figure 8. Outline of the methodology used for the assessment of opportunities

SCORE	MAGNITUDE: REPUTATIONAL	MAGNITUDE: BUSINESS GROWTH	MAGNITUDE: FINANCIAL PERFORMANCE	MAGNITUDE: ACCESS TO FINANCE	LIKELIHOOD
4	Brings about a considerable improvement in reputation and stakeholder confidence	Positive effect on the company's financial statements (revenues, costs, assets or liabilities), essentially contributing to performance and financial position	Positive effect on cash flow and financial performance, essentially contributing to performance and financial position	Positive effect on access to finance, essentially contributing to the company's financing capacity	Recurrent event, experienced in the past
3	Brings about a significant improvement in reputation and stakeholder confidence	Significant effect on the company's financial statements (revenues, costs, assets or liabilities), requiring strategic action	Positive effect on cash flow and financial performance to a certain extent, requiring evaluation	Positive effect on access to finance requiring strategic action	Likely event, experience shows that it occurs more than once a year
2	Brings about a moderate improvement in reputation and stakeholder confidence	Opportunity with minor, low positive impact on financial statements (revenues, costs, assets or liabilities)	Opportunity with minor, low positive impact on cash flow and financial performance	Opportunity with minor, low positive impact on access to finance	Possible event: Event is not common, but feasible
1	No perceivable improvement in reputation and stakeholder confidence	Little or no impact on the financial statements (revenues, costs, assets or liabilities)	Little or no impact on cash flow and financial performance	No impact or low positive impact on access to finance	Unlikely to occur or has never been experienced in the past

+

TIME HORIZON

Correction factor (When the opportunity will have greatest effect)

Short term	+0
Medium term	-0.25
Long term	-0.5

OPPORTUNITY RATING

- Critical Points > 3.4
- Material Points = [2.5-3.4)
- Not material Points < 2.5

ILLUSTRATIVE EXAMPLE

Reputational	Business growth	Financial performance	Access to finance
4	1	4	3

Average = Scale (4) and Scope (3.5) = 3.75

Likelihood: 4 + Time horizon: 0

3.75 × 50% + 4 × 50% = 3.5

ASSESSMENT OF IROS

Assessment criteria

To facilitate the assessment process and unify the reasoning behind the rating of the different factors of the IROs, we created a set of assessment criteria in the form of headings. These headings not only established the scoring intervals for each factor to be evaluated, but also provided detailed descriptions for each interval, thus minimising the possibility of subjective interpretation.

Generally speaking, the scoring intervals ranged between 1 and 4. These intervals were applied to all the factors except the time horizon, for which correction factors were considered (see section 2.5. "Scale of assessment"). This scale entailed a number of characteristics:

- **Greater simplicity and clarity:** A smaller scale facilitates comprehension and evaluation, avoiding the confusion that might arise from using a broader scale, such as from 0 to 10, where the difference between close scores may be less significant or subjective.
- **Easier decision-making:** With a scale of 1 to 4, there is a clearer difference between levels, which leads to a clearer classification, enabling more effective prioritisation and concentration on the more critical IROs.
- **Reduced subjectivity:** Limiting the range of options reduces the possibility of ambiguous interpretations between the different headings, enabling greater coherence in the assessment.

The methodology used to identify and evaluate IROs is based on a qualitative approach, enabling the integration of multiple perspectives and the assessment of aspects that may not be readily quantifiable. With this approach there are no numerical margins of error or levels of uncertainty, although consistent criteria have been applied to guarantee a reliable assessment.

Criticality threshold

The criticality threshold for materiality was set at 3.4, because IROs with higher likelihood and severity were identified above that score. This ensured that the assessment prioritised factors with a significant impact in the Group.

This selection enabled us to differentiate effectively between material IROs and those which, although important, did not reach the critical level necessary to warrant priority management.

With this threshold, attention could be focused on the IROs that might really represent a considerable impact for the stakeholders and the Group, by virtue of both their high likelihood and their severity, thereby enabling effective prioritisation in decision-making and the management of risks and opportunities.

The details of IROs considered material are set out in the section SBM – 3. I Material impacts, risks and opportunities.

Many of the sustainability-related risks were already contemplated in the Group's Risk Map. Based on the Double Materiality Assessment, the Group decided to segregate those risks into a separate category, including a few other risks detected in the Double Materiality Assessment (especially those related with the value chain). All those risks are given priority over other risks according to the existing criteria based on likelihood, level of impact and time horizon, on a scale of 1 to 4 (low to very high), like the one used in the Double Materiality Assessment.

Decision-making regarding IROs also follows the general structure of the Company, as explained in the Annual Corporate Governance Report:

* 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 opportunities and decide what measures to take.
* Risk officers of the core business units of the Group, who are responsible for monitoring the risk control and management systems and reporting to the Risks Committee.
* Risks Committee. Based on the policy established by the Board of Directors and under supervision by and reporting to the Audit, Control and Sustainability Committee, this unit is specifically responsible for coordinating and monitoring the risk control and management system.
* Audit, Control and Sustainability Committee. Through the Risks Committee, it performs the duties of oversight and monitoring of the risk control systems, reporting regularly to the Board of Directors on any material aspects arising in these areas.
* Board of Directors, which defines the general policies and criteria, including the Sustainability, Environment and Corporate Social Responsibility Policy and the Risk Control and Management Policy.

There have been no changes in the identification, assessment and management of risks in respect of the previous year, since this is the first year that they are reported.

IRO – 2. Disclosure requirements in ESRS covered by the undertaking's sustainability statement

***(56)**

The material information to be disclosed on the material IROs was determined according to the outcome of the Group's Double Materiality Assessment (DMA). This process enabled us to identify and prioritise the most significant aspects according to their financial impact and their effect on the environment and society. The specific details of the material IROs are set out under the indicator "IRO 1".

In the same context, according to the Double Materiality Assessment made by the Group, the requirements established in ESRS E1 (Climate Change) were considered material. The assessment determined that both the impacts deriving from our business activities and the risks and opportunities associated with climate change were significant for the Ebro Group and its stakeholders.

The disclosure requirements complied with in preparing this Statement, following the outcome of the materiality assessment, are listed in the Content Index required by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards Sustainability Reporting Standards. This index includes the page numbers and/or paragraphs where the related disclosures are located in this Statement. A content index referring to Act 11/2018, indicating all the requirements of that regulation complied with in this Statement is also included in the annexes hereto.

See Annexes 5.2. and 5.4.

[MDR-P] Policies of the Ebro Foods Group

To define the general guidelines of the Group and the integration of ESG criteria in our business model, the Group is governed by the following policies and principles of action approved by the Board of Directors:

This legal framework is subject to continuous review to ensure its timely adaptation to any new regulatory directives and incorporate the best practice and indications in the matter.

POLICY	LINK	ASSOCIATED STANDARD	KEY POINTS	SCOPE OF APPLICATION	APPROVED BY	OVERSIGHT & IMPLEMENTATION
Code of Conduct of the Ebro Foods Group	Code of Conduct	**E2** **S1** **S3** **S4** **G1**	The Code of Conduct of the Ebro Group is binding on each and all of the Professionals, regardless of their hierarchical level, position and geographical location. The Code is also binding, on the terms set out herein, on customers, suppliers, shareholders and other stakeholders with which the Ebro Foods Group interacts in its operations insofar as the values, principles and rules set out herein may be applicable to them and the Group has the power to enforce them. This Code contemplates the following commitments: • Commitment to Human Rights • Professional loyalty • Professional development and training • Work-life balance • Pay policy • Commitment to health and safety • Right to privacy and data protection • Conflicts of interest • Confidential information • Relations with suppliers • Relations with consumers and customers • Relations with rivals • Relations society • Sponsorships and social action • Relations with authorities, regulatory bodies and governments • Anti-corruption, bribery, illegal commissions, influence peddling and money laundering • Whistleblowing channel	Ebro Group	Board of Directors	Implementation & oversight: Audit, Control and Sustainability Committee Regular oversight: Board of Directors of Ebro Foods

POLICY	LINK	ASSOCIATED STANDARD	KEY POINTS	SCOPE OF APPLICATION	APPROVED BY	OVERSIGHT & IMPLEMENTATION
Supplier Code of Conduct of the Ebro Foods Group	Supplier Code of Conduct	**E2 E4 S2 S4**	The Supplier Code of Conduct is applicable to all the Suppliers of companies in the Ebro Foods Group, without prejudice to any specific provisions that may be applicable in accordance with the local laws, customs and practice in different jurisdictions. This Code is also applicable to the Group companies and professionals (i.e. directors, executives and employees), who must foster compliance with the Code by the Suppliers they deal with. This Code establishes the guidelines to be followed by all Suppliers who contract with the Group, especially those operating in countries rated as high risk by the International Labour Organisation. It contemplates the following principles of action: • Commercial Integrity • Labour Rules • Human Rights • Child Labour • Forced or compulsory labour • Freedom of Association and Collective Bargaining • Equal opportunities and Discrimination • Salaries and working hours • Health and Safety • Workplace • Environment • Compliance with the Code	Ebro Group Suppliers of the Group	Board of Directors	Implementation & oversight: Audit, Control and Sustainability Committee
Social Policy of the Ebro Foods Group	Social Policy	**S3 S4**	The commitment to the social needs and creation of value for local communities is one of the strategic focal points of its Corporate Social Responsibility Policy of the Ebro Foods Group. For this reason, all social action will be conducted in accordance with the principles of transparency, adaptability and value added. Social action shall refer mainly to the following areas, without prejudice to any others that may be considered: • assistance and social integration in the Group's areas of influence; • projects related with education and access to employment; • donations of food produced by the Group; • social and environmental crop standard development programmes leading to sustainable farming; and • promotion of healthy eating, offering consumers a broad range of Group products focusing on the Health segment.	Ebro Group Ebro Foundation	Board of Directors	Board of Directors Annually: JGA

POLICY	LINK	ASSOCIATED STANDARD	KEY POINTS	SCOPE OF APPLICATION	APPROVED BY	OVERSIGHT & IMPLEMENTATION
Sustainability, Environment and Corporate Social Responsibility Policy of the Ebro Foods Group	Sustainability, Environment and Corporate Social Responsibility Policy	E1 E2 E3 E4 E5 S1 S2 S3 S4 G1	The Group undertakes, as an essential principle in its actions, the creation of a business model that is respectful of and sustainable for the environment and society overall and, while ensuring value, profitability and competitiveness, it promotes diversity, respect for human rights, tax responsibility and the prevention of corruption, thus contributing towards the progress of society and generating trust among our stakeholders. Through this Policy, the Group makes sustainable growth the pillar of its business management strategy, committing itself, together with its stakeholders (professionals, shareholders, communities, public and environment) to: i. social well-being, diversity, environmental balance and social and economic progress; and ii. tax responsibility, respect for human rights and prevention of corruption and other illicit conduct. Establishing the following principles of action: • Ethical business management and compliance with the law • Minimising of risks • Financial sustainability and long-term focus • Labour relations • Human rights • Generation of value for the community • Sustainability of the value chain • Protection of the environment • Relations with stakeholders • Rendering of accounts and transparency	Ebro Group Ebro Foundation	Board of Directors	Audit, Control and Sustainability Committee Communication and Corporate Social Responsibility Department
Policy against Corruption and Bribery of the Ebro Foods Group	Policy against corruption and bribery	G1	This Policy is based on the principle of "zero tolerance" of corruption and fraud in business. This principle is absolute and prevails over any kind of economic benefit that may be obtained for the Group and/or its professionals. Over and beyond mere observance and compliance with the laws and standards applicable to each of the companies in the Ebro Group because of the business they perform or the countries in which they operate, this Policy is governed by principles of maximum transparency, honesty, integrity and responsibility. The Policy establishes the rules of conduct to be followed in respect of: a. bribery, illegal commissions, influence peddling and money laundering; b. acceptance or offering of gifts and courtesies; c. dealings with authorities, regulatory bodies and government agencies; and d. social action and/or sponsorship activities. The Policy also indicates what conduct is prohibited in these areas.	Ebro Group Ebro Foundation	Board of Directors	Audit, Control and Sustainability Committee

POLICY	LINK	ASSOCIATED STANDARD	KEY POINTS	SCOPE OF APPLICATION	APPROVED BY	OVERSIGHT & IMPLEMENTATION
Risk Control and Management Policy of Ebro Foods, S.A.	Intranet; this Policy is private and is only available for employees of the Ebro Group	**G1**	This Policy lays down the basic principles and general framework for control and management of the business risks, including tax risks, and internal control of financial reporting to which the Company and other companies in the Ebro Foods Group are exposed. By setting these basic rules and principles of the system it is intended to establish the criteria to be observed by the management of the Group businesses in the handling and management of the risks to which they are exposed. This Policy lays down the basic principles and general framework for internal control of financial reporting for risks to which the Group is exposed: • Identification of risks • Risk control and management system • Risk mitigation measures and tolerance • Bodies responsible for the control and management of risks, including tax risks, and control of financial reporting	Ebro Group	Board of Directors	Board of Directors Audit, Control and Sustainability Committee Risks Committee Internal Audit Department
Policy on the internal reporting system and whistleblower protection of the Ebro Foods Group	Policy on the internal reporting system and whistleblower protection	**S1**	This Group Policy is applicable to all and any reporting of potential irregularities or breaches of the laws applicable to the Company and its Group that may be made through any of the internal reporting channels by anyone who has acquired that information within the context of an employment or professional relationship with the Company or any of the other companies in the Ebro Group. The Internal Reporting System is the preferential channel for reporting any action or omission that may constitute: i. breaches of EU Law on the terms stipulated in Act 2/2023; or ii. serious or very serious criminal or administrative breaches. For this purpose, the Internal Reporting System guarantees that the reports will be handled effectively and the whistleblower will not suffer any retaliation for reporting. The Internal Reporting System is designed as a component of the Ebro Group's compliance structure, along with the Code of Conduct, the Crime Prevention Model, the corporate policies approved by the Board of Directors and other components of that structure, particularly the Risk Control and Management Policy.	Ebro Group Ebro Foundation	Board of Directors	Oversight: Chair of the Audit, Control and Sustainability Committee System Administrator: Secretary of the Board of the Company

POLICY	LINK	ASSOCIATED STANDARD	KEY POINTS	SCOPE OF APPLICATION	APPROVED BY	OVERSIGHT & IMPLEMENTATION
Policy on the Selection of Directors and Diversity in the Composition of the Board of Directors of Ebro Foods S.A.	Intranet; this Policy is private and is only available for employees of the Ebro Group	**S1**	This Policy, applicable exclusively to the Directors of the Ebro Group, establishes the following "Applicable Principles " (point 4):: • All nominations for the selection of candidates shall be based on a prior analysis of the needs of the Board. The outcome of this analysis shall be set down in the reasoned report issued by the Nomination and Remuneration Committee, which shall be published on calling the general meeting at which the ratification, appointment or re-election of each director is to be laid before the shareholders. • Endeavours shall be made at all times to favour the diversity of expertise, experience, age and gender on the Board. • In the selection process, efforts shall be made to avoid any implicit bias that may entail discrimination on whatsoever grounds against any of the candidates. • In a situation in which the candidates are in equal conditions, the one whose gender is least represented on the board at that time shall be chosen. • The Company has set the target for the gender least represented on the Board to account for no less than 40% of all the Board members by the end of 2022 and thereafter.	Board of Directors	Board of Directors	Nomination and Remuneration Committee
Remuneration Policy for Directors of Ebro Foods, S.A.	Remuneration Policy for Directors	**S1**	With regard to the determination of this Policy, based on the regulation in laws and the articles of association and the principles set out above, the company's Nomination and Remuneration Committee prepares a proposed Remuneration Policy for Directors for each three-year period and submits it to the Board of Directors for consideration, together with the corresponding specific report. The Board must then adopt a reasoned decision as to whether to table a motion for its approval at the General Meeting, pursuant to section 529 novodecies of the Corporate Enterprises Act. This Policy, valid for the years 2025-2027, contains the following points: • Internal regulation on Directors' remuneration • Principles and targets governing Directors' remuneration • Contribution of the policy to the long-term strategy, interests and sustainability • Process for determining the Remuneration Policy for Directors • Pay and employment conditions of workers in the Company considered when establishing the remuneration policy • Remuneration of the Directors as such • Structure of Directors' Remuneration • Aspects to be considered in the event of future incorporation of other executive directors • Validity	Board of Directors	General Meeting of Shareholders	Nomination and Remuneration Committee

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