ESRS E4
BIODIVERSITY AND ECOSYSTEMS

List of IROs associated with E4

Impacts, Risks and Opportunities

CODE	DESCRIPTION	IMPACT		VC	TIME HORIZON	POLICIES ASSOCIATED WITH IRO
		BIODIVERSITY				
IP-17	Creation of agricultural habitats with high ecological value (wetlands, habitats of protected species, etc.)	I+	**P**	Ups	Medium term	Sustainability, Environmental and Corporate Social Responsibility Policy
IN-19	Land degradation and loss of soil properties as a result of intensive farming practices in the suppliers' sourcing areas.	I-	**P**	Ups	Short term	Supplier Code of Conduct
R-12	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**	Ups OO Down	Short term	

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

KEY: Value Chain (VC)
Ups: Upstream OO: Own Operations Down: Downstream

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

***(16b,16c)**

The material IROs related to biodiversity are associated with aspects of the value chain, especially operations involving the raw materials used in that chain and its business model.

The creation of agricultural habitats with high ecological value (wetlands, habitats of threatened species, etc.) is considered a positive impact. How rice and cereals are grown has a direct influence on whether a habitat is favourable for many species, in some cases protected species like the bustard.

It is estimated that rice crops account for up to 15% of the global area of wetlands, with a high ornithological value (source: International Rice Research Institute). Moreover, the rice crop is essential for numerous communities with a high dependence on the crop, and its growing production (FAO) is essential to feed a large percentage of the population at risk of poverty. The Group considers it strategic to collaborate with local communities to

protect that population and their territory and thus protect its value chain and differentiate and guarantee its raw materials.

At the same time, land degradation and the loss of soil properties as a result of intensive agricultural practices in the sourcing areas was identified as a possible adverse impact. As described in section ESRS 2 SBM 1, the Group does not produce the raw material it processes and sells, but our relationships with suppliers are covered in our Sustainability, Environment and Corporate Social Responsibility Policy and Supplier Code of Conduct (see E4-2). While seeking excellence in its products and security in its supply chain, the Group actively supports sustainable agriculture programmes to regenerate crop lands and boost their productivity.

The risk was detected of a possible increase in operating costs as a result of diminishing agricultural production due to the loss of soil properties or high temperatures, which reduce crop yield.

This risk is related with the possible positive and negative impacts mentioned in the preceding paragraphs and their inclusion in our strategy and remediation actions.

We did not identify any threatened species linked to the operations of the Ebro Group.

IRO-1. Description of processes to identify and assess material biodiversity-related impacts, risks and opportunities

***(17a-d,19)**

The process for identifying the IROs is described in ESRS 2 SBM 3 and IRO 1. In particular, we considered: (i) the physical locations of the Group's plants and facilities and its sourcing areas, paying special attention to those that are near protected areas -the Riviana plant in Freeport (Texas, USA), which is near a protected area of wetland of the Brazos River; and Tilda's pier on the River Thames (UK)-, (ii) sectoral studies on the environmental impact of rice and wheat crops, (iii) studies on the possible impact that their production could have on temperature rises or the shortage of water resources, (iv) sectoral studies on the possible impact of these crops on the appearance of pests and/or diseases that affect biodiversity as a result of the accumulation of biomass, and (v) analysis of community dependencies on this type of crops.

The assessment considered the stakeholders and local communities with whom the Group has continuous contact through agricultural support programmes and the design and building of infrastructures, although no specific consultations were made.

Three IROs were identified as material in the Double Materiality Assessment through the assessment of information on this topic: one positive impact, one negative impact and one risk. They are all essentially related with the Group's value chain. These IROs are described in this ESRS E4 SBM-3 together with their interaction with the Group's strategy.

In the qualitative assessment, we considered the possible dependencies of the IROs considered, such as the possible risk of an increase in operating costs deriving from the negative impact of a possible reduction of biodiversity resulting from the Group's operations or value chain.

When assessing the IROs we considered possible physical risks (location of facilities and production areas) and transition risks (greater regulatory requirements regarding those physical risks), but we did not assess different scenarios such as those defined by the Taskforce on Nature-related Financial Disclosures, nor were they quantified.

In the Double Materiality Assessment no Group facilities were identified as having a material adverse impact on a biodiversity-sensitive area.

E4-1. Transition plan and consideration of biodiversity and ecosystems in strategy and business model

***(13a)**

No assessment was made of the resilience of the Group's strategy and business model to biodiversity and ecosystems-related physical, transition and systemic risks, nor has it yet been determined whether such assessment will be made in the future.

E4-2. Policies related to biodiversity and ecosystems

***(22,23,24a,b,65)**

SUSTAINABILITY, ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY POLICY	
MDR-P 65(a)	**Contents:** Through this Policy, the Group makes sustainable growth the pillar of its business management strategy, undertaking commitments to its principal stakeholders, namely its professionals, shareholders, communities, public and environment. The environment-related principles, commitments, targets and strategy, especially those related to biodiversity, establish the undertaking to protect biodiversity. Oversight and monitoring fall within the remit of the Audit, Control and Sustainability Committee, which reports to the Board of Directors.
MDR-P 65(b)	**Scope:** Ebro Group
MDR-P 65(c)	**Most senior level accountable for implementation:** The Board of Directors is the body responsible for its approval
MDR-P 65(d)	**Disclosure of third-party standards or initiatives to which Group commits** • Section 529 ter Corporate Enterprises Act (LSC) • Principle 24 of the Code of Good Governance of the National Securities Market Commission (CNMV)
MDR-P 65(e)	N/A
MDR-P 65(f)	**Availability:** The Policy is available on the Group's corporate website (Politica-sostenibilidad-medioambiente-y-responsabilidad-social-corporativa).

This Policy does not directly address any of the following points related with biodiversity:

- Contribution to direct impact drivers on biodiversity loss (climate change, land-use change, direct exploitation, invasive alien species, pollution, etc.)
- Impacts and dependencies on ecosystem services
- Traceability of products, components and raw materials with impacts on biodiversity

- Production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity
- Social consequences of biodiversity and ecosystems-related impacts
- Operational sites of the Ebro Group located near protected areas, as they were not identified as material in the Double Materiality Assessment.

However, as mentioned in point E1-3, the Group has projects to promote sustainable agriculture as a best practice not contemplated in the Sustainability, Maintenance and Corporate Social Responsibility Policy.

E4-3. Actions and resources related to biodiversity and ecosystems

***(27)**

As indicated in SBM-3, the creation of agricultural habitats with high ecological value (wetlands, habitats of threatened species, etc.) is considered a positive impact. How rice and cereals are grown has a direct influence on whether a habitat is favourable for many species, in some cases protected species.

In the AWD project developed by Ebro India (see E1-3), growers were given training and counselling on the benefits of integrated pest management, an approach that moves away from a system based mainly on pesticides to use more alternative pest control solutions that favour biodiversity. The growers were supplied with free pheromone traps to attract insects. Trapping of these insects gives growers visibility of the level of infestation in the fields, enabling them to apply plant health products more precisely and in smaller quantities. They were also given straw bales to create a habitat for spiders, which act as a natural form of biological pest control.

E4-4. Targets related to biodiversity

***(31)**

The Ebro Group has not established targets related to biodiversity.

TRACKING THE EFFECTIVENESS OF POLICIES AND ACTIONS

The Group does not have a structured, homogeneous, Group-level process to track the effectiveness of its biodiversity-related actions. Nor has a specific level of ambition been established, or a reference period to measure progress in this area. However, some of our subsidiaries have developed specific initiatives that may have a positive impact on biodiversity, such as sustainable agriculture projects or the AWD project in India, which promotes integrated plague management reducing the use of pesticides. In the future, the Group might consider developing a more systematic approach in this matter, analysing its impact on ecosystems in greater depth and establishing metrics to enable assessment of its contribution.