

ESRS S2

WORKERS IN THE VALUE CHAIN

List of IROs associated with S2 (SBM-3)

Impacts, Risks and Opportunities

CODE	DESCRIPTION	IMPACT	VC	TIME HORIZON	POLICIES ASSOCIATED WITH THE IRO	
VALUE CHAIN RESPONSIBLE						
IP-38	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	Ups OO Down	Short term	Supplier Code of Conduct Sustainability, Environmental and Corporate Social Responsibility Policy
IN-39	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	Ups OO Down	Short term	Supplier Code of Conduct
O-29	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	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

*11,12,13

Most of the workers in the Ebro Foods Group value chain are in the following groups:

Upstream

- * Suppliers of agricultural raw materials (growers, mills, cooperatives and traders): Europe, North America, Argentina, Uruguay, India and Southeast Asia.
- * Suppliers of auxiliary raw materials: Europe, North America and Asia.
- * Logistics and service providers: geographical areas in which the Group has established subsidiaries (Europe, Africa, America and Asia).

Own operations

- * Service providers: geographical areas in which the Group has established subsidiaries (Europe, Africa, America and Asia).

DOWNSTREAM

- * Logistics providers: geographical areas in which the Group has established subsidiaries (Europe, Africa, America and Asia).

The value chain workers with potential exposure to material positive and negative impacts are upstream, especially in emerging countries in southeast Asia, India and Pakistan, where labour laws are as yet less developed. In this regard, the risk assessment made by Ebro Foods on its supply chain with the international risk assessment platform [Countryrisk.io](https://countryrisk.io) (section SUPPLY CHAIN RANKING) enabled us to identify that one of the specific groups with a higher risk of damage is that of women, since in countries such as Morocco, Thailand or India, they still face significant barriers to access the same labour opportunities and conditions as men, due to factors such as sociocultural rules, pay gaps and less access to resources and training, especially women who work in the fields. Accordingly, in the Action Plan we will develop within the next three years, one of the guidelines to be followed will be to take specific actions to improve the working conditions of this group.

In the same assessment, we found that the geographical areas with significant risks of child or forced labour are the same as those mentioned above: i.e. southeast Asia, India and Pakistan.

MATERIAL IMPACTS ON VALUE CHAIN WORKERS

As seen in the table of IROs included at the beginning of this chapter, our Double Materiality Assessment (DMA) did not identify any actual negative impacts on the workers in our supply chain, but it did detect a potential negative impact related to the possible impairment of workers' work-life balance due to the absence of a regulation defining the work calendar and working hours, which is assessed in the social/ethics audits made in different Group companies.

Moreover, in order to strengthen cohesion and relations with our suppliers and service providers, the Group regularly develops different initiatives to generate a direct positive impact on workers in the value chain, focusing particularly on upstream workers as they are more exposed to risk.

- * In the area of agricultural raw materials, the Group shares with its suppliers its considerable expertise in the promotion and investigation of sustainable environmental practices applicable to the crop, contemplating as principal and end-targets: (i) higher incomes for growers, (ii) optimised agricultural yields and (iii) climate change mitigation.

- * In addition, the Group companies that manage the global sourcing of the raw material rice are working together with their agricultural suppliers on the assessment and verification of the crop sustainability under the FSA standard of the Sustainable Agriculture Initiative Platform (SAI Platform) or the SRP standard of the Sustainable Rice Platform. The use of one standard or the other depends on the geographical area. In some cases, they are also collaborating with those suppliers to obtain the Organic Farming or Fair Trade seals, thus giving their crops a boost in sustainability and quality that will enable them to access a larger number of customers and increase their revenues.
- * Training actions in different topics, such as health and safety, regulatory changes in the relevant regions, enhanced use of plant health products, etc., furthering our direct collaboration with suppliers.

According to the DMA of the Ebro Group, there are no risks deriving from the impacts and dependencies on value chain workers, overall or on particular or specific groups. On the contrary, there is a double potential opportunity for the Group: it can improve its reputation by establishing trading relations with ethical, social and environment selection criteria, which would lead to increased engagement with these workers and, consequently, increased productivity.

S2-1. Policies related to value chain workers

*16,17,18 & 19

SUPPLIER CODE OF CONDUCT OF THE EBRO FOODS GROUP	
<p>S2-1; 18</p> <p>MDR-P 65(a)</p>	<p>Contents:</p> <p>Apart from the Group's Code of Conduct, Suppliers' actions will also be governed by the following rules and principles:</p> <ul style="list-style-type: none"> • Commercial integrity • Labour rules • Human Rights • Child labour • Forced or compulsory labour • Freedom of association and collective bargaining • Equal opportunities and non-discrimination • Wages and working hours • Health and safety • Workplace • Product safety and quality • Environment • Compliance with the Code
<p>S2-1; 18</p> <p>S2-1; AR15</p>	<p>The Supplier Code of Conduct sets out the Group's commitments to the Human Rights (point 3.3) of the workers in its supply chain, establishing clear guidelines in the following points on:</p> <ul style="list-style-type: none"> • (point 3.4.) Child labour: Children below 15 years of age, or below the minimum age of employment permitted by the ILO conventions shall not be contracted or employed. • (point 3.5.) Forced or compulsory labour: All forms of labour exploitation and forced or compulsory labour are expressly prohibited. • (point 3.6.) Freedom of association and collective bargaining: Suppliers shall recognise their employees' right to form part of collective associations representing workers' interests, in accordance with the applicable laws.
<p>MDR-P 65(b)</p>	<p>Scope:</p> <p>The Code 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. It 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.</p>
<p>MDR-P 65 c)</p>	<p>Most senior level accountable for implementation:</p> <p>The Group reserves the right to supervise and check compliance by its Suppliers of the rules and principles laid down in this Code.</p>

SUPPLIER CODE OF CONDUCT OF THE EBRO FOODS GROUP

MDR-P 65(d)	Disclosure of third-party standards or initiatives to which Group commits
S2; 19 ; AR14	<ul style="list-style-type: none"> • Universal Declaration of Human Rights • United Nations Guiding Principles on Business and Human Rights • ILO Conventions and Recommendations
MDR-P 65(e)	N/A
MDR-P 65(f)	Availability:
S2; AR16	The Supplier Code of Conduct is available on the Group's corporate website (<u>Código-de-Proveedores</u>). Privately, this Policy is also in the different intranets of the Group and must necessarily be made available to any supplier/service provider in the Group's supply chain.

SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY POLICY

MDR-P 65(a)	<p>Contents:</p> <p>The Group thus 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.</p> <p>With regard to our own value chain workers, the stakeholder being "Our Public" (point 6.6), the Policy establishes the same principles and rules as the Supplier Code of Conduct, such that:</p> <p>"Suppliers are required to act in line with the principles and rules established in the Group in respect of the following matters:</p> <ul style="list-style-type: none"> • Commercial integrity • Labour rules • Human Rights • Child labour • Forced or compulsory labour • Freedom of association and collective bargaining • Equal opportunities and non-discrimination • Wages and working hours • Health and safety • Workplace • Product safety and quality • Environment".
S2-1; 18	This Policy is supplemented and developed by the other Policies and internal regulations of the Ebro Group, particularly the Group's Code of Conduct, Supplier Code of Conduct and the Policies on Social Action; Communication of Financial, Non-Financial and Corporate Information; Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors; Risk Control and Management; and Corruption and Bribery.
S2-1; 18	This Policy is supplemented and developed by the other Policies and internal regulations of the Ebro Group, particularly the Supplier Code of Conduct (Group COCP)
S2-1; AR15	<p>It thus sets out the Group's commitments to the Human Rights (point 3.3), establishing clear guidelines in the following points on:</p> <ul style="list-style-type: none"> • (point 3.4.) Child labour; • (point 3.5.) Forced or compulsory labour; and • (point 3.6.) Freedom of association and collective bargaining.
MDR-P 65(b)	<p>Scope:</p> <p>The Policy is applicable to the Company and the Group. The Group companies may also develop their own internal regulations on any subject-matter falling within the scope of this Policy, provided they do not contradict the principles established herein or in other applicable internal Policies or Codes related with this one and lay down more stringent requirements.</p>
MDR-P 65(c)	<p>Most senior level accountable for implementation:</p> <p>The Board of Directors is responsible for its approval and the Audit, Control and Sustainability Committee for its supervision and implementation</p>
MDR-P 65(d)	Disclosure of third-party standards or initiatives to which Group commits
S2; 19; AR14	<ul style="list-style-type: none"> • Universal Declaration of Human Rights • United Nations Guiding Principles on Business and Human Rights • ILO Conventions and Recommendations • Conformity with section 529 ter of the Corporate Enterprises Act ("LSC")
MDR-P 65(e)	N/A

SUSTAINABILITY, ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY POLICY

MDR-P 65(f)	Availability: This Policy is available on the Group's corporate website (Politica-sostenibilidad-medioambiente-y-responsabilidad-social-corporativa).
S2; AR16	Privately, this Policy is also in the different intranets of the Group and must necessarily be made available to any supplier/service provider in the Group's supply chain.

OUR COMMITMENT TO WORKERS IN THE VALUE CHAIN

The Ebro Group is firmly committed to sustainability and social responsibility throughout its value chain, incorporating ethical and environmental principles and respect for Human Rights in its business model. This commitment is developed through policies and regulations that guarantee protection of workers, compliance with international standards and promotion of responsible business practices. In particular, the Group strengthens its focus on Human Rights through the following key policies:

- i Supplier Code of Conduct:** This sets out the Group's Human Rights commitments relevant to the workers in our supply chain. In point 3, it lays down clear guidelines for the elimination of discrimination in respect of employment and occupation, eradication of forced or compulsory labour, effective abolition of child labour and respect for their rights to freedom of association, union membership and collective bargaining, in compliance with the laws in place.
- ii Sustainability, Environment and Corporate Social Responsibility Policy:** This establishes the Group's framework for action in respect of responsible business practices, making sure our suppliers operate under criteria of ethics, sustainability and respect for fundamental rights. In point 6.6., it specifies that the Ebro Group requires its suppliers to act in line with the Group's principles and rules (Code of Conduct) in the following key matters:
 - ✳ **Commercial integrity:** foster ethical and transparent business practices, securing action against corruption, bribery and any form of fraud in their trade relations.
 - ✳ **Labour rules:** promote decent working conditions, guaranteeing protection of the workers' rights established in international standards.
 - ✳ **Human Rights:** respect and protect the fundamental rights of all value chain workers, avoiding any form of abuse, exploitation or degrading treatment.
 - ✳ **Child labour:** prohibit the hiring of minors at any stage in the supply chain, ensuring that suppliers comply with local and international laws and regulations on the minimum age of employment.
 - ✳ **Slavery, servitude or forced labour:** eradicate any form of forced or compulsory labour, debt bondage or human trafficking within the supply chain.
 - ✳ **Freedom of association and collective bargaining:** guarantee workers' right to organisation, union membership and collective bargaining without fear or retaliation.
 - ✳ **Equal opportunities and non-discrimination:** ensure fair access to employment and professional development, eliminating any discrimination on the basis of gender, race, religion, sexual orientation or any other personal or social condition.
 - ✳ **Wages and working hours:** guarantee compliance with legal and regulatory standards regarding fair remuneration, working hours, rest and overtime.
 - ✳ **Health and safety at work:** require suppliers to adopt preventive measures and safety protocols that guarantee a safe and healthy work environment.
 - ✳ **Product safety and quality:** uphold high standards in the production and distribution of goods, ensuring that the products are safe and comply with quality standards.

- ✱ **Environmental protection:** implement sustainable practices throughout the supply chain, minimising environmental impact and promoting efficient use of natural resources.

This regulatory framework is aligned with:

- ✱ The Universal Declaration of Human Rights
- ✱ United Nations Guiding Principles on Business and Human Rights
- ✱ The ILO Fundamental Rights and Principles

Through the establishment of these policies and by joining the UN Global Compact, the Group pursues a double objective: (i) to guarantee compliance with international standards and (ii) to promote a culture of integrity and responsibility throughout our value chain. To reinforce this commitment, the Group has developed a structured approach for the detection, prevention and remediation of possible breaches -actual or potential- in respect of Human Rights throughout our value chain, consisting of the progressive implementation of a due diligence system that contemplates several tools for the management and remediation of impacts, such as: (i) monitoring and control mechanisms, (ii) human rights training, (iii) fostering of best practices and (iv) specific grievance channels. In particular, the Ebro Group has created an Internal Reporting System (IRS) that centralises and guarantees the protection of whistleblowers who act in good faith. This system incorporate the different complaints channels in the Group and provides a Corporate Whistleblowing Channel available for all stakeholders through the corporate website www.ebrofoods.es/contacto/ and other internal means.

We have not to date identified any breaches of the UN Guiding Principles, the ILO Declaration of Fundamental Rights and Principles in the workplace or the OECD Guidelines for Multinational Enterprises in relation to value chain workers.

S2-2. Processes for engaging with value chain workers about impacts

*(22,23)

The Group uses two tools to gain an insight into the perspectives of value chain workers: on the one hand, social audits, which provide information on working conditions and respect for Human Rights; and on the other hand, frequent visits and meetings held by the Procurement departments of our subsidiaries with suppliers and service providers to check compliance with ESG standards and promote best practices, enabling them to obtain workers' views directly. These processes are applied equally to all groups in the chain because the Group has not deemed it necessary to apply any special measures for groups that might be considered particularly vulnerable, upholding that its actions cover all the possible spectra.

The Group engages either directly with suppliers (in respect of individual growers) or with representatives of the supply undertaking (in other cases) to verify fulfilment of its commitments. This engagement is carried out continuously throughout the trading relationship. Audits are valid for around two to three years, although the Group is in the process of designing a plan with structured timing, to be developed over the period 2025-2027. In some specific cases, the audits can be made annually.

The operational responsibility for company-supplier relations corresponds to the Procurement departments of the Group companies, and the effectiveness of engaging with them is assessed by tracking the incidents or breaches reported through the corporate Whistleblowing Channel, the outcomes of the social audits and, when working with agricultural suppliers, by monitoring and following up on the results achieved after the implementation of best practices.

Apart from the global framework provided by the United Nations Global Compact, the Group has no global framework agreements with unions or other bodies related with respect for Human Rights in value chain workers.

S2-3. Processes to remediate negative impacts

*(27,28)

WHISTLEBLOWING CHANNEL AND GRIEVANCE MECHANISMS

During 2023, in pursuance of Act 2/2023 transposing the EU Whistleblowing Directive into national law, the Ebro Group established an Internal Reporting System (IRS).

Within the structure of the IRS, a Corporate Whistleblowing Channel has been enabled for the entire Group, through which anyone can inform Ebro Foods, S.A., as parent of the Group, of any possible irregularities detected in any of the Group companies. This Channel does not replace the complaints channels that some of our companies have established in pursuance of their local laws, but supplements them and has been implemented alongside the subsidiary's channel.

The Corporate Whistleblowing Channel is available for all stakeholders on the Group's corporate website, in the section "Contact" <https://www.ebrofoods.es/contacto/> and on the websites of the different subsidiaries. In companies that do not have a website, it is advertised through other channels, such as within the signatures on e-mails, on notice boards, etc.

In the parent it is also possible to access the Channel from its intranet, where we have created a section called "Internal Reporting System of the Ebro Group", which contains the link to the channel, called Access to the Corporate Whistleblowing Channel of the Ebro Foods Group.

To date, Ebro Foods has not assessed whether the workers in our value chain are familiar with and trust the channel as a tool for reporting their concerns. However, it intends to incorporate this assessment in its action plan for the next three years.

S2-4. Taking action to manage IROs

*(32)

ACTIONS TO AVOID, MITIGATE AND REMEDIATE NEGATIVE IMPACTS

The Double Materiality Assessment made by Ebro Foods did not identify any actual material negative impacts on our supply chain. However, with a view to responding to any potential negative impact, the Group uses the Sedex Members Ethical Trade Audit (SMETA) protocol as a tool to reinforce its monitoring and control of respect of Human Rights, both within and outside the Group perimeter. The SMETA audit protocol is a method for assessing internal manufacturing sites according to a common set of corporate social responsibility standards developed for the consumer goods industry. In the specific case of our supply chain, apart from our corporate account on the Sedex Platform (where all the Group companies have already been registered and their respective suppliers are currently being registered), we continue enhancing our due diligence systems on Human Rights by developing internal capacities, frequent meetings and visits by Procurement Departments to their suppliers and the incorporation of best practices.

Social audits

The audits carried out by the Ebro Group are essentially SMETA audits, although on occasions they are made under BSCI (Business Social Compliance Initiative).

SMETA audits include an assessment of key aspects such as labour standards, health and safety, the environment and business ethics, applying version 6.1 of the SMETA best practices. They cover all types of workers at the site, including direct employees, agency workers, employees of service providers and subcontracted workers.

The audits are based on different regulatory documents. A 2-pillar SMETA audit assesses fundamental aspects such as the Ethical Trade Initiative (ETI) Base Code, specific SMETA additions, universal rights according to the UN Guiding Principles, systems for management and implementation of the code, responsible recruiting, the right to work and immigration, as well as outsourcing and working from home. In a 4-pillar audit, in addition to the aspects mentioned above, specific assessments are included on the environmental impact and business ethics, along with compliance with the customer's Supplier Code.

Any non-compliance detected in respect of the ETI Code, the SMETA additions or local laws is recorded in the audit report, in the Corrective Action Plan Report (CAPR) and on the Sedex platform. However, when a non-compliance refers exclusively to requirements of the customer's Supplier Code and not the ETI Code or local laws, it is not reflected in Sedex, but is documented as an observation in the CAPR under the section "Variations in compliance between the ETI Code / SMETA Additions / Local laws and the Customer's Supplier Code".

In short, SMETA audits are used to assess compliance by a company in the supply chain in relation to labour rights, working conditions, environmental impact and ethical standards, ensuring identification of opportunities for improvement and implementation of the necessary measures to guarantee a responsible, sustainable labour and business environment.

SMETA audits made during the year

74 SMETA audits were made in 2024, 12 more than in the previous year, on different suppliers in the Ebro Group's supply chain in countries such as Argentina, Italy, India, Thailand, France, United Kingdom and Pakistan.

Once the SMETA audit report has been issued, these audits are valid for at least 12 months, although in some cases they may have a longer validity. It is also possible for a supplier to be submitted to a partial monitoring audit to check that actions for improvement have been put into place to reduce the possibility of an actual or future risk.

In this regard, 6 of the 74 audits made in 2024 were made for this purpose. For example, in Pakistan a SMETA audit made by LRQA identified a Non-Compliance (NC) related with the fact that "the overtime bonus was not paid in compliance with the law", in reference to ETI Code 6.3. To remedy this situation, we worked with the supplier to implement a corrective action plan establishing that the plant should operate with 8-hour shifts, guaranteeing payment of the overtime worked with the corresponding bonus, in pursuance of the laws in place and the requirements of the EIT Code. Consequently, in the monitoring made 60 days later, the Non-Compliance was found to have been resolved satisfactorily.

COUNTRY	DATE OF AUDIT	AUDITORS
Argentina	22/07/2024	DNV
	01/07/2024	Bureau Veritas Certification
	10/07/2024	
	03/07/2024	
Belgium	12/02/2024	SGS CBE Belgium
	23/05/2024	DNV
Brazil	15/07/2024	Intertek Brazil
Cambodia	28/11/2024	SGS (Cambodia) Limited
China	15/10/2024	Intertek Shenzhen
	02/08/2024	SGS_China
France	08/10/2024	DNV
	16/07/2024	SGS France
	04/06/2024	
	13/11/2024	
	26/08/2024	Bureau Veritas Certification
	18/09/2024	
	09/01/2024	Intertek France
Germany	19/02/2024	Intertek Germany
	22/07/2024	
	09/09/2024	Bureau Veritas Certification
Greece	28/05/2024	Intertek Bulgaria
	29/05/2024	
Hungary	18/09/2024	SGS CBE Hungary
India	22/07/2024	URS Certification Limited
	15/07/2024	DQS CFS GmbH
	09/05/2024	Intertek India
	17/09/2024	SGS ASIA
Ireland	12/02/2024	SGS_UK
	13/02/2024	
Italy	02/04/2024	LRQA
	19/08/2024	LRQA
	20/02/2024	BUREAU VERITAS CPS - EMEA
	26/09/2024	
	28/10/2024	
	13/02/2024	
	28/08/2024	
	27/08/2024	SGS Italy
	26/08/2024	
	29/08/2024	
	26/06/2024	
	20/05/2024	
	11/11/2024	Intertek Italy
	11/03/2024	
	18/12/2024	
	21/02/2024	
	26/11/2024	
	10/07/2024	
	10/07/2024	Eurofins Consumer Products Assurance
Mexico	13/06/2024	Intertek Mexico

COUNTRY	DATE OF AUDIT	AUDITORS
Pakistan	16/09/2024	LRQA
	12/02/2024	TUV Rheinland (TUEV Rheinland)
	28/11/2024	ALGI Pakistan
	12/11/2024	ALGI Pakistan
	04/07/2024	LRQA
	29/02/2024	Control Union
Peru	02/02/2024	Intertek Peru
	09/07/2024	SGS DEL PERU S.A.C.
	12/08/2024	SIPAS CR-PERU
Spain	08/03/2024	SGS Spain
	08/10/2024	Bureau Veritas Certification
Thailand	08/07/2024	SGS Thailand
	24/09/2024	
	14/05/2024	
	10/07/2024	
Turkey	21/08/2024	DQS CFS GmbH
	19/08/2024	
	07/02/2024	LRQA
United Kingdom	14/08/2024	BUREAU VERITAS CPS - EMEA
	28/02/2024	
	22/03/2024	SGS_UK
	17/12/2024	
	22/05/2024	
	23/09/2024	International Associates Limited
	04/11/2024	Verner Wheelock (incorporating KSSA)
	10/06/2024	

62 SMETA audits were made on suppliers in 2023:

COUNTRY	DATE OF AUDIT	AUDITORS
Argentina	26/06/2023	Intertek Argentina Uruguay and Paraguay
	11/07/2023	Bureau Veritas Certification
	12/07/2023	
	12/07/2023	
Austria	06/11/2023	Bureau Veritas Certification
France	27/06/2023	Intertek France
	01/06/2023	
	15/02/2023	SGS France
	23/01/2023	
	26/06/2023	
	13/12/2023	DNV
	30/03/2023	Bureau Veritas Certification
Germany	14/04/2023	Intertek Germany
	21/02/2023	SGS Germany
Greece	24/07/2023	Intertek Bulgaria

COUNTRY	DATE OF AUDIT	AUDITORS
India	14/04/2023	DQS India
	15/06/2023	DQS CFS GmbH
	28/03/2023	Intertek India
Ireland	18/08/2023	SGS_UK
	16/08/2023	
Italy	09/08/2023	Intertek Italy
	12/01/2023	
	01/01/2023	
	27/04/2023	
	14/11/2023	
	16/01/2023	BUREAU VERITAS CPS - EMEA
Mexico	17/05/2023	Intertek Mexico
Netherlands	04/05/2023	SGS CBE Belgium
	13/06/2023	
Pakistan	22/08/2023	ELEVATE
	19/06/2023	Eurofins South Asia
	14/02/2023	SGS Pakistan
	30/05/2023	SGS Pakistan
	21/11/2023	ALGI Pakistan
	26/12/2023	GSCS International Ltd
Peru	03/10/2023	Intertek Peru
	25/04/2023	SGS DEL PERU S.A.C.
	10/03/2023	SIPAS CR-PERU
	04/09/2023	
	23/11/2023	
Portugal	29/06/2023	SGS Portugal
Spain	26/04/2023	Bureau Veritas Certification
	30/10/2023	Intertek Spain
Switzerland	08/03/2023	Intertek Germany
Thailand	24/07/2023	SGS Thailand
	17/05/2023	
	07/08/2023	
	10/10/2023	
	07/08/2023	
Turkey	14/02/2023	ELEVATE
	19/06/2023	
United Kingdom	27/03/2023	BSI Group
	24/08/2023	SGS_UK
	27/03/2023	
	31/07/2023	
	06/12/2023	
	21/11/2023	
	27/11/2023	
	29/08/2023	
	04/10/2023	BUREAU VERITAS CPS - EMEA
USA	08/02/2023	Intertek Peru
	21/04/2023	

ENGAGEMENT PROGRAMMES AND BEST PRACTICES

The Group constantly strives to boost initiatives and processes that generate a positive impact on the workers in our value chain, ensuring that none of them cause or contribute to material negative impacts on those workers. Through several multi-year initiatives focusing mainly on upstream companies, where the greatest potential risks of impacts were identified, the Group is working on improving working conditions, promoting sustainable development and enhancing workers' well-being. In this context, the principal programmes developed in 2024 were:

* Training on Climate-Smart Agriculture (CSA) in India

Begun two years ago and in line with its undertaking to improve the conditions of workers in its value chain, our subsidiary Ebro India is collaborating with Syngenta Group to train a group of agricultural suppliers from the village of Bakana, Radaur (Yamunanagar District) in climate-smart agriculture. That programme includes key activities such as soil analysis, water management and integrated pest management using biofertilizers, biopesticides and pheromone traps. It also addressed the importance of packaging to comply with the requirements in the recipient country and personal safety measures, including the use of personal protection equipment, first aid kits and adequate systems for agricultural waste disposal.

* Basmati producer assistance programme

Tilda has, for the third consecutive year, continued developing its training product with agricultural Basmati producers in the states of Haryana and Uttar Pradesh in India. With a view to helping them meet the Company's strict quality requirements and continue forming part of its supply chain, growers are receiving technical counselling and access to essential inputs and equipment, such as pipes for the application of AWD production techniques, sensors and pheromone traps, etc. This initiative also enables them to lower costs, increase productivity and improve their revenues.

* Approved Vendor Program

In 2024, Herba Bangkok started up its Approved Vendor Program, through which it establishes the criteria to be met by all its suppliers, aligned with the Group's Supplier Code of Conduct (COCP) and the regulations of the International Labour Organization (ILO). Through this programme, it is identifying and mitigating key risks for workers in the value chain, such as health and safety at work or regulation of their working hours. In cases where high risks are detected, the subsidiary is implementing additional procedures, such as training in best practices to improve working conditions.

* Climate-friendly Rice Production in Thailand

Together with Olam Agri, PepsiCo, Mars and the German agency GIZ, an ambitious project has been set underway to transform the rice sector in Thailand sustainably. This project, scheduled to continue up to 2028, covers 21 provinces and will benefit more than 250,000 growers. Its goals are to:

- reduce CO₂ emissions by an estimated 2.44 million tonnes or more;
- train suppliers in sustainable agricultural practices;
- support income diversification;
- strengthen institutional frameworks and adapt the market to climate-smart agriculture; and
- facilitate access to financing.

* Grower training programmes in India

Since 2015, Ebro India has collaborated constantly with the workers in its supply chain, including growers and indirect suppliers. With a team of agricultural experts, it provides training in local communities on best crop practices, such as the use of biological products to reduce the use of chemicals and the benefits of intermittent irrigation (AWD). Training sessions also include discussions about changes in government legislation and labour rights, providing a space to respond to workers' concerns.

* **Combat illiteracy in Thailand and Cambodia**

Herba Bangkok and Herba Cambodia have identified illiteracy as a significant risk for the workers in their value chain, as it hampers their understanding of labour laws and regulations. To tackle this challenge, both subsidiaries implemented literacy programmes in 2024 for the most vulnerable groups, facilitating access to key information on labour rights and building up the skills they need to function more securely and knowledgeably in the working environment.

All these programmes have monitoring and follow-up KPIs to assess their impact and measure the progress achieved. One example of this is the Tilda project mentioned earlier, which aims to reach over 7,000 Basmati growers in the Haryana region (India). The initiative began in 2021 with 50 growers, expanding to 699 in 2022 and reaching more than 2,500 between 2023 and 2024. Another prominent case is the monitoring of implementation of the Alternate Wetting and Drying (AWD) technique, which aims to reduce methane emissions by up to 70%. In 2023, this practice achieved a reduction by 36%, raised to 45% in 2024.

Apart from these initiatives, which themselves help to generate material opportunities for the Group, we are also working on others, such as the rewarding of best practices for agricultural suppliers, through the payment of an extra bonus or by giving them priority in contracts, sharing success stories, developing field safety awareness and training actions or reviewing work and rest times. Another initiative to be considered in the future would be to seek alliances with local organisations to improve working conditions in emerging countries.

To conclude this section, it should be noted that no severe Human Rights-related impacts or incidents were recorded in 2024 in the Group's upstream and downstream value chain.



S2-5. Targets and management of negative impacts

*(41,42)

The main targets defined by the Group for the management of material impacts in value chain workers are included in our Long-Term Sustainability Plan “HEADING FOR 2030”. There was no express engagement with value chain workers to define those targets, but their interests and their personal and professional well-being were taken into account.

Moreover, when developing the projects, the Group shares with those workers the improvements achieved and lessons learned, ensuring fluent communication regarding the results and possible adjustments. Changes are made where necessary and the workers are duly informed to guarantee continuous improvement and effective management of the impacts.



MDR-T: HEADING FOR 2030 Value Chain Workers

TARGET		TIME HORIZON	VC	METHODOLOGY	ACHIEVEMENTS	EVOLUTION
100% Social audits on Group suppliers	Potential Positive Impact: <ul style="list-style-type: none"> • Protection of children's rights • Prohibition of child labour and forced labour • Action as per Group COCP 	2019 (base year) to 2030 (reference)	Ups Down	Established in the SGP of the Ebro Group, HEADING FOR 2030.	No changes made to this target since the base year (2019).	2019: TBD*
	Potential Negative Impact: * Lack of oversight of compliance in respect of working conditions <ul style="list-style-type: none"> • Mitigation of some breaches of labour rights of workers and their personal and social environments 	No intermediate landmarks defined		Not based on scientific evidence. No participation of other stakeholders ha contemplated.	Annual supervision through Sustainability Statement, measuring progress against base year, 2019.	2024: TBD*

MDR-T: HEADING FOR 2030 Value Chain Workers

TARGET		TIME HORIZON	VC	METHODOLOGY	ACHIEVEMENTS	EVOLUTION
100% Accession by Group suppliers to COCP	Potential Negative Impact: Lack of oversight by the Group of compliance in respect of working conditions established in the Group's COCP	2019 (base year) to 2030 (reference)	Ups Down	Established in the SGP of the Ebro Group, HEADING FOR 2030.	No changes made to this target since the base year (2019).	2019: 7%
	Potential Opportunity: Improvement of the Group's reputation as a result of establishing trade relations with ethical selection criteria	No intermediate landmarks defined		Not based on scientific evidence. No participation of other stakeholders ha contemplated.	Annual supervision through Sustainability Statement, measuring progress against base year, 2019.	2024: TBD*

MDR-T: HEADING FOR 2030 Value Chain Workers

TARGET		TIME HORIZON	VC	METHODOLOGY	ACHIEVEMENTS	EVOLUTION
100% Group suppliers signed undertaking regarding requirements in the Group's Ethics Questionnaire	Potential Opportunity: Improvement of the Group's reputation as a result of establishing trade relations with ethical selection criteria, improving the performance of work teams in the value chain, contributing towards a more productive and satisfied labour force, with positive impact on the Group's operating performance	2019 (base year) to 2030 (reference)	Ups Down	Established in the SGP of the Ebro Group, HEADING FOR 2030. Not based on scientific evidence. No participation of other stakeholders ha contemplated.	No changes made to this target since the base year (2019). Annual supervision through Sustainability Statement, measuring progress against base year, 2019.	2019: TBD* 2024: TBD*

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

Note: *TBD: To be determined