

1 Definition of the model



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The Ebro Foods Group (“Ebro Foods” or the “Group”) is the leading Spanish food group, world leader in the rice sector and the second global fresh and dry pasta producer. It is present through a network of 27 subsidiaries in the principal rice and pasta markets in Europe, North America and South East Asia, and is gradually building up its presence in other countries.

The principal mission of the Ebro Group is to research, create, produce and put on the market foods with a high value added that improve people’s health and well being while meeting their nutritional requirements, endeavouring at the same time to maintain a transparent, efficient, sustainable business model.

Ebro Foods goes beyond the goal of merely achieving financial returns and has incorporated environmental, social and ethical criteria in its decision-making process, along with financial metrics, imposing sustainable development throughout all the companies in the Ebro Group. For this reason, it has adopted a business model based on ethics and integrity, which seeks to generate value for its employees, shareholders, investors, customers, consumers, suppliers, environment and the communities in which it is present; in short, for all the stakeholders with whom it interacts in the performance of its business activities.

They are the focal point of the policies and principles established in the Ebro Group’s Code of Conduct, Suppliers’ Code of Conduct, Corporate Social Responsibility Policy and other internal regulations on Good Governance of the Group (the full text is available at www.ebrofoods.es).

The Group decentralises certain management areas of each business, focusing on the business with a light, dynamic structure in which functionality, coherence and knowledge of the market prevail.

The Ebro Foods Group is managed by business segments, grouped by the type of activity they perform and their geographical location. Our core businesses are:

- ▶ **Rice Business:** This includes the production and distribution of rice, rice-based products and complementary food products. It engages in industrial and branding activities under a multi-brand model. Its presence spans Europe, the Mediterranean Basin, India and Thailand with the Herba Group companies and covers North America, Central America, the Caribbean and the Middle East through the Riviana Group.
- ▶ **Pasta Business:** This includes the production and marketing of fresh and dry pasta, sauces, semolina, semolina-based products and complementary food products by the Riviana Group (North America), the Panzani Group (France) and Garofalo (rest of the world).
- ▶ **Healthy Food and Organic Business:** The most recent addition to the Group, this business is being developed around the latest acquisitions: Celnat, Vegetalia and Geovita, and the health-related activities and organic products of all the subsidiaries. This new business area is organised under new company called Alimentation Santé and reports within the Pasta Business.

Decision-making is controlled by the board of directors of the parent (Ebro Foods, S.A.), which is ultimately responsible for defining the Group’s general strategy and management guidelines. The Board delegates certain tasks to the Executive Committee, including monitoring and oversight of compliance with the strategic and corporate development guidelines, while the Management Committee (composed of the heads of the principal business areas) is tasked with monitoring and preparing the decisions made at management level in the company. The Annual Corporate Governance Report contains detailed information on the Group’s governance structure.

The basic raw materials used to manufacture the products marketed by the Group are rice and durum wheat, although others, such as quinoa and other ancient grains, are gradually being incorporated.

Rice is the world's most consumed grain, although the volume of world trade is smaller than that of other grains and cereals owing to the production shortfalls in some of the largest producers (China, the Philippines and Indonesia). The origins of the rice marketed by Ebro vary according to the type of grain and the quality/abundance of harvests. There are three major sources of supply for different rice varieties: USA, southern Europe and South East Asia.

Pasta is produced from a variety of wheat with a high protein content, called durum wheat, which has a much smaller geographical distribution and market than other varieties used mainly for flour production. Ebro sources its rice mainly in the USA, Canada and southern Europe (France, Spain and Italy).

Raw materials are purchased from farmers, cooperatives and millers then milled and/or processed at the Ebro Group's production plants. Processes differ depending on the ultimate use of the product and may include cleaning, milling, polishing and basic extrusion, and complex processes of pre-cooking, cooking and freezing.

The Group's main direct customers are: (i) the principal food distributors, (ii) the major food multinationals (which use our products as the basis for their preparations) and (iii) numerous catering businesses. Although consumers are not generally direct customers, they are important in the Group's business focus.

NB: An overview of the principal activities, brands and market shares by business area is set out in Note 6 to the Consolidated Annual Accounts (Financial information by segments).

MEMBERSHIP OF SECTOR ASSOCIATIONS AND INSTITUTIONS

Ebro Foods, S.A. and some of its subsidiaries belong to the following sector associations

COMPANY	ASSOCIATION	GEOGRAPHICAL AREA
Herba Ricemills, S.L.U.	Federation of European Rice Mills (FERM)	Europe
Herba Ricemills, S.L.U.	Spanish Association of Commercial Coding (AECOC)	Spain
Herba Ricemills, S.L.U.	Confederation of Entrepreneurs in Andalusia (CEA)	Spain
Herba Ricemills, S.L.U.	Spanish Advertisers Association	Spain
Herba Ricemills, S.L.U.	Association of Spanish Rice Industries (UNIADE)	Spain
Ebro Foods, S.A.	Multi-sector Association of Food & Drink Enterprises (AME)	Spain
Arrozeiras Mundiarroz, S.A.	Portuguese Distributors Association	Portugal
Boost Nutrition, C.V.	Federation of Food Companies (FEVIA)	Belgium
S&B Herba Foods, Ltd.	British Edible Pulse Association (BEPA)	UK
S&B Herba Foods, Ltd.	Campden BRI	UK
S&B Herba Foods, Ltd.	UK National Dried Fruit Association	UK
S&B Herba Foods, Ltd.	UK Rice Association	UK
Ebro India, Private Ltd.	Rice Association of India	India
Ebro India Private Ltd.	Indo French Chamber of Commerce	India
Lassie, B.V.	Union of Dutch Food Industry (FNLI)	Netherlands
Lassie, B.V.	Union of Dutch Rice Industry (VRN)	Netherlands
Mundi Riso, S.R.L.	Italian Rice Miller Association (AIRI)	Italy
Riviana Foods Inc.	U.S. Rice Federation	USA
Riviana Foods Inc.	U.S. Pasta Association	USA
Panzani	Association of Processed Food Product Enterprises (ADEPALE)	France
Panzani	French Committee of the Semolina Industry (CFSI)	France
Panzani	French Rice Syndicate (SRF)	France
Panzani	French Syndicate of Industrial Pâté Producers (SIFPAF)	France