

Anti-Corruption and bribery measures

Ebro Foods, S.A.

ANTI-CORRUPTION AND BRIBERY MEASURES



Corruption and bribery

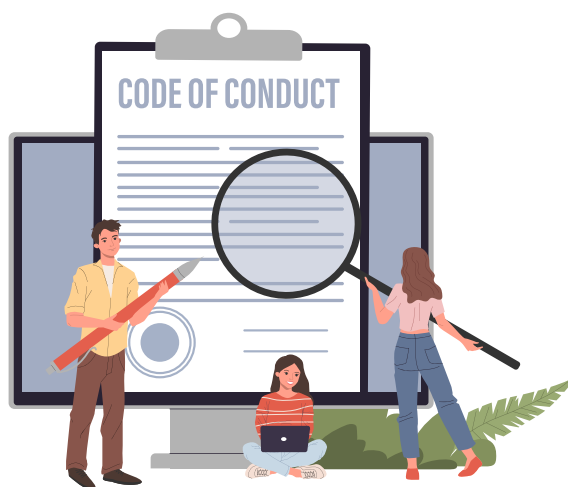
The Ebro Group has a global Code of Conduct (COC), known to and binding on not only its workers and professionals, but also its customers, suppliers, shareholders and other stakeholders.

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

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

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

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



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

- In the principal Spanish companies, the Ebro Group also has a crime prevention model that identifies the potential criminal risks deriving from its activities and the mitigation measures established to try to eliminate (or minimise as far as possible) the risk of committing criminal offences, which include corruption and bribery. The crime prevention model identifies the measures implemented to mitigate the risk of committing offences of corruption, bribery, influence peddling and money laundering. Its effectiveness and application are monitored and checked regularly by the Compliance Unit, within the reporting system of the current crime prevention model. During 2020 the Group revised and updated its criminal risk map and crime prevention model, with counselling from external specialists. In fact, the reporting for the second half of 2020 within the crime prevention model was based on the revised model. Along with the revision and updating and with counselling from the same external specialists, The Group started to design an employee training plan, which is expected to be implemented during 2021.
- In pursuance of local legislation (Legislative Decree of 8 June 2001) on companies' liability for certain types of offence (including corruption), the Italian companies in the Group have established organisation and management models that include measures to preclude the risk of committing those offences.
- The Group's North American subsidiaries have specific policies and measures to control and mitigate the risk of committing this type of offence. In particular, and in pursuance of the special requirements under local laws, the North American companies have the Anti-Corruption, Bribery and Compliance Policy, adapted to US (FCPA) and Canadian (CFPOA) laws on corruption. That policy establishes an Anti-Bribery Compliance Officer, who is responsible for ensuring compliance with the policy and making sure that all workers and executives are aware of and comply with it. Training and refresher courses are provided regularly for this purpose.
- The Group's Indian subsidiary has a Vigil Mechanism/Whistleblower Policy, adapted to the applicable local laws (section 177(9) of the Companies Act and Rule 7 of the Companies Rules), through which a communication channel is made available to all employees to report to the company any conduct that infringes the COC (in addition to the Group's reporting channel). Through that channel, any possible indication of unlawful conduct (including, therefore, any that may be considered acts of corruption) must be reported to the Vigilance and Ethics Officer of the company for investigation and adoption of whatever measures may be necessary. All new hires in the Group's Indian subsidiary receive specific information within their inception training on combating corruption, including the general rules established in the COC, the specific rules of the Vigil Mechanism and the hierarchical structure for reporting suspicious conduct. Also within that policy, due diligence is conducted on potential overseas customers and they are required to certify that they do not participate and have not participated in any acts of corruption or bribery.
- In France, in pursuance of the local laws (SAPIN 2 Act of 10 December 2016), the Panzani Group implemented a COC to combat and prevent corruption as of 1 January 2020. The aim of that COC is to make employees aware of the prohibited conduct and the best practices for dealing with potentially hazardous situations within their professional activity. The Code was defined and implemented based on the corruption risk map drawn up by Panzani with specialist external counselling. The regulation contained in that Code is supplemented with the Guide for Use of the "Ethical Alert device" (*dispositif d'alerte Professionnelle "Alerte Ethique"*), an internal channel within Panzani through which any employee in that group can confidentially report any indication of infringement of the COC, with guaranteed protection from reprisals.



In the same context, just as in 2019, the companies Riviana Foods, Catelli Foods Corporation, Ebro India, Lassie (Netherlands) and Herba Bangkok (Thailand) provided anti-corruption training for their employees in 2020. That ongoing training is included in regular training plans, thus ensuring that employee knowledge on the matter is constantly updated. Other subsidiaries that have also provided training during the year are Herba Cambodia, Herba Ingredients and Panzani.

COMPANY	2020			2019		
	NO. EMPLOYEES	EMPLOYEES TRAINED ANTICORRUPTION	% EMPLOYEES TRAINED	NO. EMPLOYEES	EMPLOYEES TRAINED ANTI-CORRUPTION	% EMPLOYEES TRAINED
Catelli	377	377	100.00%	369	369	100.00%
Ebro India	162	20	12.35%	151	151	100.00%
Herba Bangkok	220	217	98.64%	227	124	54.63%
Herba Cambodia	6	6	100.00%	---	---	---
Herba Ingredients	96	13	13.54%	---	---	---
Lassie	82	14	17.07%	71	71	100.00%
Panzani	775	9	1.16%	---	---	---
Riviana Arroz	1,225	1,225	100.00%	1,214	1,214	100.00%
S&B Herba Foods	---	---	---	106	106	100.00%
	2,943	1,881	63.91%	2,138	2,035	95.18%

No cases of corruption have been reported in any companies of the Ebro Group. Nor have any of the Group's business partners reported any cases of this nature.

Money laundering

The Ebro Group has established: (i) payment and collection processes and (ii) a structure of attorneys for bank transactions, through whom it guarantees adequate control and monitoring of money movements in all its transactions.

The Ebro Group uses bank transfers and nominative payment instruments for payments and collections as they guarantee full traceability of any money movement. It also has strict rules for cash management, which allow the different companies to hold only negligible amounts of cash and regulate in detail any drawings against the cash balances, requiring in all cases justification of cash requests and proof of use of those funds.

The reimbursement of expenses incurred by employees in the course of their work is also strictly controlled, requiring proof of the expense and the reason and justification for it prior to any reimbursement. Drawings made using a company bank card (by employees who have a card, by virtue of their category) are subject to the same requirements of proof and justification of use, such that if any use of the card is not justified and proved, the corresponding sums are withheld from payments to be made by the relevant company to the employee.

According to the Group's power of attorney structure, in order to draw funds from bank accounts, a prior decision must be adopted by the competent corporate body and, as a rule, joint signatures are required, except for negligible amounts compared to the volume of transactions of the company in question.

Public policy

The Ebro Group declares its political neutrality and establishes in its COC the prohibition for its professionals to make any contributions to political parties, authorities, organisations, public administration and institutions in general in its name or on behalf of any of the companies in the Ebro Group.

All relations with the authorities, regulatory bodies and government departments are conducted according to the principle of maximum cooperation and transparency, without prejudice to defence of the Group's legitimate interests.

