CLIMATE CHANGE AND PROTECTION OF BIODIVERSITY

The Ebro Group takes an active approach to the promotion and investigation of environmentally sustainable growing techniques for application in the production of its principal agricultural raw materials (rice, durum wheat and tomatoes) and to contribute towards greater preservation of the environment, biodiversity and mitigation of climate change by applying growing techniques to reduce crop emissions. This work is done through own initiatives and specific collaborations with stakeholders and sectoral associations, particularly the Sustainable Agriculture Initiative Platform (SAI Platform) and the Sustainable Rice Platform.

In this context, the following projects have been implemented by the Group in the area of sustainable agriculture:

"Nature" Programme: developed by Panzani. The purpose of this project is to train and support our tomato-producing partners in the application of innovative, responsible growing practices with a view to ensuring that this raw material is free from pesticide residue by 2025. Some 60,000 tonnes of tomatoes were grown in 2019 in accordance with the parameters established in the Charte NATURE (restrictions on the use of chemical molecules, economic bonus for farmers, training, etc.) and experimental field tests have been carried out on over 2,000 tonnes of tomatoes. Through this programme, a new range of "zero pesticide residue" products has been launched on the French market (tomato paste and tomato purée).

"Blé Nature" Programme: developed by Panzani jointly with its suppliers, mainly cooperatives, with the aim of producing insecticide-free French durum wheat. The goal of this project is that by 2025, 100% of the durum wheat used by Panzani will be free from this type of residues.

With regard to rice, the Group has continued working in collaboration with other stakeholders on the development of projects to enhance environmental sustainability and preserve biodiversity in different production areas. The main programmes implemented during the year were:



EBRO FOODS 2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

Thailand: Sustainable Aromatic Rice Initiative of Thailand (SARI-T): Joint project with Mars, GIZ and the Thai Rice Department to enhance the economic viability of 1,200 rice

growers in the province of Roi Et and the sustainable production of high quality Hom Mali aromatic rice.

The project organises numerous activities, such as teaching farmers about the Sustainable Rice Platform (SRP) standard and agronomic technologies, providing access to high quality seeds, improving growers' skills and enhancing gender equity for reasons of food security and quality.

The programme completed its second year of rice production in 2019, with a massive impact and widespread adoption of the SRP standard by farmers, who have obtained an average verified score of 95/100.

Spain: Oryzonte Programme: developed at the Guadalquivir Marshes (Seville) together with Mars Food and Danone.

This project, which began in 2018, seeks to improve the sustainability of the rice crop in the province of Seville (Andalusia, Spain). During 2018 and 2019 the project ran a specific training programme on Sustainability in the Rice Crop, in which the principal rice-growers in the region participated. The training was given by specialists from both research facilities and the private sector, and covered areas such as optimising fertilization, sustainable use of plant protection products, sustainability standard requirements applicable to the rice crop and strategies for reducing water consumption and greenhouse gas emissions, among others.

During 2018 and 2019, the project ran tests on commercial rice fields, confirming the feasibility of using different techniques to reduce water consumption and GHG emissions. Oryzonte is also sampling GHG emissions from rice fields where different water management practices are implemented, with a view to checking that those practices do actually reduce emissions, as anticipated by the models developed by universities and international organisations. The practices giving the best results are now being implemented as pilot projects in commercial fields managed by different producers in an effort to confirm their viability in different agronomic conditions and foster their implementation by local farmers. The project is also developing models to assess the benefits of using those techniques on larger scales, rather than individual fields (entire farms, irrigation communities...).

Finally, during 2019 Oryzonte identified and analysed practices that could potentially favour biodiversity in the Sevillian rice fields, seeking to implement specific actions in 2020 to improve the rice-growing area.

Italy: SAIRISI Project:

This project began in 2016 with the intention of bringing Italian rice growers together to share sustainable

practices in water management and soil quality.

Thanks to the collaboration of a group of members throughout the supply chain –including Ebro– with the SAI Platform, the project has had an impact on more than 600 growers up to the end of 2019.

Some of the activities developed by SAIRISI are:

- – Field visits and 8 training classes on all aspects of sustainable rice growing: conservation agriculture, biodiversity and economic sustainability of growers.
- Preparation of a document explaining the 12 best practices for sustainable rice growing in Italy. These best practices are directly linked to questions in the Farm Sustainability Assessment (FSA) of the SAI Platform, forcing farmers to think about management of their crops in terms of sustainability.

- Development of a growers' group through the National Rice Board (ENR), with numerous newssheets for the community, a WhatsApp group and a specific website for resources.
- In order to develop local capacity to advance further in Italian rice sustainability, SAIRISI has trained two agronomists to implement the FSA standard effectively.



EBRO FOODS 2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

Pakistan: In 2019 we started implementing the SRP (Sustainable Rice Platform) standard with the growers in our supply chain, reaching over 700 growers in the first year. We also provided them with access to laser levelling tools, certified seeds, harvesters and training to achieve optimum use of water and chemicals. These actions have resulted in enhanced crop yield, reduced water consumption, optimum use of fertilizers and pesticides and higher net earnings for our growers in comparison with conventional growers.

During 2019, our subsidiary Ebro India continued developing three projects providing training for growers and technical assistance for the entire process, from sowing to harvesting.

India: nuestra sociedad Ebro India ha continuado durante 2019 desarrollando 3 proyectos de capacitación de agricultores y asistencia técnica desde la siembra a la recolección.

- EKTA: A training programme for growers in their everyday farming activities, educating them in the latest agricultural practices and the optimum use of pesticides and fertilizers, and helping them to increase the yield from their crops and lower costs.
- Control Farming: One of the greatest challenges in India is compliance with the MRL (maximum residue limits) permitted in the European Union. Through the control farming programme we work closely with the growers, monitoring all the agricultural practices they use from sowing to harvesting and educating them in the correct use of pesticides and fungicides in terms of quantity, quality and timing.
- Organic farming: We work with around 1500 growers for the production of organic basmati and non- basmati rice..

The Ebro Group is also a member of the Climate Change Cluster promoted by Forética (www.foretica.org). In that Cluster, a group of large companies work together to lead the strategic positioning addressing climate change in the business agenda, discuss and exchange views and good practices, be part of the global debate and become key players in the decisions made at the administrative level.