

Climate Change and protection of Biodiversity

Global warming is a serious threat to the planet and to our Group, owing to our direct dependence and impact on natural resources such as land or water and its importance for the correct development of our business activities. Accordingly, we have set up a work group to investigate and classify the potential impacts that climate change may have on our organisation and establish the appropriate mitigation and/or adaptation measures for each one, based on a prior matrix of identified risks (see Chapter 5 of this Report).

Apart from the specific measures we take to mitigate impacts and adapt the Ebro Group to climate change, our Sustainability Plan **HEADING FOR 2030** (caringforyouandtheplanet.com), put in place in 2019, contemplates a number of actions and goals, such as: 1) increasing efficiency in water and energy consumption, 2) recovery and reduction of waste, 3) recycling packaging, 4) optimising logistics and 5) application of new technologies and sustainable agriculture models designed to care for the planet and preserve biodiversity.

On this point, 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 durum wheat and tomatoes, the French subsidiary Panzani continues its “Nature” programme with a view to changing the growing practices of the suppliers in its supply chain so that their raw materials are free from pesticide residues by 2025. In 2020, 87% of the tomatoes and 35% of the durum wheat sourced had zero pesticide residue.

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 most representative examples of this work are:

→ **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 third year of rice production in 2020.

→ **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), focusing on three key areas: water, GHG emissions and biodiversity.

- With regard to water, the programme has assessed the potential of different practices to reduce the use of water in the rice fields in the Seville area. We have been working with a rice irrigation association to monitor salinity in different parts of their water circuit with a view to defining actions to improve water management and salinity over the coming years. In addition, in cooperation with the Institute of Sustainable Agriculture of the National Council for Scientific Research (CSIC), Oryzonte has developed a water and salinity model to assess the potential to implement field-proven practices at the farm level. This model highlights the importance of working with irrigation associations to improve water management in the area.

- With regard to GHG emissions, the project has sampled and analysed GHG emissions from rice fields under different models of water management, both during cultivation and in fallow periods. This work has enabled us to check whether the implementation of specific practices aligned with the guidelines of the Intergovernmental Panel on Climate Change (IPCC), such as Alternate Wetting and Drying (AWD) techniques, actually reduce GHG emissions from the Sevillian rice fields. The GHG emissions were measured by the Institute of Agrifood Research and Technology (IRTA).
 - In the area of biodiversity, after an initial assessment of possible measures to support biodiversity in the area, the project has installed vertical structures and nests for bats and birds of prey of special interest, such as the barn owl or the lesser kestrel. Predatory bird ringing schemes have also been run in collaboration with members of different conservation organisations. These actions are designed to increase the presence in the area of birds of prey and bats, which do not have an adverse impact on the crop.
- **India: During 2020, our subsidiary Ebro India continued developing three projects providing training for growers and technical assistance for the entire process, from sowing to harvesting.**
- 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 830 growers for the production of organic basmati and non-basmati rice.