

Risks and uncertainties

Risk management is part of the company's culture and operates across the organization, is present in all processes and is the responsibility of all managers and employees at every level of the organization.

Risk management is carried out with the aim of creating value by managing and controlling uncertainties and threats that could affect Group companies from a business continuity perspective, while taking advantage of business opportunities.

In the context of strategic planning, the risks to the portfolio of existing businesses, the development of new businesses and the implementation of the most important projects are identified and assessed; and strategies to manage those risks are defined.

At operational level the management risks affecting the objectives of each business are identified and assessed, and actions are planned to manage those risks. These actions are included and monitored through the plans of the individual businesses and functional units.

To ensure that the established procedures are followed, the Group's main internal control systems are evaluated periodically.

Internal control and the monitoring of internal control systems are the responsibility of the Executive Committee. Given the nature of the business, certain areas of risk require special attention:

- Food quality and hygiene
- Health and safety at work
- Financial
- Environmental

Given the sharp drop in consumption in recent years and the uncertainty over the future development of the Spanish and Portuguese economies, we anticipate a slow recovery of the food service sector and of the Group's sales. To mitigate the impact on its results, the company has implemented rigorous cost control, with monthly monitoring of market trends and subsequent reviews of resource planning.

Operating as it does in the food service business, the company is also subject to the risk of epidemics, disruptions in raw materials markets and changes in consumption patterns, which can have a material impact on the financial statements.