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SUPPLY CHAIN MANAGEMENT



09



A. Supplier management

DESCRIPTION OF THE SUPPLY CHAIN

The suppliers of the Ebro Group are classified into four categories:

1. Rice or durum wheat suppliers
2. Other raw material suppliers
3. Packaging suppliers
4. Service providers

SUPPLIER MANAGEMENT MODEL

As the Group has decentralised certain management areas, such as the Procurements Area, to its respective companies, each subsidiary has in the past had its own procurement policies and criteria, in keeping with the laws and characteristics of the countries in which they operate. Above them all, the Supplier Code of Conduct of Ebro Foods regulates the minimum criteria and rules of conduct in labour and environmental aspects that must be met by the Group's suppliers.

With a view to establishing globally the integral management of the supply chain, in 2019 we embarked on a work plan to: 1) make sure that all our suppliers comply with the Group's Supplier Code of Conduct and 2) require them to complete a questionnaire on ethics. The replies to this questionnaire enable us to identify the critical issues and risks we need to address in order to guarantee the sustainability of our supply chain, designing, together with our companies, a roadmap to achieve the goal set in our Global Sustainability Plan HEADING FOR 2030, that 100% of our suppliers and service providers will have signed the Group's Supplier Code of Conduct (COC) or incorporated ESG criteria in their policies.

In this context, at 31 December 2021, 10.4% of our suppliers and service providers have signed the Supplier COC and completed the ethics questionnaire. Around half of them supply raw materials.

In addition, have another two corporate tools we can use to guarantee the sustainability of our supply chain: 1) visits and meetings of the Procurement Departments of the different subsidiaries with their suppliers, and 2) our corporate account in the Sedex Platform, with which all the Group companies are now registered and their respective suppliers are signing up, in turn being audited by an independent external firm.

In this area, we made 27 SMETA audits in 2021, 1 of them a follow-up audit, on suppliers in the following countries:

COUNTRY	DATE OF AUDIT	AUDITORS
Austria	10-02-2021	Bureau Veritas Certification
Brazil	24-02-2021	SGS Brazil
Germany	21-09-2021	Bureau Veritas Certification
Greece	03-03-2021	Intertek Bulgaria
	04-03-2021	Intertek Bulgaria
Italy	28-06-2021	Bureau Veritas Certification
	08-06-2021	SGS Italy
	26-11-2021	ABS Quality Evaluations Inc
	31-05-2021	Bureau Veritas - EMEA
Mexico	26-03-2021	Intertek México
Norway	20-06-2021	DNV
Pakistan	06-10-2021	ALGI Pakistán
	16-09-2021	ELEVATE
Peru	11-06-2021	Bureau Veritas Certificación
	12-09-2021	SIPAS CR-PERU
	13-07-2021	Intertek Perú
Spain	29-09-2021	SGS Spain
	25-02-2021	SGS Spain
	19-01-2021	Intertek Spain
	11-01-2021	Intertek Spain
	20-05-2021	Intertek Spain
Switzerland	18-05-2021	Intertek Spain
	12-08-2021	Bureau Veritas Certification
Thailand	24-09-2021	SGS Thailand
UK	01-09-2021	SGS_UK
	01-11-2021	SGS_UK
USA	01-03-2021	Intertek Perú

In the area of agricultural raw materials, more specifically in rice production, Herba Bangkok, Herba Ricemills, Mundiriso and Riviana are developing programmes to assess and verify the sustainability of the crop using the FSA standard of the SAI Platform (Sustainable Agriculture Initiative) and the SRP standard of the Sustainable Rice Platform. Around 10% of the growers who supply the Ebro Group participate in these programmes.

At this point, we highlight the sustainable agriculture projects we are developing in some of our principal sourcing areas. These projects aim primarily at improving growers' revenues, optimising their agricultural returns and mitigating climate change by reducing the use of water, cutting emissions and encouraging the use of biological means to combat plagues. In this regard, we should point out that we have not identified any adverse environmental or social impacts in our supply chain.

B. Management of the supply chain for agricultural raw materials

DETAILS OF OUR SUPPLY CHAIN

The information reported in this section only takes into account the supply chains of the agricultural raw materials rice, durum wheat and quinoa, which account for the bulk of the raw materials used by the Ebro Group.

Both rice and durum wheat are purchased from three types of 1st tier suppliers, which may vary according to the countries in which the raw material is sourced:

- Farmers or cooperatives
- Millers and/or plants
- Traders

Quinoa is mainly purchased from farmer cooperatives and millers.

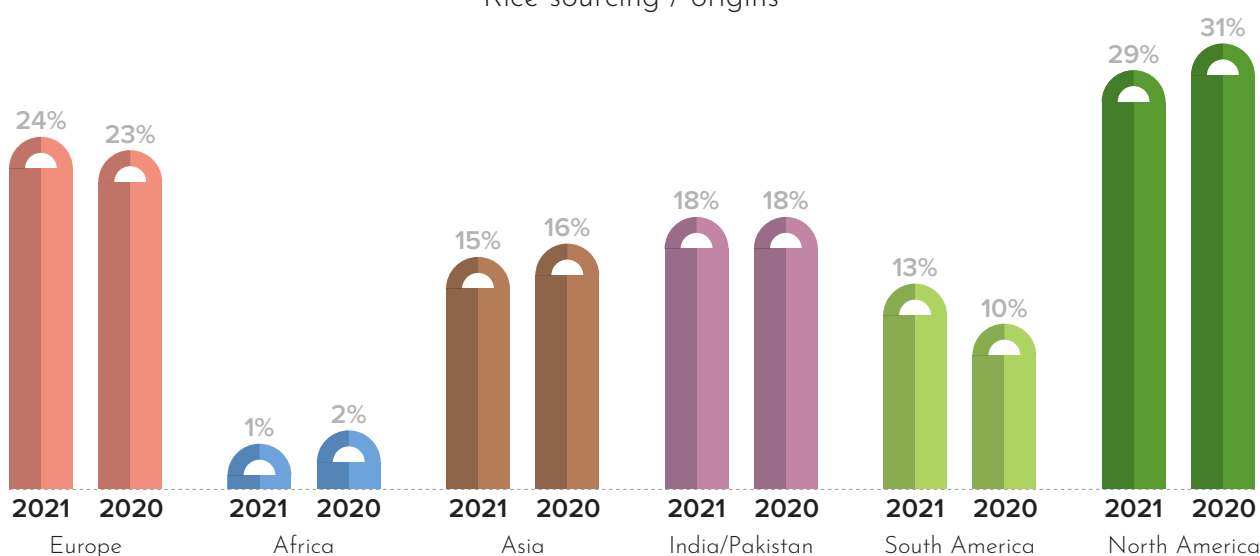
VOLUMES BY ORIGIN

Rice

After the divestments in dry pasta, rice now accounts for 90% of the Group's raw material purchases. 24% of that rice is sourced in Europe, 29% in North America and the remaining 47% (mainly aromatic varieties) in India, Pakistan, South America and Southeast Asia, based on the location of our companies Ebro India, Herba Bangkok, La Loma Alimentos and Herba Cambodia.

	2021		2020	
	TONNES	%	TONNES	%
Europe	441,039	24%	379,953	23%
Africa	25,274	1%	27,245	2%
Asia	287,643	15%	267,151	16%
India/Pakistan	329,948	18%	298,004	18%
South America	237,676	13%	171,586	10%
North America	544,592	29%	513,302	31%
TOTAL	1,866,172		1,657,241	

Rice sourcing / origins

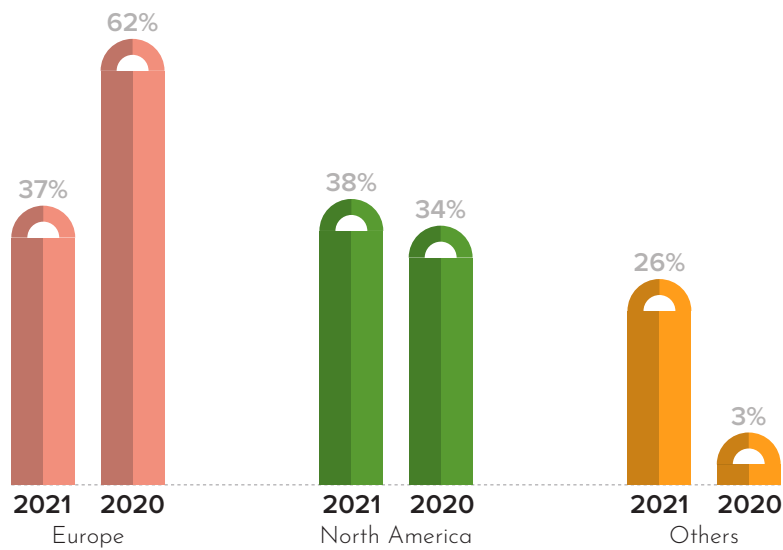


Durum wheat

The Ebro Group sources its durum wheat mainly in Europe and North America, the largest quantities being purchased in the USA and Italy.

	2021		2020	
	TONNES	%	TONNES	%
Europe	77,687	37%	594,540	62%
North America	80,756	38%	327,249	34%
Others	54,249	26%	30,981	3%
TOTAL	212,692		952,770	

Wheat sourcing / origins

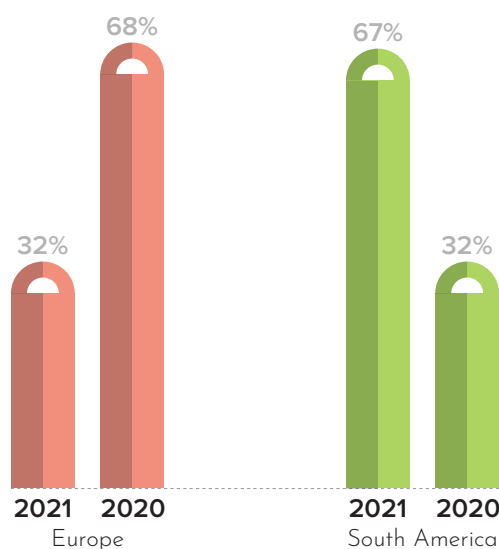


Quinoa

The Ebro Group sources its quinoa in South America and Europe (Spain).

	2021		2020	
	TONNES	%	TONNES	%
Europe	897	32%	1,310	68%
South America	1,910	67%	624	32%
Others	24	1%	0	0%
TOTAL	2,831		1,934	

Quinoa sourcing / origins



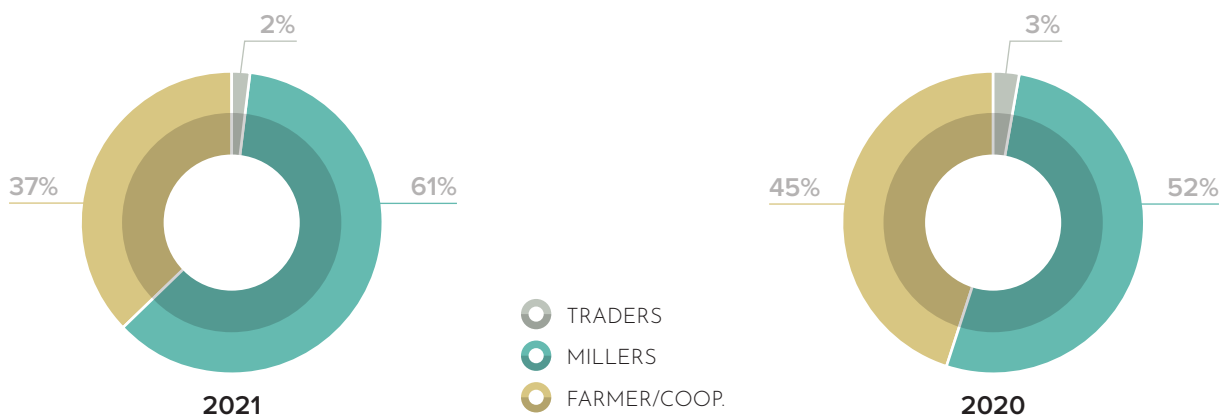
VOLUME BY SUPPLIER

Rice

On a global level, rice is bought directly from farmers, cooperatives and millers, and a very small quantity is purchased from traders.

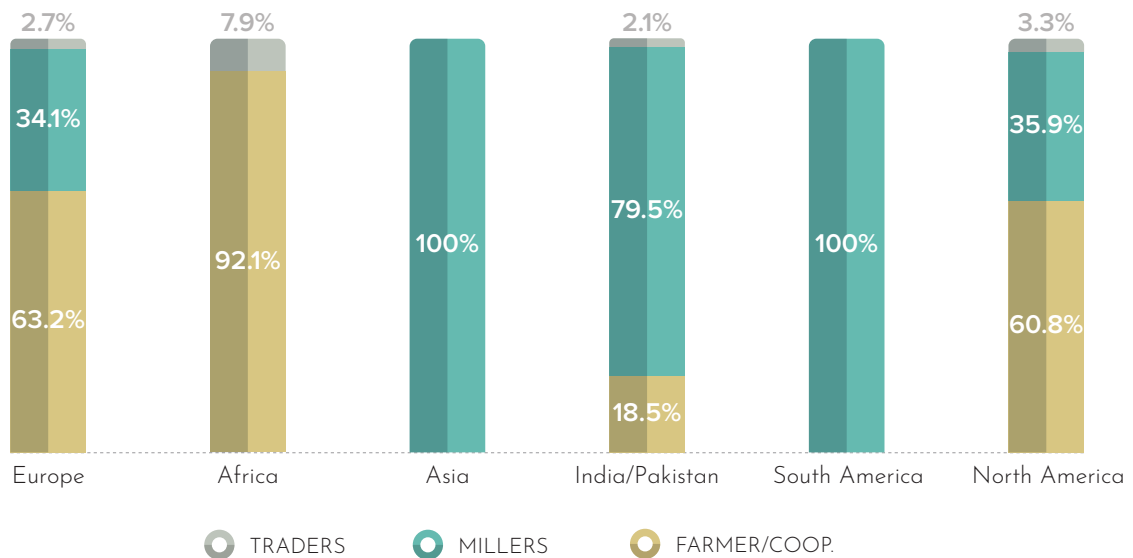
	2021		2020	
	TONNES	%	TONNES	%
Farmer/Coop	693,911	37%	750,379	45%
Millers	1,133,312	61%	859,750	52%
Traders	38,948	2%	47,111	3%
TOTAL	1,866,172		1,657,241	

Rice sourcing - 1st tier suppliers



At a disaggregated level, this volume/supplier distribution varies considerably from one geographical region to another.

Rice sourcing 2021 / 1st tier suppliers / origins

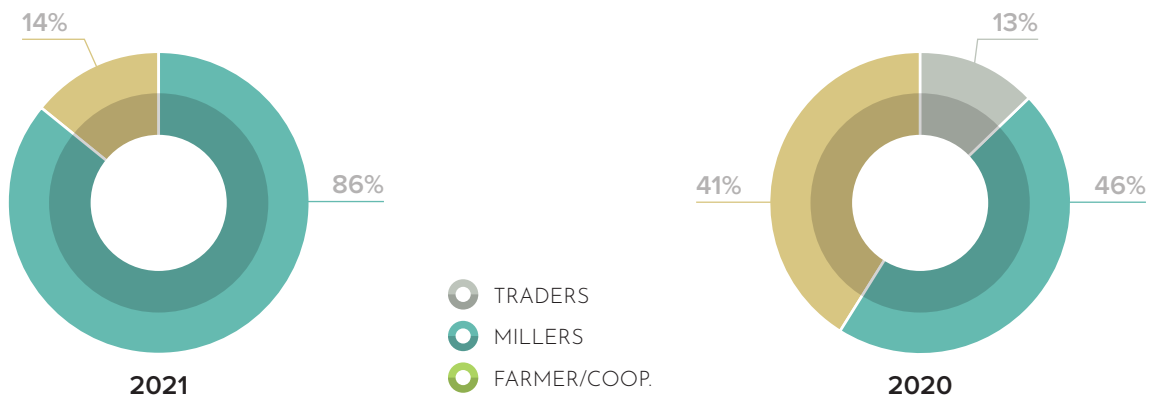


Durum wheat

On a global level most of the wheat was sourced from millers in 2021 and in smaller quantities from farmers and cooperatives.

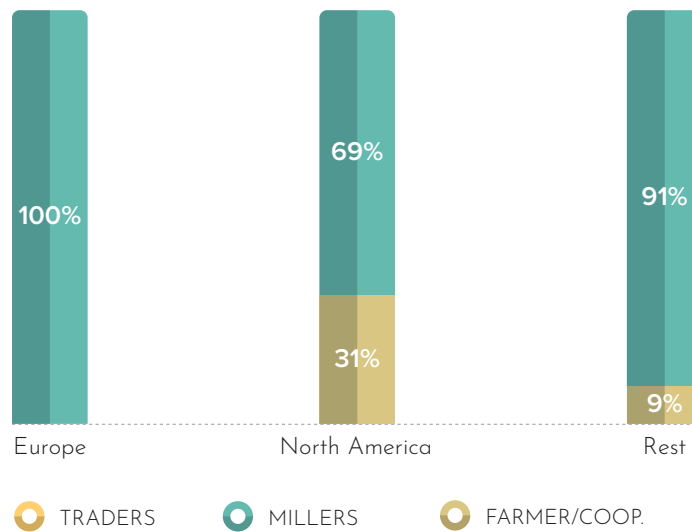
	2021		2020	
	TONNES	%	TONNES	%
Farmer/Coop	29,948	14%	391,859	41%
Millers	182,744	86%	437,517	46%
Traders	0	0%	123,394	13%
TOTAL	212,692		952,770	

Wheat sourcing - 1st tier suppliers



At a disaggregated level, the direct suppliers are mainly millers in all regions.

Wheat sourcing - 1st tier suppliers / origins

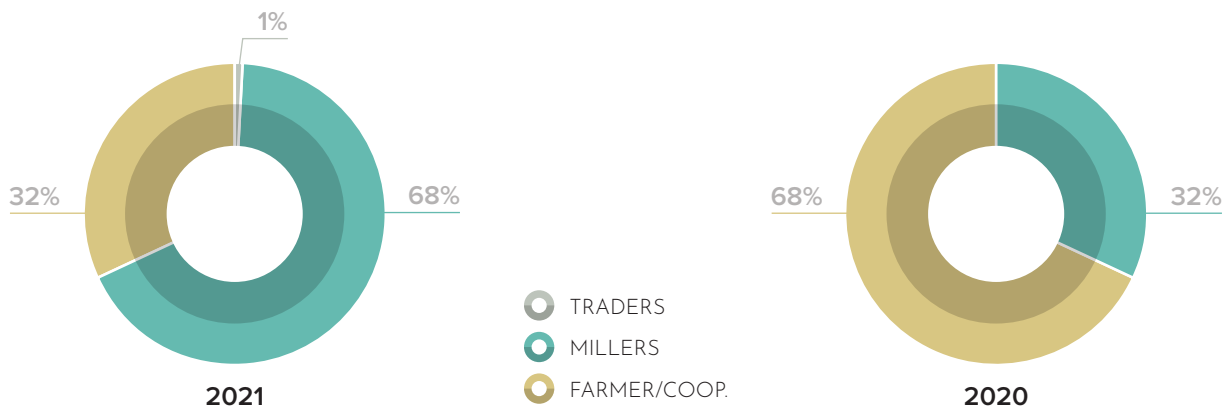


Quinoa

In 2021 most of the quinoa was sourced directly from millers and farmers or cooperatives.

	2021		2020	
	TM	%	TM	%
Farmer/Coop	897	32%	1,310	68%
Millers	1,914	68%	624	32%
Traders	20	1%	0	0%
TOTAL	2,831		1,934	

Quinoa sourcing - 1st tier suppliers



At a disaggregated level, the direct suppliers are entirely different for each geographical region: farmers or cooperatives in Europe and millers in South America.

Quinoa sourcing - 1st tier suppliers / origins



SOURCING OF SUSTAINABLE RAW MATERIALS

In 2021, the Group bought 295,050 tonnes of sustainable rice (16% of the total), with the following distribution:

