

EBRO FOODS, S.A.

Management of the Supply Chain

OUTSOURCING AND SUPPLIERS

The main aim of the sustainable management of the Ebro Group is to guarantee the sustainability of its products throughout the entire value chain. The first and principal link in this chain is the production and sourcing of its agricultural and auxiliary raw materials. The Group is acting directly and in two ways with the main players in its supply chain. On the one hand, it is working side by side with growers to promote sustainable agriculture in environmental, economic and social aspects; and on the other, it is controlling the performance of its industrial suppliers in respect of corporate responsibility through internal or external audits and collaborating with them to secure continuous improvement.

With its structure as a multi-brand, multi-company, multi-country enterprise, certain management areas in the companies of the Ebro Group are decentralised, as is the case of the Procurements Area. In this scenario, each subsidiary has its own policies aligned with the laws and circumstances of the companies in which they operate. Therefore, no integral corporate management of our suppliers has been fully developed on a global level within the Group.

At present, we have three main tools on a corporate level to control our suppliers: 1) visits and meetings with the Procurements Departments of our subsidiaries; 2) the Sedex Platform, in which some of the suppliers of certain Group companies have been gradually included and are audited by an independent third party; 3) the Ebro Foods Supplier Code of Conduct, which sets out to regulate the rules of social and environmental conduct by the Group's suppliers. So far, 100% of the suppliers of our Herba Bangkok have subscribed to this Code, 99% of those of Herba Cambodia and 80% of those of Ebro India. The process is rather complicated and time-consuming.

In our desire to achieve integral management of the supply chain, we are starting to develop a work plan, according to which all the company's suppliers will be classified into three groups as from 2019: agricultural raw material suppliers, auxiliary raw material suppliers and service providers. We intend to map our subsidiaries and draw up a roadmap with them to achieve the goal that by 2030, 100% of our suppliers have signed the Group's Supplier Code of Conduct or incorporate ESG criteria in their policies.





LIST OF AUDITS ON SUPPLIERS MADE IN 2017-2018

SUPPLIER	PLANT	COUNTRY	DATE	AUDIT
RISO SCOTTI S.P.A.	RISO SCOTTI S.P.A.	ITALY	28/09/2018	BVCERT 4 Pilar Audits
MONDI BÉKÉS CS ABA LTD	MONDI BÉKÉS CS ABA KFT	HUNGARY	28/09/2018	BVCERT 4 Pilar Audits
GRAPHIC PACKAGING INTERNATIONAL LLC	MONDI PACKAGING IGUALADA	SPAIN	26/09/2018	BVCERT 4 Pilar Audits
VENUS GROWERS	ALEXANDRIA	GREECE	14/06/2018	Intertek Bulgaria
VENUS GROWERS	VERIA	GREECE	13/06/2018	Intertek Bulgaria
GREAT GIANT PINEAPPLE COMPANY	GRAT GIANT PINEAPPLE CO CANNERY AND PLANTATION	INDONESIA	07/06/2018	BVCERT 4 Pilar Audits
ENGRO EXIMP AGRIPRODUCTS (PVT) LIMITED	INTEGRATED RICE PROCESSING COMPLEX (IRPC)	PAKISTAN	04/05/2018	Elevate Limited
GEOVITA SRL	GEOVITA SRL	ITALY	19/02/2018	SGS CBE
MONDI CONSUMER PACKAGING GMBH	MONDI KORNEUBURG GMBH	AUSTRIA	23/01/2018	BVCERT 4 Pilar Audits
MUNDI RISO SRL	MUNDI RISO	ITALY	18/12/2017	SGS CBE
EBRO FOODS NEDERLAND BV	LASSIE	NETHERLANDS	10/11/2017	Intertek UK
GALAXY RICE MILL	GALAXY RICE MILL	PAKISTAN	03/08/2017	Elevate Limited
CASARONE AGROINDUSTRIAL S.A.	ARROZUR S.A.	URUGUAY	28/06/2017	SGS
CASARONE AGROINDUSTRIAL S.A.	PLANTO JOSÉ P. VARELA	URUGUAY	27/06/2017	SGS

SUPPLY CHAIN FOR AGRICULTURAL RAW MATERIALS

SUSTAINABLE AGRICULTURAL RAW MATERIAL

After joining the SAI Platform in 2015, during 2016 the Ebro Group took another step forward in its commitment to the sustainable production of its agricultural raw materials, particularly rice, by becoming a member of the *Sustainable Rice Platform* (SRP, <http://www.sustainable-rice.org/>). The SRP is a multi-stakeholder initiative co-convened by the UN Environment (UNEP) and the International Rice Research Institute (IRRI, <http://irri.org/>), to promote sustainability in the rice sector, especially Asian (<http://www.sustainable-rice.org/About-Us/>), paying special attention to smallholders.

In this context, the Ebro Group has begun to use the sustainable crop standards of the SAI and the SRP as qualitative benchmarks in the different initiatives and projects that it has set up to improve the sustainability of growers in its sourcing regions.

In this context, with regard to durum wheat and tomatoes, the French subsidiary Panzani is developing the programme “Nature” 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.