

09.



# Supply chain management



## □ A. Supply 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**

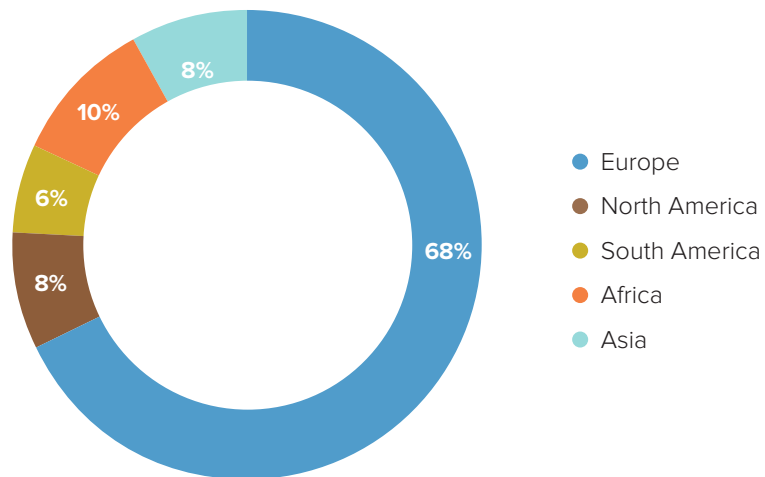
As the Group has decentralised certain management areas, such as the Procurements Area, to its respective companies, each subsidiary has in the past had its own procurement policies and criteria, in keeping with the laws and characteristics of the countries in which they operate. Above them all, the 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.

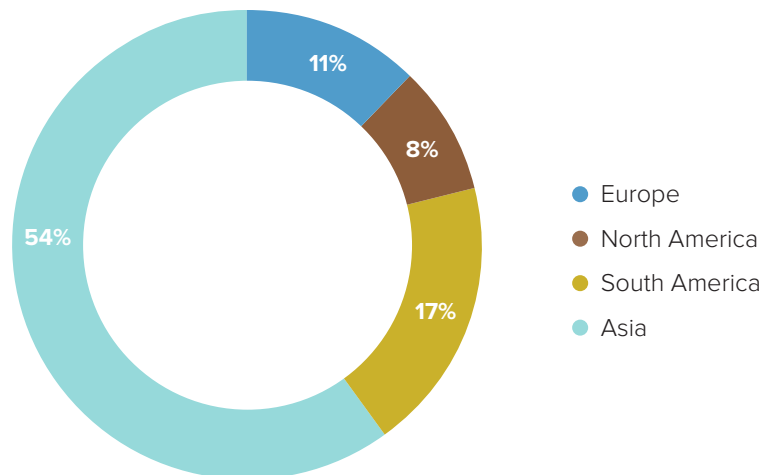
In addition, have another two corporate tools we can use to guarantee the sustainability of our supply chain: 1) visits and meetings of the Procurement Departments of the different subsidiaries with their suppliers, and 2) our corporate account in the Sedex Platform, with which all the Group companies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

## SUPPLY CHAIN

In 2022 we mapped our global supply chain, with the following proportions per continent:



Regarding the percentage of suppliers who have signed the Ebro Group's Supplier Code of Conduct, the headway made in 2022 was as follows:



In the area of agricultural raw materials, more specifically in rice production, Ebro India, Herba Bangkok, Herba Ricemills, La Loma Alimentos, Munderiso and Riviana are, together with their agricultural suppliers, developing different sustainability programmes to assess and verify the sustainability of the crop using the FSA standard of the Sustainable Agriculture Initiative Platform (SAI Platform) and the SRP standard of the Sustainable Rice Platform, as well as the Ecological Agriculture Platform and Fair Trade. All these programmes together have produced a positive impact on approximately 9,000 growers who supply the Ebro Group.

At this point, we also highlight the sustainable agriculture projects we are developing in some of our principal sourcing areas, the main goals of which are: (i) improve growers' revenues, (ii) optimise their agricultural returns, (iii) mitigate climate change by reducing the use of water, (iv) cut emissions and (v) encourage the use of biological means to combat plagues. Our global investment in all these projects was EUR 2.9 million.

*\* We duly report on all these programmes in Chapter 11 of this Report, Commitment to the Environment.*

## AUDITS MADE ON OUR SUPPLY CHAIN

We made 54 SMETA audits in 2022, 6 of them follow-up audits, on suppliers in the following countries:

COUNTRY	DATE OF AUDIT	AUDITORS
Argentina	13-07-2022	Bureau Veritas Certification
	14-07-2022	
	16-07-2022	
Belgium	19-09-2022	Intertek France
	25-01-2022	SGS CBE Belgium
Cambodia	19-08-2022	SGS (Cambodia) Limited
France	05-04-2022	SGS France
	17-05-2022	
	19-10-2022	
	03-02-2022	Bureau Veritas Certification
	21-07-2022	
	27-07-2022	
	15-06-2022	BUREAU VERITAS CPS - EMEA
	01-12-2022	
05-09-2022	DNV	
Germany	21-04-2022	Intertek Germany
	19-04-2022	
	05-05-2022	Bureau Veritas Certification
	12-08-2022	
	14-07-2022	
07-07-2022	Intertek Bulgaria	
Greece	31-05-2022	SGS_U
Hungary	01-07-2022	Bureau Veritas Certification
India	26-05-2022	Bureau Veritas Certification
	20-07-2022	SGS ASIA
	07-11-2022	
	18-03-2022	Intertek India
Italy	22-06-2022	Intertek Italy
	14-04-2022	
	06-06-2022	SGS Italy
	25-05-2022	
	23-11-2022	
Mexico	08-06-2022	DNV
Netherlands	25-08-2022	Bureau Veritas Certification
Pakistan	04-10-2022	ALGI Pakistan
	29-09-2022	ELEVATE
	16-07-2022	ALGI Pakistan

COUNTRY	DATE OF AUDIT	AUDITORS
Peru	10-08-2022	SIPAS CR-PERU
Poland	03-11-2022	SGS Poland
Portugal	14-10-2022	Intertek Portugal
Thailand	02-09-2022	SGS Thailand
	02-11-2022	
	17-03-2022	
	19-09-2022	
	25-05-2022	
Turkey	14-02-2022	Intertek Turkey
United States	18-01-2022	Accordia Global Compliance Group (Home Office)
	23-02-2022	Intertek Peru
United Kingdom	22-02-2022	SGS_UK
	28-09-2022	Verisio
	01-08-2022	Intertek UK
	08-08-2022	Verner Wheelock (incorporating KSSA)
	21-11-2022	
	24-05-2022	

This notwithstanding, in response to the EU Proposal for a Corporate Sustainability Due Diligence Directive and the recent approval of the Corporate Sustainability Reporting Directive (CSRD), the Group will, in 2023, commence a Due Diligence procedure among its suppliers to identify and manage any real or potential impacts during their supply chains affecting Human Rights and the Environment.

We should mention in this regard that the implementation of all these programmes has helped to confirm that no adverse environmental or social impacts have been identified in our supply chain.



## □ B. Management of the supply chain for agricultural raw materials

### DETAILS OF OUR AGRICULTURAL SUPPLY CHAIN

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

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

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

Quinoa and pulses are mainly purchased from millers and traders.

### VOLUME BY ORIGIN

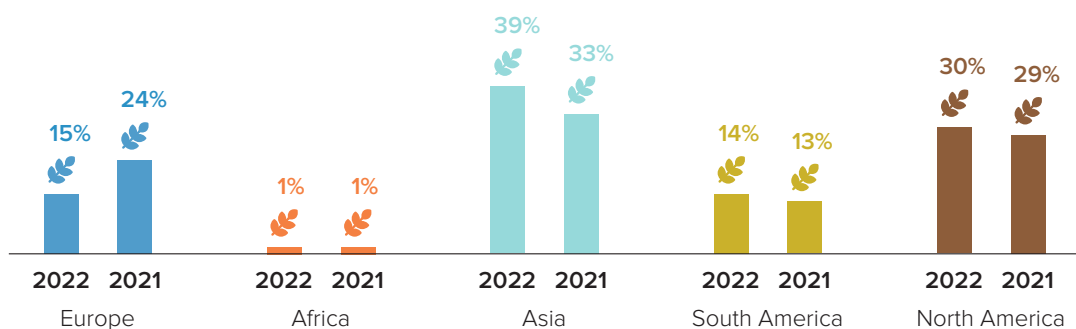
#### Rice

Rice now accounts for 90% of the Group's raw material purchases. 15% of that rice is sourced in Europe, 30% in North America and the remaining 55% (mainly aromatic varieties) in Asia (India, Pakistan, Thailand and Cambodia) and South America, based on the location of our companies Ebro India, Herba Bangkok, Herba Cambodia and La Loma Alimentos.

	2022		2021	
	TONNES	%	TONNES	%
Europe	294,246	15%	441,039	24%
Africa	20,892	1%	25,274	1%
Asia	759,665	39%	617,591	33%
South America	268,721	14%	237,676	13%
North America	571,530	30%	544,592	29%
Oceania	13,520	1%	0	0%
<b>TOTAL</b>	<b>1,928,574</b>		<b>1,866,172</b>	

NB: India and Pakistan are included in Asia.

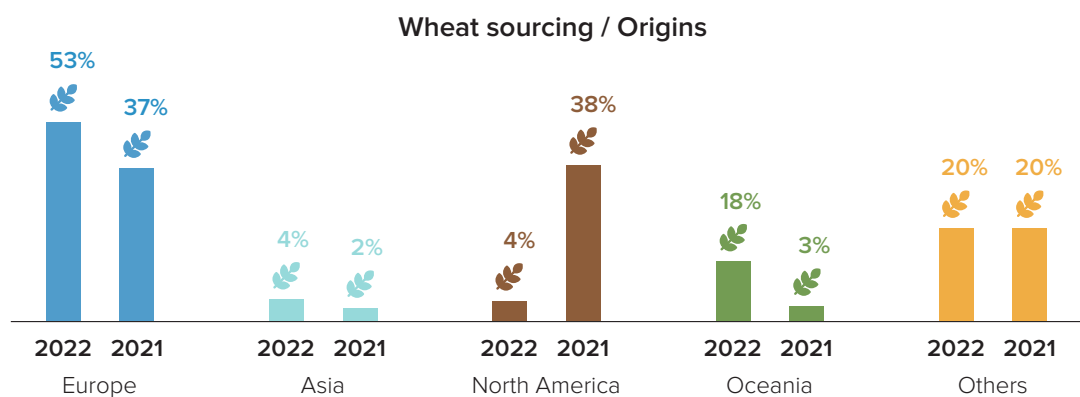
#### Rice sourcing / Origins



## Wheat

Wheat is sourced mainly in Europe and Oceania, the largest quantities being purchased in Italy and Australia.

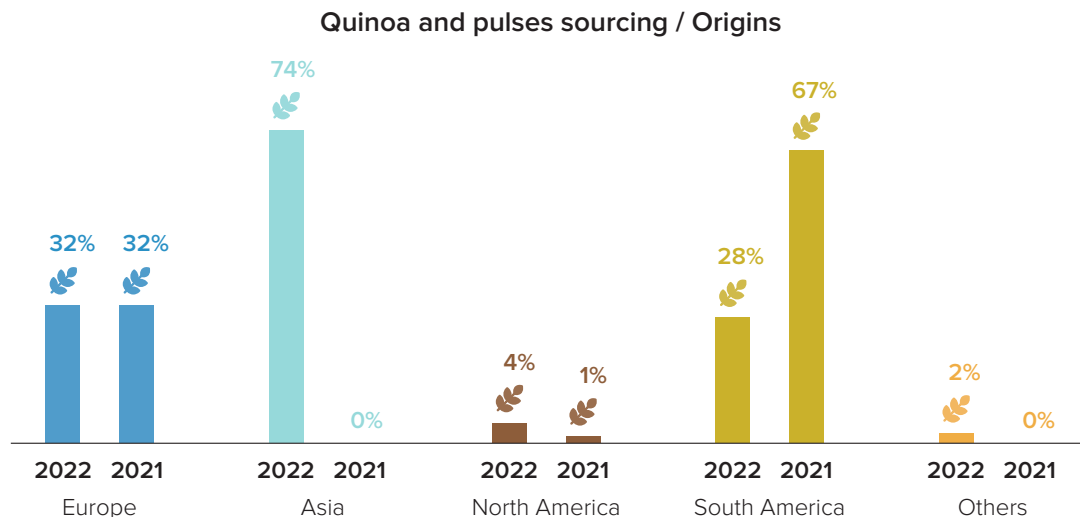
	2022		2021	
	TONNES	%	TONNES	%
Europe	95,377	53%	77,687	37%
Asia	7,799	4%	4,948	2%
North America	7,311	4%	80,756	38%
Oceania	33,000	18%	6,677	3%
Others	36,600	20%	42,624	20%
<b>TOTAL</b>	<b>180,087</b>		<b>212,692</b>	



## Quinoa and pulses

Quinoa and pulses are sourced in Asia, Europe and South America.

	2022		2021	
	TONNES	%	TONNES	%
Europe	5,933	32%	897	32%
Asia	13,863	74%	0	0%
North America	738	4%	24	1%
South America	5,198	28%	1,910	67%
Others	332	2%	0	0%
<b>TOTAL</b>	<b>26,064</b>		<b>2,831</b>	



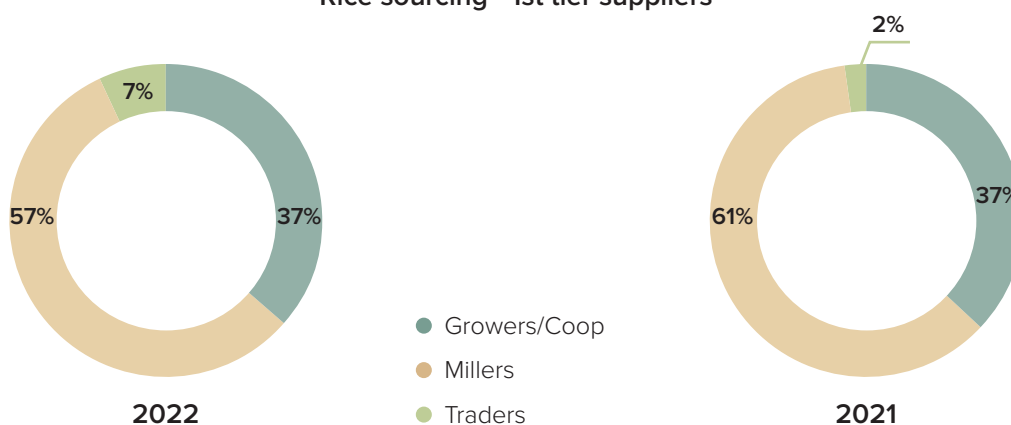
## VOLUME BY SUPPLIER

### Rice

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

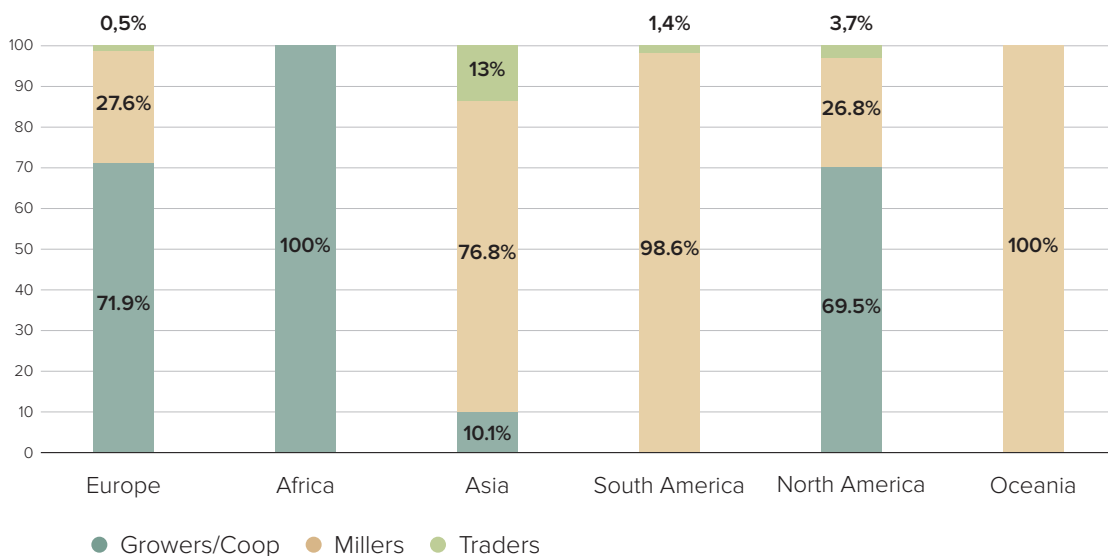
	2022		2021	
	TONNES	%	TONNES	%
Growers/Coop	706,492	37%	693,911	37%
Millers	1,096,458	57%	1,133,312	61%
Traders	125,624	7%	38,948	2%
<b>TOTAL</b>	<b>1,928,574</b>		<b>1,866,172</b>	

Rice sourcing - 1st tier suppliers



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

Rice sourcing 2022 / 1st tier suppliers / Origins



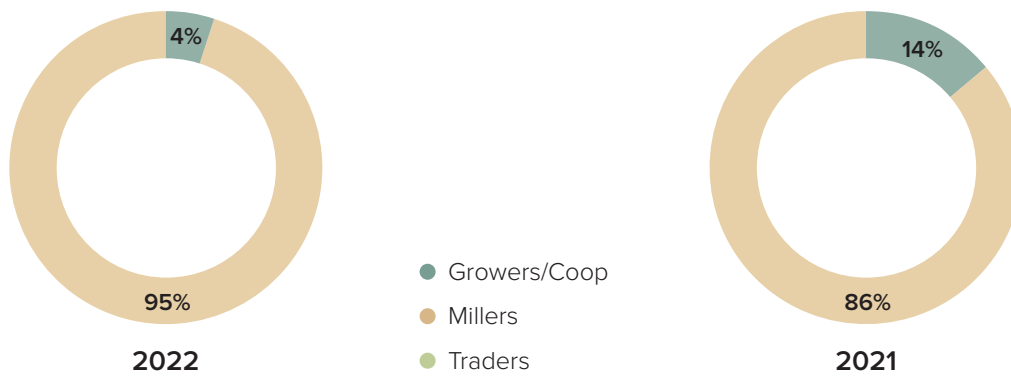


## Wheat

On a global level most of the wheat was sourced from millers in 2022 and in smaller quantities from growers and cooperatives.

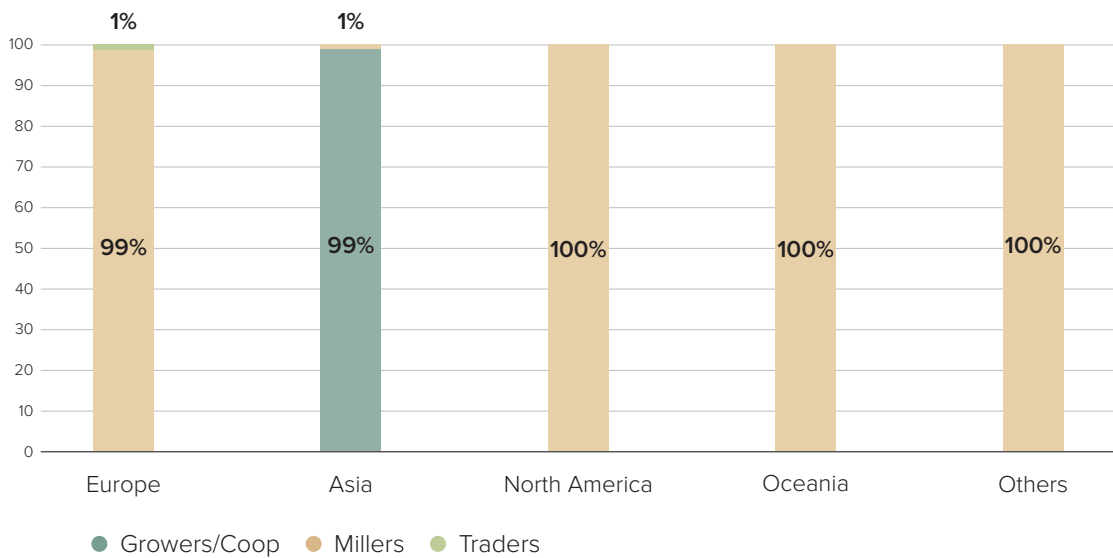
	2022		2021	
	TONNES	%	TONNES	%
Growers/Coop	7,840	4%	29,948	14%
Millers	171,593	95%	182,744	86%
Traders	654	0%	0	0%
<b>TOTAL</b>	<b>180,087</b>		<b>212,692</b>	

### Wheat sourcing - 1st tier suppliers



At a disaggregated level, the direct suppliers are mainly millers in all regions, except in Asia, where it is purchased directly from growers.

### Wheat sourcing 2022 / 1st tier suppliers / Origins



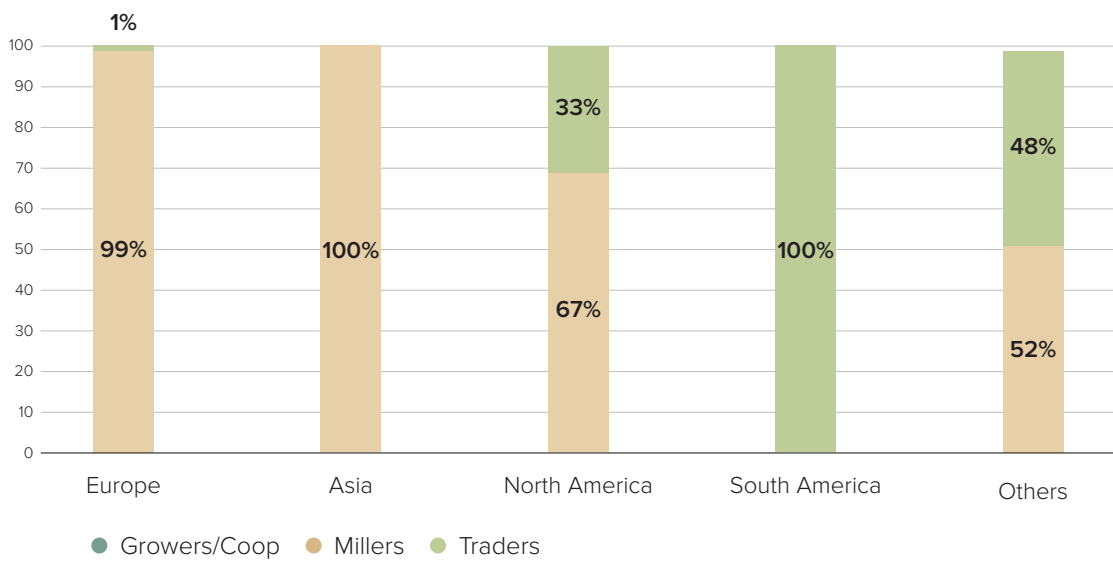
## Quinoa and pulses

In 2022 most of the quinoa and pulses were sourced directly from millers.

	2022		2021	
	TONNES	%	TONNES	%
Growers/Coop	28	0%	897	32%
Millers	20,431	78%	1,914	68%
Traders	5,605	22%	20	1%
<b>TOTAL</b>	<b>26,064</b>		<b>2,831</b>	

At a disaggregated level, the direct suppliers are entirely different for each geographical region: millers in Europe, Asia and North America and traders in South America.

Quinoa and pulses sourcing 2022 / 1st tier suppliers / Origins



## SOURCING OF SUSTAINABLE RAW MATERIALS

In 2022, the Group bought 352,062 tonnes of sustainable rice (18% of the total), with the following distribution:

Sustainable Rice Sourcing 2022

