



OUR APPROACH AND OUR MANAGEMENT

(GRI 3-3; GRI 2-6)

Responsible, deliberate and efficient supply chain management is implemented on several fronts, supported by policies and Company-approved procedures and by robust, traceable and transparent systems such as ARIBA and SAP. All our processes have specific indicators that help to identify and implement improvement opportunities.


Our supply chain is responsible for ensuring the correct process for the procurement of any goods or services required by the Company.

We classify our suppliers according to where they are from (local, regional, national and international) and manage contracts in the following categories:

- **Strategic:** High operational criticality and high complexity of suppliers through their industry specialization. Strategic procurement is usually related to the core of the business
- **Restrictive:** High market complexity and very few suppliers due to contracting restrictions in the areas of influence or because of low competition
- **Relevant:** High operational criticality, with low supplier market complexity due to high competition
- **Miscellaneous:** Goods and services with low criticality and complexity, and a large and developed market

Identification and management of risks and impacts

We have a supplier evaluation procedure that covers technical, health and safety, environmental, social, Human Rights, administrative and labor areas. In addition, we have a non-conformity reporting system, mechanisms to receive and manage grievances, and a Fines and Complaints Committee that aims to prevent and mitigate related risks and impacts.

 *To learn more about our grievance mechanism, see page 102 of this Report.*

Selection and evaluation of suppliers (GRI 102-9)

Our policies and procedures have been designed to encourage the participation of multiple suppliers, promote healthy competition and obtain the best technical-commercial proposal for the required good or service. The process is based on selection criteria that include legal, technical, environmental, labor and occupational health and safety aspects, which can be expanded on a case-by-case basis.

In 2023, aspects of circular economy, Human Rights, sustainability and equality policies were included in the selection criteria of some processes.

The greater or lesser degree of involvement of different areas to evaluate our suppliers depends on the criticality of the agreements signed, which is determined by factors such as:

