

BARILLA AND DURUM WHEAT

**For our pasta, we select the best durum wheat in the world:
Good for People and the Planet.**

Being the largest pasta producer is a strong responsibility: that is why we select only the best quality durum wheat in the world, cultivated in the most sustainable way, consistent with our mission “Good for You, Good for the Planet”. In 2016, we purchased **1,167,000 tons of durum wheat** globally. Approximately 70% comes from local suppliers who are close to where we produce our pasta (Italy, US, Greece, Turkey and Russia). In Italy, we purchased 732,000 tons of durum wheat both through cultivation contracts signed with Italian farmers, which account for about **54% of the durum wheat purchased in Italy**, and through contracts drawn up to cover specific needs.

We invest in Italy’s supply chain, but the domestic production of durum wheat is not enough to cover demand needs that meet our quality standards. That is why, we import to Italy, on average, 30% of the wheat required to produce our pasta every year, selecting it from the best varieties in the world. We purchase mainly from France, North America and Australia, in percentages that vary depending on the quality of crops.

OUR COMMITMENT TO QUALITY AND WHEAT SAFETY

Barilla pasta is good and safe. All the wheat we purchase, irrespective of its origin, undergoes a careful selection and strict controls carried out by the company, independent laboratories and regulatory bodies to check compliance with our quality parameters and with the high food safety standards in force in Italy and Europe.

THREE-YEAR CULTIVATION CONTRACTS: AN AGREEMENT WITH ITALIAN FARMERS THAT CREATES VALUE IN THE DURUM WHEAT SUPPLY CHAIN.

Our support to Italian agriculture has become increasingly more tangible in the last 10 years, thanks to our supply chain contracts that have the purpose of increasing a sustainable production of high quality wheat rewarding virtuous agricultural practices. Since 2016, our new **cultivation contracts have a three-year validity**. They involve around **5 thousand farms** covering a surface area of **65 thousand hectares**. The new cultivation contracts bind us to purchase from Italian farmers **900 thousand tons** of wheat until 2019, corresponding to an investment of 240 million Euro. We estimate that the volumes of “sustainable” durum wheat will grow by 40% in the next 3 years.

We work with local partners and encourage them with production bonuses linked to the quality parameters of wheat (which we pay 10-15% more than the average market price). We thus ensure Italian farmers a better profitability: on average 25% more than standard contracts. In this way we create value for all, we increase the

competitiveness of the Italian supply chain and improve the social wellbeing of rural areas.

GRANO DURO.NET AND THE BARILLA DECALOGUE FOR THE SUSTAINABLE CULTIVATION OF DURUM WHEAT

In 2009, we developed a collaboration project with HORTA, a spin-off of the Cattolica University of Piacenza, Italy, to analyse different agricultural practices and identify the most sustainable ones. These were translated into rules in the “**Barilla Decalogue for Sustainable Durum Wheat Cultivation**”. The Decalogue contains 10 rules and key suggestions: long crop rotations, high quality certified seeds, minimum and rational use of fertilisers and pesticides based on the actual plant needs, extension of sustainability to the entire farm and not only to the individual crop.

Furthermore, we have put “**Granoduro.net**” at the farmers’ disposal. It is an innovative software that analyses several objective parameters - meteorological trend, soil fertility, phenological state of the plant, etc. - to help farmers optimise cultivation techniques, costs, yields and product quality.

Growing wheat in a sustainable way gives rise to a virtuous circle: farmers increase yields and reduce costs by up to 30%. Net profit per hectare is about 20% higher than in a traditional system. For us at Barilla, we are guaranteed a high quality wheat for our pasta. Improving agricultural practices also enabled us to reduce CO₂ emissions by 35% over the last three years.

NEW WHEAT VARIETIES TO PROMOTE GMO-FREE ITALIAN AGRICULTURE

Every day we work to make Italian agriculture grow with wheat varieties that are increasingly more advanced and sustainable. An example is Aureo wheat, selected for Voiello pasta, that has enabled us to replace imports from the Arizona desert with purchases in Southern Italy, one of Italy’s reference areas for durum wheat, which led to water saving and a reduction of CO₂ emissions. Another example is Normanno, a variety that is more resistant to the colder climate of Northern Italy, which has given a decisive boost to the recovery of wheat growing in the Emilia Romagna region. Finally, Pi-Greco that requires fewer fertilizers compared to other varieties, but has the same yields. Barilla does not use GMO raw materials.