



SUSTAINABILITY AND CSR REPORT 2022 - 2023

Borges Agricultural & Industrial Nuts, S.A.
and Subsidiaries



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**1 LETTER FROM
THE CHAIRMAN**



Letter from the Chairman

Dear collaborators,

Once again, we find ourselves in this annual exercise of transparency and communication that we want to share with all of you. An excellent opportunity to analyse, reflect and plan.

Let's analyse. If we look at the last few years' trajectory, we see how some events that were previously presented for a future time are unfortunately already becoming reality. We refer in particular to factors such as extreme weather events and the lack of water that has been so much on the agenda this year. The low rainfall and scarce availability of water resources for agricultural activity have been much present in recent months. But we have adapted. The practices that we have been testing and applying in terms of irrigation efficiency in recent years and their results reaffirm that this is the way forward. The year has also been difficult due to volatility and inflation-related cost increases, mostly caused by the rising costs of energy and supplies. The energy component and geopolitical tensions over the Russia-Ukraine conflict marked the beginning of the year we are now ending.

Let's reflect. This year has been a very special one for us, and reflection has been strongly present in the celebration of our 125th anniversary. We are part of a great project thanks to the effort, dedication and commitment of many people who continue the work of those who helped build Borges at some point in its history and managed to add their grain of sand. Through our decisions, we will set the agenda for future generations.

Let's plan. We must remain faithful to our founding values, but also adapt to changing times, seizing the opportunities offered by the circular economy and relying on cleaner energy to decarbonise the sector. In the coming years, we want to consolidate our strategy of becoming a more resilient agricultural and innovative and energy-efficient industrial model, so that the small projects that we already implement each day, and which we describe in this report, will end up having an even greater impact overall.

Despite all the challenges, there is one thing we fortunately always have and that accompanies us every year, and that is the great honour of being ambassadors of such a great product as nuts and dried fruits, so beneficial for all of us and that favour a healthy and balanced diet. Knowing our impact on health and nutrition for customers and consumers around the world through our products is an incentive we want to preserve for many years to come.

Thank you for joining us on this journey,

DAVID PRATS PALOMO

CEO Borges Agricultural & Industrial Nuts, S.A.



**2 HIGHLIGHTS OF
THE YEAR**




Personnel

394

Total payroll ¹

98%

Employees on indefinite contracts



Environment

AGRICULTURAL PRACTICES

95%

GAP Global Certification
(% hectares certified)

104

Environmental conservation
and biodiversity (ha)

+11%

Increased plantations in
Pistachio Project

WASTE

91%

Reused waste

99%

Non-hazardous waste

ENERGY

27%

Energy consumption from
renewable sources

86%

Renewable electricity
consumption

-26%

Reduced CO₂ emissions²

637m²

Installed photovoltaic
panels

¹ Staff at the end of the financial year (31/05/2023), including own staff and trainees. Not including temporary agency staff.

² Scope 1 and 2, BAIN company (industrial activity) evolution vis-à-vis previous year 2020 (T. CO₂ eq).



Almond tree plantations on our lands

The background of the image is a dense, close-up pattern of walnuts. The walnuts are light brown with a textured, ribbed surface. They are arranged in a somewhat regular but slightly overlapping grid, filling the entire frame. The lighting is even, highlighting the natural texture and color of the nuts.

**3 SUSTAINABLE
GROWTH AND
KEY FIGURES**



3. SUSTAINABLE GROWTH AND KEY FIGURES

3.1. 3.1. BUSINESS MODEL

GRI 2-6

Borges Agricultural & Industrial Nuts S.A.(hereinafter, "BAIN" or "Group") is one of the main listed European companies engaged in the agricultural production, processing, packaging and B2B marketing of dried fruit, and mainly almonds, walnuts and pistachios operating in Spain and Portugal. It is a global family-owned agri-food group with 125 years of history and present in 52 countries.

BAIN's **mission** is to sustainably generate value for our stakeholders by producing and marketing almonds, walnuts, pistachios, and other dried fruit in the best quality conditions, through the development of a vertically integrated business and controlling the quality and traceability of our fruits from the field to our customers.

Our **vision** is to be the leading group in the production and processing of nuts at national and international level, through constant innovation in our crops and production processes, providing long-term value to our stakeholders.

Among our **values** are ethics, quality, customer orientation, internationalisation, sustainability, innovation, tradition, future vision, trust and profitability.



In developing our operations, we have:



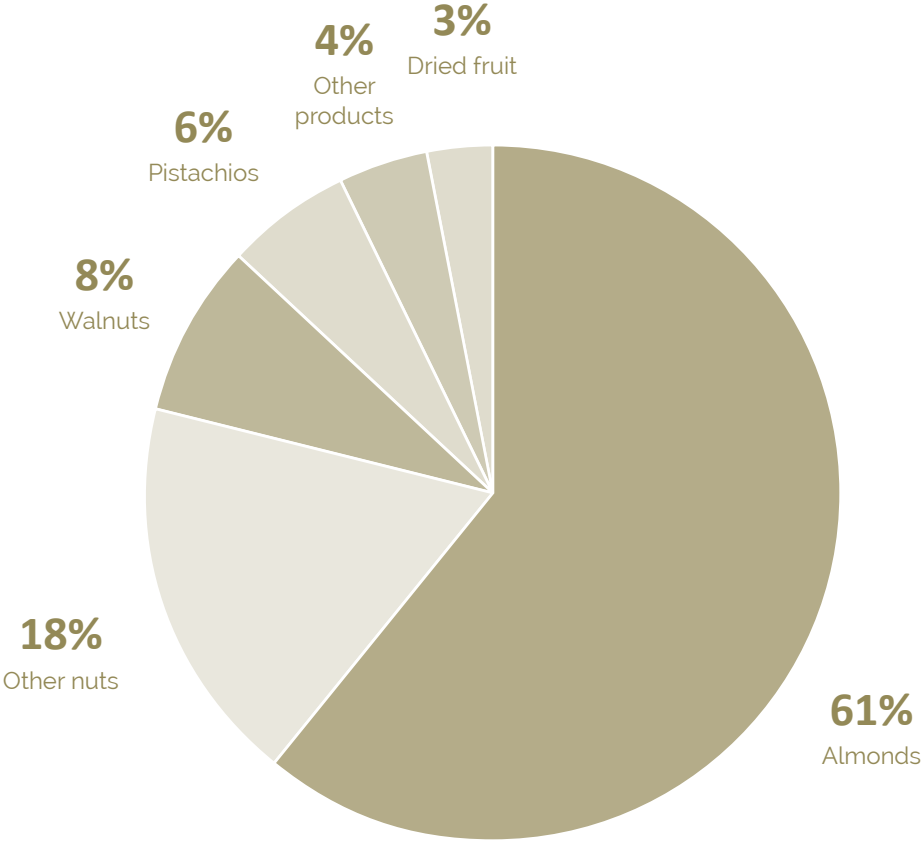
3 Some points of the report refer to these two industrial plants as: BAIN-B1 and BAIN-B2.



In financial year 2022-23, BAIN invoiced 136.3 million euro (+1.5% on 2021-22), with a 3.9% increase in the volume of dried fruit and nuts marketed. In this period, the company has increased its volume in the Spanish market, which stands at 49.8%.

France, the United Kingdom and Germany are the main foreign countries, accounting for 24.6% of international sales. Furthermore, almonds produced in Spain are now available on the Chinese market thanks to the agreement between Spain and China. In total, exports accounted for 50.2% of BAIN's sales, reaffirming the company's international profile.

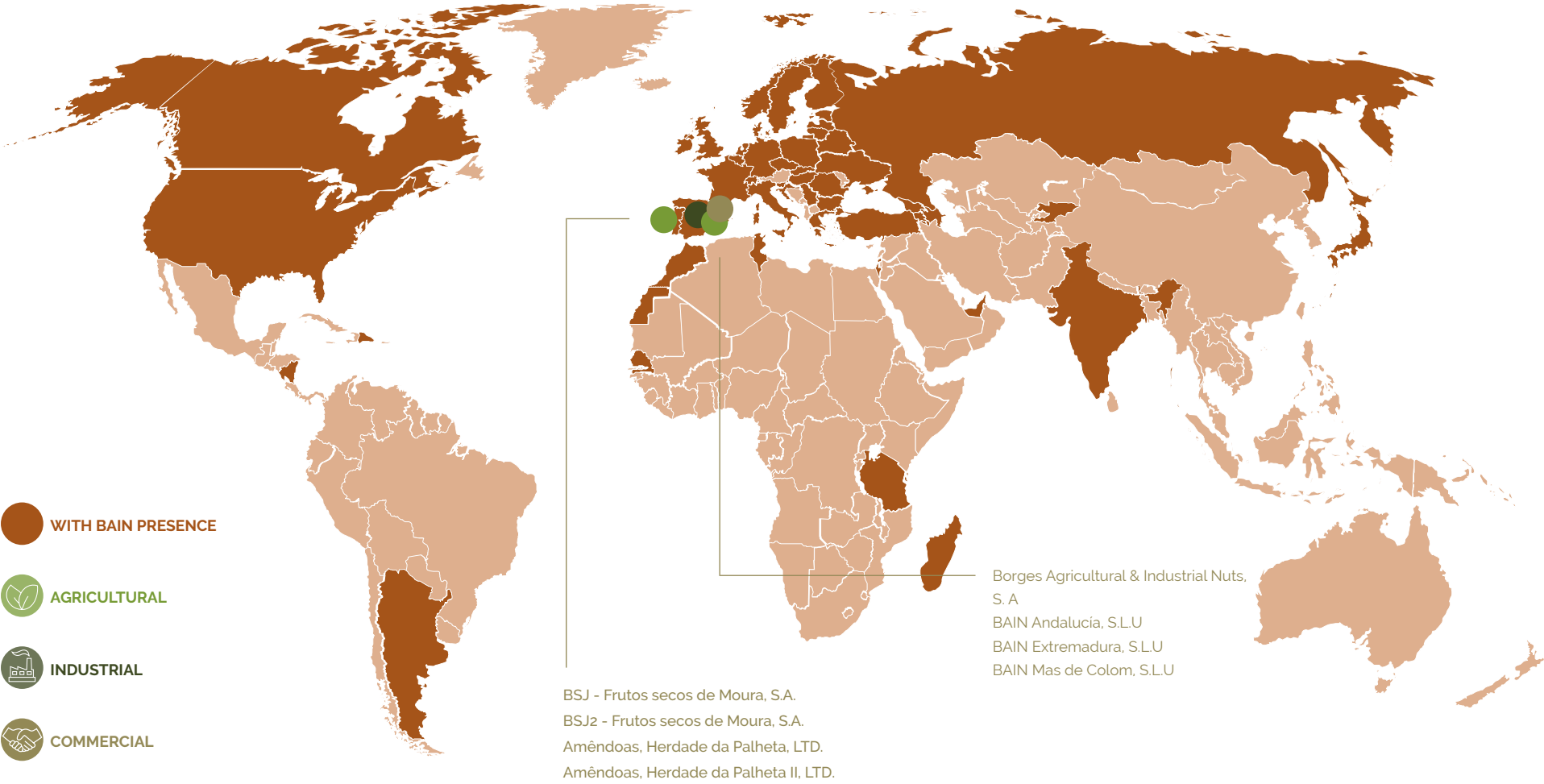
By the end of the period, the company had marketed a total of 34,881 tonnes of nuts and by-products. The products most sold by the company are firstly almonds (61%), followed by walnuts (8%) and pistachios (6%).



Sales by product €

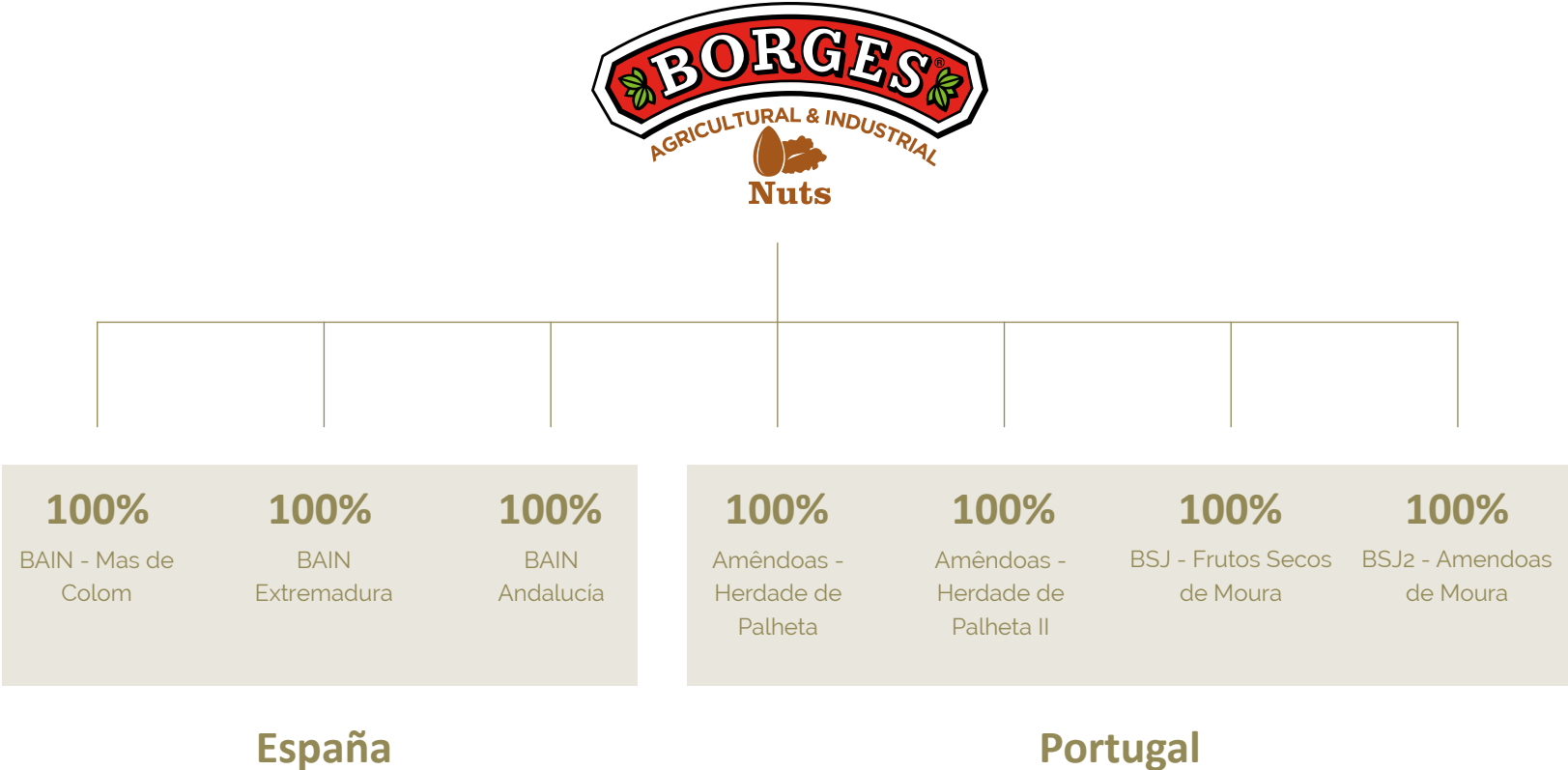


LOCATION OF ACTIVITIES





LOCATION OF ACTIVITIES





Plant covers help to increase the organic matter content in the topsoil



3.2. THE FRUITS OF OUR LABOUR

GRI 2-6

BAIN's product portfolio is made up of different products such as almonds, walnuts, pistachios, other nuts and dried fruit.

We have a plant dedicated exclusively to almond processing and walnut, almond and pistachio plantations, allowing us to offer products of the highest quality and with the highest traceability standards. Likewise, we manage 481 hectares of pistachios through the BAIN Pistachio Project, thereby contributing to the improvement and economic development of the Segarra-Garrigues Canal area of influence.

As for other products, our wide network of suppliers gives us access to a wide variety of nuts that we can offer with different finishes and qualities such as hazelnuts, cashews, macadam nuts or pine nuts. We also have dried fruit such as plums, dried apricots, raisins, dates, figs, coconut, etc.

EUROPEAN ALMOND

We collaborate with SAB-Almendrave and the Centro Nacional de Competências dos Frutos Secos (Spain and Portugal) in the "Almendra Europea" project to promote this nut in European markets. An ambitious project with a three-year campaign, co-financed by the EU, which aims to highlight this crop's quality and sustainability.

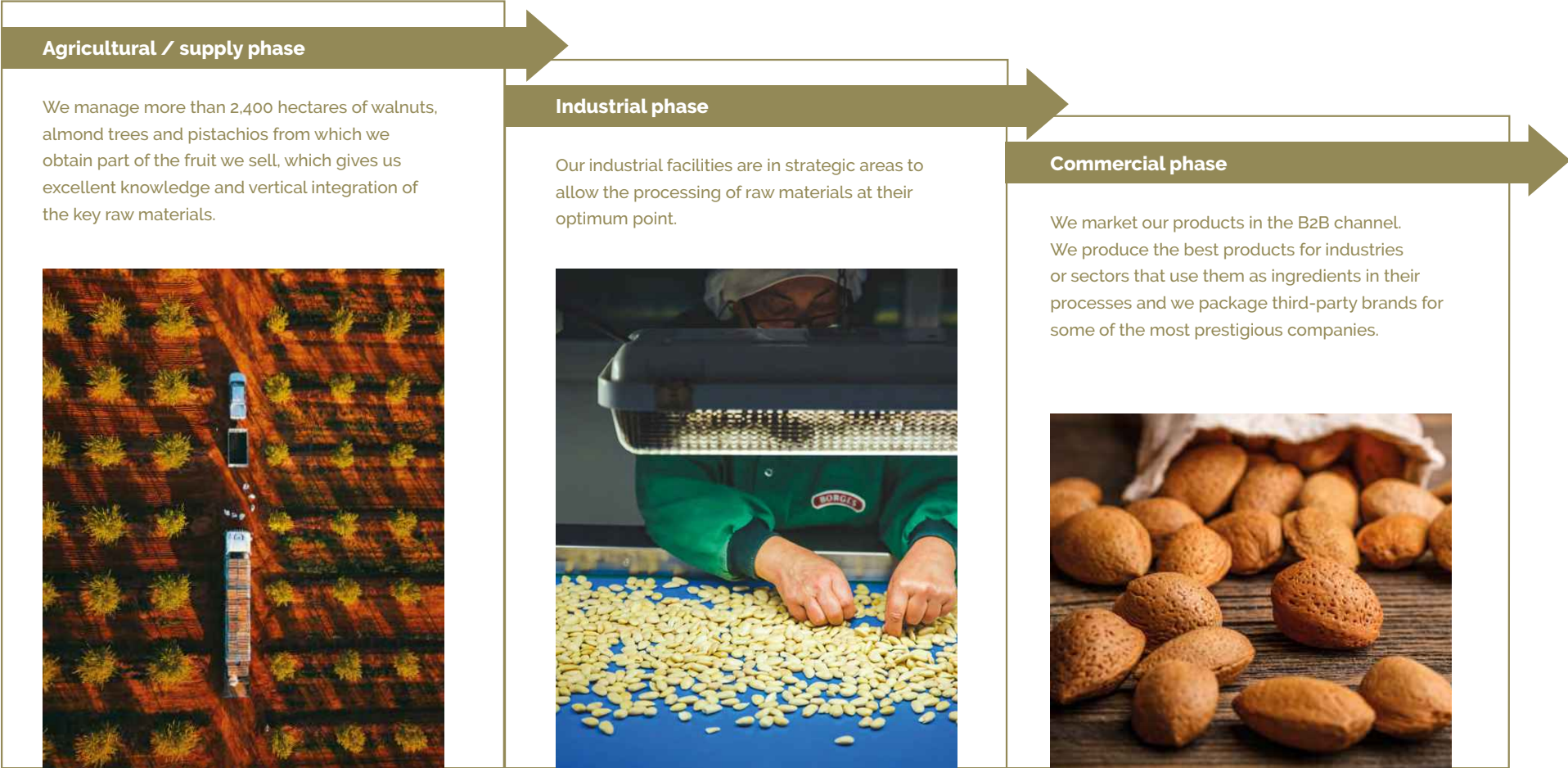


3.3. VALUE CHAIN: FROM FIELD TO TABLE

GRI 2-6

The aim of the agricultural activity is to supply the industrial and commercial activity to make sales to the B2B channel through its sales network, and occasionally to sell directly to third parties.

Agricultural activity is a strategic and relevant business segment for the Group, since in addition to integration at origin, it provides it with quality products to supply part of its commercial needs in a differentiated way from other origins, in addition to giving relevant information on price trends and the evolution of the productive sector.





3.4. COMMITMENT TO EXCELLENCE, QUALITY AND INNOVATION

At BAIN, we continually develop, innovate and expand our products to offer our customers healthy and sustainable food that contributes to improving their health and well-being, anticipating social needs and contributing to positive change and impact.

3.4.1. FOOD QUALITY AND SAFETY

GRI 416-1, 417-1

Present quality certifications, as well as the experience and professional capacity of our employees, allow us to guarantee the highest quality standards and product traceability in all of its phases.

Borges B-1 and Borges B-2 main production centres have different programmes and certifications that guarantee food safety and product traceability, such as the Food Defence Plan and the BRC, IFS Food and AIB International certifications. We also have product certifications such as CCPAE, Halal and Kosher. What's more, one hundred percent of the products sold are subject to continuous improvement processes and are assessed through internal and external audits, derived from the implemented certifications and quality and food safety management systems.



During this financial year, more than 20 audits and/or visits were made, mainly from customers and certifications (ISO 14001, IFS, BRC, AIB, Kosher, Halal).

+20 quality audits and visits

890 points in the renewal of the AIB audit

SAB-ALMENDRAVE MEDAL (SPANISH ALMOND BOARD)

BAIN was awarded the SAB-Almendrave Medal (Spanish Almond Board) during the VIII edition of the Almond and Hazelnut Meeting organised by the Spanish Almond and Hazelnut Exporters Association, in recognition of the 125th anniversary of its foundation and its more than century-long contribution to the development and promotion of Spanish almonds.





3.4.2. INNOVATION

Our commitment to innovation allows us to investigate and improve products and processes in order to become pioneers in the sector and anticipate the future needs of our consumers. An example of this is the development of new ingredients and value-added products, the improvement of our products' nutritional qualities, as well as projects for the reuse of our by-products.

This year we have developed new products such as pistachio and hazelnut granules and nut creams and pastes, expanding the range of healthy.

During the financial year 2022-23 we launched new products such as pistachio and hazelnut granules, among others, thus expanding the range of varied and healthy products we offer. We also highlight the launch of more nut creams and pastes with different flavours such as chocolate and other processed nuts, as a result of the company's continuous work and commitment to innovation.

Likewise, we continued to promote our Twenty Orchards brand, both at fairs and among our customers, a brand that offers a local, Mediterranean and sustainable product from our best farms, and whose traceability is guaranteed.

We additionally invest in all of BAIN's productive activity with innovative technological solutions, with projects such as the development of new, more sustainable industrial packaging or technical specialisation in each of the new varieties from our own farms.

RESEARCH PROJECTS RELATED TO THE REUSE OF BY-PRODUCTS, 2022-23:
Support in research and collaboration with the Polytechnic University of Valencia for alternative use in construction materials through industrial waste, such as almond shell as.

Study: Almond-shell biomass ash (ABA): A greener alternative to the use of commercial alkaline reagents in alkali-activated cement.



3.5. INTEGRATED STRATEGY

BAIN this characterised as a company committed to sustainable development through the production, elaboration and commercialisation of foods that actively favour social welfare, environmental balance and economic progress.

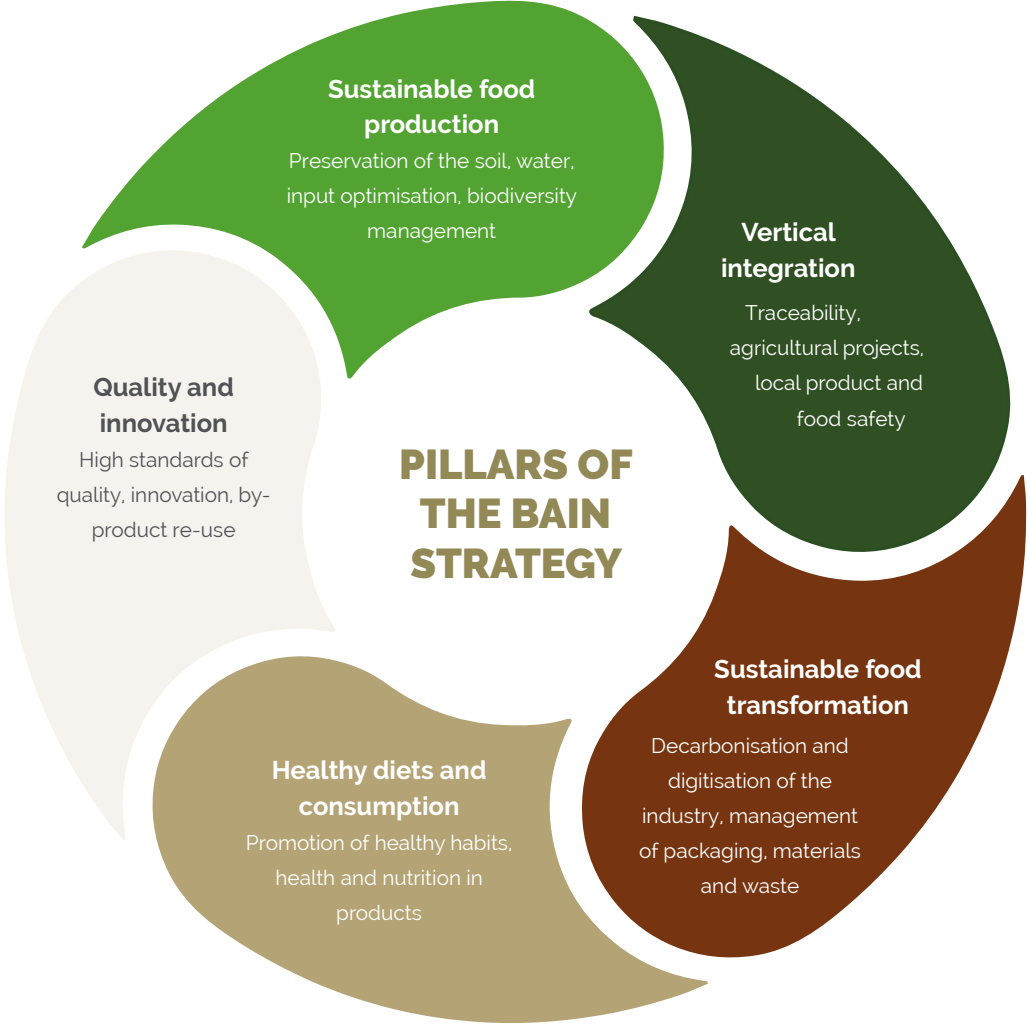
We are committed to responding to the new opportunities that the sector offers us, such as leading an agricultural and food sector that promotes a sustainable production and consumption model capable of guaranteeing global food security and, at the same time, promoting healthy ecosystems that support responsible management of land, water and natural resources.





3.5.1. BAIN INTEGRATED STRATEGY

Our goal is to have a business model that uses our products to generate a positive impact for all consumers, customers, suppliers, employees, and the community. To achieve these objectives, BAIN has defined a comprehensive strategy based on five strategic pillars.





Guaranteeing sustainable food production

Faced with the challenges and risks of agricultural activity (derived from the climate crisis), we promote handling practices aimed at preserving soil and water, promoting sustainable practices and reversing the loss of biodiversity, such as the current implementation of plans to **optimise the use of inputs in plantations or the use of more sustainable alternatives for pest control**. An example of this is also this year's expansion of the **hectares certified with GlobalGAP**, the international standard for good agricultural practices, and adherence to the **EsAgua** platform, the network of Spanish entities committed to the sustainable use of water and the water footprint.

We also rely on **technological and innovation solutions** that help lay the foundations for an agricultural and industrial sector that is more resilient to climate change

Vertical integration

BAIN promotes a local, km 0, product that guarantees total **traceability** throughout the process.

The agricultural business aims to continue growing by promoting local products and guaranteeing **global food safety**, which is why we continue to grow and expand the **Palm Project** and the **Pistachio Project**.

Sustainable food transformation

We are heading towards an circular production model, reinforcing digitisation, continuous improvement and industry automation to increase efficiency and productivity in our operations, with renewable energies in the production process. For this reason, **100% of electricity consumption comes from renewable energy** in all of BAIN's industrial activities.

Likewise, improvements are made to **reduce the environmental impact of containers and materials**, such as changes in their structures. We also implement **good practices in the supply chain** to reduce the main waste (overproduction, waiting times, etc.).



Promotion of healthy diets and consumption

Responsibility with sustainable food must contribute to promoting healthy diets to improve the health of society. We promote the **dissemination of the nutritional benefits of nuts** and continue to apply **innovations in solutions and new products** to mitigate current and future nutritional problems.

Quality and innovation

Thanks to the high demand on the quality standards of our products and the continuous commitment to innovation, we anticipate to lead the future.

We invest considerably in investigating, innovating and improving processes, guaranteeing the company's competitiveness and future. We do **re-search to optimise the recovery of by-products and other organic waste** from the agricultural and industrial process.



BAIN's strategy is aligned with other policies such as the Farm to Fork strategy, presented in May 2020 by the European Union, within the framework of the New Green Deal, which aims to accelerate the transition to a sustainable food system.

Likewise, in line with our commitment to carry out our activity in the most responsible way, we work to contribute to the United Nations 2030 Agenda. In this sense, the company has identified those **Sustainable Development Goals (SDGs)** on which we have the greatest impact and which define our strategy:

✓ **SDG 8** "Decent work and economic growth": We guarantee our professionals' well-being, we work with respect for labour rights, and we ensure compliance with human rights throughout our value chain.



✓ **SDG 12** "Production and responsible consumption": We manage our value chain, from the production of raw materials on our farms, the relationship with our supply chain, to the transportation, logistics, manufacturing, and marketing of our products; and we encourage the use of innovation and the design of new launches under criteria of sustainability.

✓ **SDG 17** "Alliances to achieve objectives": This is the method to achieve the remaining SDGs. It is the attitude and the way in which we develop our activity, creating alliances and with our stakeholders.

Although these are the main SDGs that define our strategy, we also play an active role in achieving other objectives derived from our activity, for example, through SDG 15 "Life on land ecosystems", to which we contribute through plans of preserving biodiversity on our farms, and SDG 7 "Affordable and non-polluting energy", for the use of renewable energy in our production centres and plantations.





3.5.2. CSR PLAN

BAIN's main commitment is to develop a responsible business that guarantees sustainable consumption and production, being the benchmark of a sustainable, ethical and responsible company integrated into society and communicative with its stakeholders. These have been the bases for defining our **Corporate Social Responsibility (CSR) Policy**, based on the results of dialogue with our stakeholders through the materiality analysis. The CSR Strategic Plan is structured into three main areas of action, each one associated with the different phases of the value chain and with objectives that will allow us to assess our performance:



1. Responsible Agriculture

It encompasses the **management of our own farms** and the **collaboration with suppliers of the agricultural sector and external services** with the aim of guaranteeing that raw materials are purchased and supplied under sustainable criteria.

- **Make agriculture compatible with the preservation of biodiversity.**
- **Reduce impacts on the supply chain.**
- **Assess our suppliers based on ESG criteria.**
- **Define, disseminate and comply with codes of conduct and sustainable procurement policies**



2. Committed People

This encompasses the relationship with our workers, collaborators, shareholders and communities. We guarantee **the well-being and development of our professionals**, ensuring equality, diversity and fair working conditions. We contribute to the **development of the communities** where we work, since we understand that sustainable development is only possible with collaboration with our stakeholders.

- **Defend Human Rights throughout our value chain.**
- **Ensure quality, decent, inclusive and safe employment.**
- **Strengthen internal and external communication through channels and communications.**
- **Generate a positive social impact and contribute to community development.**
- **Integrate ethics and good conduct in decision-making**



3. Healthy and Sustainable Products

We are responsible for promoting a healthy lifestyle through our products, which must be sustainable from their recyclability to their nutritional benefits. We manage both the **nutritional and healthy policy** of the products as well as their **preparation and processing** in our production centres, our environmental, energy or waste management.

- Continuously apply nutritional improvements to our products and promote good eating habits through them.
- Go from a linear to a circular view of production.
- Reduce food waste throughout the value chain.



If we take a closer look at the company's Sustainability Strategy, we can see the main challenges and strategic lines on which the plan is developed, which in turn respond to the three ESG areas, **Environmental** (issues of agriculture and responsible sourcing, processes and operations), **Social** (issues of the supply chain, health, nutrition, people and society), and **Governance**.



1. Responsible Agriculture

STRATEGIC GOALS

We want to contribute to our supply chain's sustainable development by preserving biodiversity and reducing environmental impact through responsible agriculture.

STRATEGIC PILLARS AND CHALLENGES

- ✓ Responsible agriculture, adaptation and mitigation of climate change
- ✓ Responsible supply chain

STRATEGIC LINES

- Preservation of biodiversity
- Management of natural resources (soil, water and energy)
- Circular economy and waste management
- Supply chain management and responsible procurement



2. Committed People

STRATEGIC GOALS

We want to generate a positive social impact in our community and guarantee our people's well-being and development.

STRATEGIC PILLARS AND CHALLENGES

- ✓ Talent management and human capital
- ✓ Territory, community and impact on society
- ✓ Governance in the organisation

STRATEGIC LINES

- Worker health and safety
- Professional development
- Working conditions and reconciliation
- Equality and occupational inclusion
- Social impact and community
- Fostering of Human Rights
- Business ethics and respect for regulations and Compliance



3. Healthy and Sustainable Products

STRATEGIC GOALS

We want to offer a healthy and sustainable diet through our products, continuously improving processes and promoting their nutritional benefits.

STRATEGIC PILLARS AND CHALLENGES

- ✓ Decarbonisation and reduction of CO2 emissions
- ✓ Waste management and zero waste
- ✓ Sustainable packaging
- ✓ Health and nutrition in products

STRATEGIC LINES

- Nutrition and healthy eating habits
- Improvements in products with sustainable attributes (packaging, etc.)
- Management of resources in industry
- Transition and energy efficiency
- Circular economy, waste management and by-product reuse
- Food waste



4

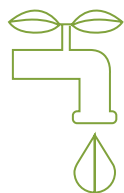
**RESPECTFUL
OF THE PLANET**



4. RESPECTFUL OF THE PLANET

Information on environmental issues

Highlights environmental management



- ✓ **3 photovoltaic solar parks** have been installed to cover our farms' irrigation needs.



- ✓ **Zero Waste** certification in process at our main production centres.



- ✓ Expansion and renewal of **Global GAP** certified hectares.



- ✓ Expansion of measures to **reduce emissions** associated with refrigeration gases.



- ✓ **Thermal efficiency** improvements in steam circuits in the nut division.





4.1. ENVIRONMENTAL MANAGEMENT AND RESPONSIBLE AGRICULTURE

GRI 2-23

BAIN's environmental commitment is inherent to the nature of the company's business, which is why we carry out our activity with strict and respectful environmental treatment throughout the entire cycle.

Our aim is to produce food through responsible practices that include soil regeneration and biodiversity.





In this sense, we have several strategic objectives to reduce our environmental impact from the agricultural area:

Certification of agricultural practices: During the financial year 2022-23 we renewed our Global GAP certification, the international standard for good agricultural practices on those farms that already had it, and more farms have been certified; **95% of our own farms are now certified.** Global GAP guarantees safe and sustainable production in order to benefit producers, retailers and consumers.

1.529

own hectares certified
with Global GAP

95%

own farms certified



Responsible sourcing, soil regeneration and nutrient handling:

We have defined our Responsible Agriculture and Procurement model, based on a specific programme that promotes and monitors the management of nutrients, water, plant health products and soil management, among others.

We analyse soil on all our farms, prior to drawing up fertilisation plans to make more efficient use of fertilisers and reduce nitrogen applications.

Reduction of chemical synthesis products: With the aim of using organic plant health products as opposed to chemical synthesis products, we continue to carry out pilot trials on our farms to make progress in reducing these supplies. This also allows us to obtain part of our production free of pesticides, with figures below the quantification limits established by current regulations.

Further details of agricultural management are described below: **A comprehensive view of soil, water, and agricultural practices.**

All these actions contribute directly to:

- ✓ Aligning our farms with a model of responsible and sustainable agriculture over time.
- ✓ Minimising the risks and effects associated with climate change and contributing to its adaptation and mitigation.
- ✓ Regenerating soils and biodiversity.
- ✓ Reducing dependence on fossil fuels and non-renewable energy.
- ✓ Increasing carbon sequestration and absorption, as well as reducing CO₂ emissions associated with the agricultural phase.
- ✓ Contributing to the sustainability of the agricultural sector for the coming years.



Diagram of the blocks contemplated in the Responsible Agriculture and Procurement Manual





4.1.1. PROTECTION OF BIODIVERSITY

GRI 3-3, 304-1, 304-2, 304-3

The degradation and destruction of ecosystems, the overuse of natural resources, invasive alien species, climate change and pollution are, according to experts, the main drivers of the loss of biodiversity, an essential component for sustainable agri-food systems and that plays an important role for the development of the agri-food sector.

In the pillar of "Responsible Agriculture", BAIN's CSR Strategic Plan includes its commitment to make agricultural practice compatible with the preservation of biodiversity. This translates into the following actions:

- ✓ All our farms have management policies based on soil protection, species preservation, minimum tillage, nutrient management, and preservation of natural resources.

- ✓ Since 2020, our Mas de Colom estate has had a Biodiversity Action Plan (PAB), which includes, among other objectives, the planting of more than 3,000 linear metres of trees and shrubs on the borders where the ecosystem's fauna can find food and places to make nests for the winter.
- ✓ We have more than a hundred hectares dedicated to environmental purposes such as reforestation, fallow, ZEPA areas, grazing and pastures on different farms in Granada, Lleida and Portugal.

MAS DE COLOM – CASA BORGES EARNs THE BIOSPHERE CERTIFICATE
 Mas de Colom – Casa Borges this year earned the Biosphere Certificate. This stamp, awarded by the Responsible Tourist Institute, assesses more than 200 requirements and takes into account the organisation's impact on the environment, climate change, society and culture, among others, and thus recognises those entities that have implemented and demonstrated its good practices.



BIOSPHERE
SUSTAINABLE



Finca Machados (Portugal)



4.2. ADAPTATION, CLIMATE CHANGE MITIGATION AND DECARBONISATION

GRI 3-3, 201-2

Climate change risk management

BAIN's activity has a direct impact and is highly dependent on the effects of climate change, as presented in the risks identified by the company. Our activity is directly related to the environment, nature and agriculture, and is naturally confronted with climate change, which could have negative effects on the of water, soil, biodiversity and ecosystem natural cycles, among others. Indeed, as the IPCC points out, all aspects of food security are potentially affected by climate change, including access, use and price stability. Climate change could therefore affect the activity of the company, its suppliers and its customers, and could negatively impact on their results and financial situation.

The following most relevant climate risks have been identified as having the greatest short- and medium-term impact on its activity:

- ✓ Lack of water resources in the river basins where we have agricultural activity.
- ✓ Volatility and rising energy-related costs.
- ✓ Increased raw material costs due to extreme periods of drought in supply areas.
- ✓ Extreme weather events in regions of agricultural activity, such as floods or periods of frost.

However, we also believe that the agricultural sector has a crucial role to play in combating and adapting to these risks, and that many of these risks can be minimized through correct management at an early stage.

Regarding water management, our objective is to reduce the water stress that affects the Group's plantations (lack of water, periods of drought derived from climate change, etc.). Details of water management projects can be found in the chapter on "water management".

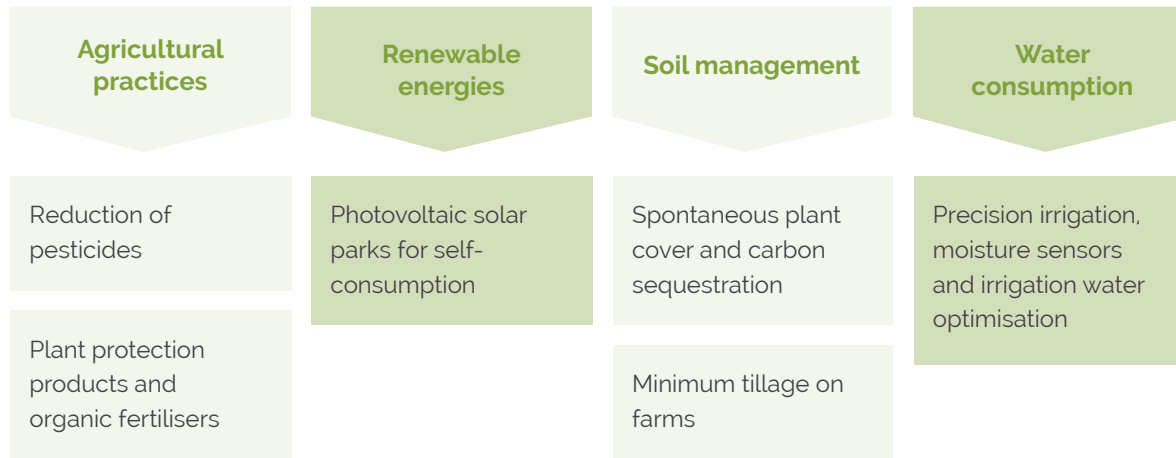
Regarding the consequences related to biodiversity, the company is implementing plans against the loss of fertile soil to promote carbon sequestration in the soil, regenerate soils and improve their fertility. Likewise,

we work to mitigate the impact of the risks derived from the supply chain and those associated with our projects through measures that contribute to the decarbonisation of the industry, such as the improvement in energy efficiency, the introduction of renewable energies, etc.

Along this line, we include actions in the daily management of our farms that help to store carbon, such as the use of plant or spontaneous covers, the use of pruning remains on the ground to act as organic fertilisers, minimum tillage, use of the "non-pruning" technique in which the tree itself acts as its own sink, and the incorporation of organic amendments in the soil.



How do we reduce impacts in the agricultural phase?





Decarbonisation and carbon footprint

One way to monitor and control these risks and impacts is by calculating our carbon footprint. We calculate the GEI emissions derived from our agricultural and industrial activity. Carbon footprint calculations follow the Accounting and Reporting Principles established by the Greenhouse Gas Protocol and the principles set out in ISO 14064 to account for an organisation's carbon footprint.

This calculation shows us the impact of the activity taking into account both direct and indirect emissions.

We calculate direct and indirect CO₂ emissions in the agricultural and industrial phase according to ISO 14064.



26%
emissions reduction
since 2017⁴

GRI 305-1, 305-2, 305-3, 305-5

GHG emissions (T. CO ₂ eq), agricultural and industrial activity	2022	2021*
Direct emissions	6.172	5.742,5
Indirect emissions ⁵	2.683	2.625,5
Total	8.855	8.368

EGHG emission reporting is performed on a calendar year basis with annual conversion and reporting factors.

*In the 2021 report, a total of 10,909 T of CO₂ (direct and indirect) was reported, which is recalculated and corrected this year.

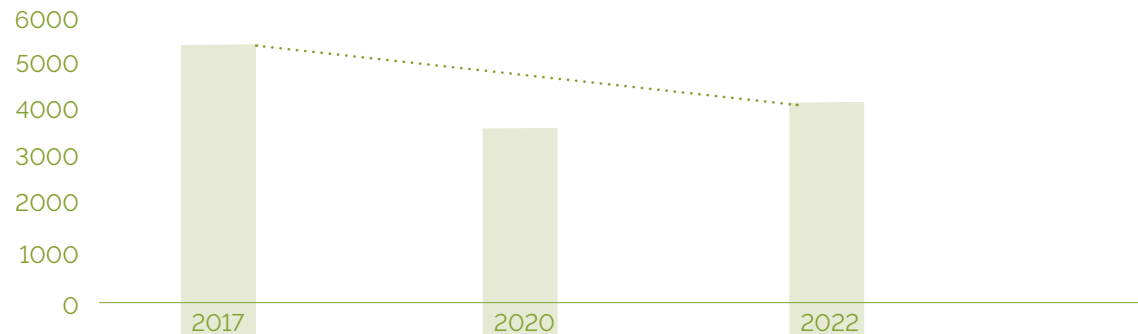
Sink (soil conservation practices) (kg CO₂eq) **-908 -1.034**

⁴ Reduction on total GHG emissions in scope 1 and 2. Base year 2017 (T. CO₂eq) in BAIN B-1, BAIN B-2 and Altura. Base year 2017.

⁵ Indirect emissions include those from imported energy, business travel and goods, water consumption and waste disposal.



Development of direct emissions (Scope 1) and imported electricity (Scope 2) of industrial activity



WE CALCULATE THE CARBON FOOTPRINT OF OUR ALMOND PRODUCTS

During the 2022-23 financial year, BAIN calculated the carbon footprint of the almond crops produced on its own farms in the area of Extremadura. This cradle-to-gate analysis was made with ISO 14067 and ISO 14040 methodology. The conclusions of this analysis include different measures that will contribute to reducing the associated carbon footprint: reduction of the impact associated with fertiliser and plant health supplies, optimisation of water use and lower use of fossil fuels in phases such as irrigation, among others.

Potentially avoided emissions

The organisation also identifies and reports those emissions that have been potentially avoided this year.



155 tCO₂eq

avoided through the use of biomass versus other fossil fuels⁶



2.336 tCO₂eq

avoided by the purchase of electricity with a certificate of renewable origin



779 tCO₂eq

potentially avoided by current waste management⁷

During these years, the organisation has also carried out the following energy efficiency mitigation actions, which are described in the “Energy” section of the next chapter.

⁶ Corresponding to the biomass used in the BAIN Altura centre where the almonds are shelled, and in the BAIN Andalucía and BAIN Extremadura processing centres. Calculated to generate the same amount of energy using another type of fuel such as natural gas.

⁷ In accordance with the recommendations of the European Commission 2011 and the ISO 14040 and ISO 14069 standards, we add information on emissions avoided from energy and material recovery in waste management. Among the processes that generate potential emission savings in waste is the use of energy, thus avoiding the use of fossil fuels, recycling or composting, among others.



4.3. SUSTAINABLE USE OF RESOURCES

Regarding industrial activity, our commitments are reflected in **Environmental Policy** and in the periodic review of our environmental objectives. In addition, the environmental management system of our two main production centres, located in Reus (BAIN-B1 and BAIN-B2) are certified according to UNE-EN ISO 14001, valid until 2024.



4.3.1. WATER RESOURCES

GRI 303-1

We are aware of the direct implication of water resources on our activity. For this reason, we continuously work to **improve water efficiency** by establishing actions and objectives in the industrial and agricultural fields. Due to their significant impact, we distinguish the initiatives linked to the two areas.

Our plantations have innovative technologies in localised irrigation and we use very low-flow drips to adjust it to the land's infiltration capacity. All our farms have a more efficient localised irrigation system.

Actions to reduce the water impact in the agricultural and industrial area:

- ✓ Controlled deficit irrigation tests implemented to adjust the doses in the plantations.

Continuous

- ✓ Use of Spray Systems with the aim of reducing the amount of water used in each treatment of the trees.

Continuous

- ✓ Installation of flow meters at the points of greatest water consumption to help implementation improvements for its reduction and preparation of process diagrams to control such consumption.

Continuous

- ✓ Through the implementation of improvements in the water purification system, we have improved the discharge quality in Borges B-1.

Done

- ✓ We are in the process of calculating our activity's water footprint. The calculation will allow us to establish the basis for calculating the water footprint of BAIN's farms and the walnut, pistachio and almond crops, and to identify critical points and to assess measures on which to focus the reduction of the water footprint.

In process

- ✓ Promote the reuse of washing water in the peeling process with the aim of reducing consumption by 15% and reducing the volume of waste water by 25%. This year, consumption has been reduced by 5% in the peeling process.

In process



WATER FOOTPRINT

As a result of BAIN's commitment to the EsAgua network, the company is completing its calculation of the water footprint associated with its agricultural and industrial activity. The aim of this concept is to have a tool to provide useful information on water use beyond the traditional indicators, a water usage indicator based on direct and indirect consumption, directly linking the assessment of water use to supply chain activities.



The area of agriculture suffers from a progressive increase in annual consumption derived from the demand for water from all the new plantations in the growth phase and from the plots replanted in recent years. If there are restrictions on the use of water in the territories of our plantations or production centres, we adapt to them through deficit irrigation techniques.

dam ³ /T produced	2022-23	2021-22
Agricultural activity	1,38	1,42
Industrial activity	2,47	2,41

The drip irrigation system we have implemented on our farms stands out for being 95% to 100% efficient in water use.

 **4.3.2. ENERGY**
GRI 3-3

We continue to work to reduce the energy impact of our activities, either by implementing and promoting energy from renewable sources or by optimising energy consumption in our processes.

In the case of electricity, 86% of the activity's total consumption (agricultural and industrial) is of electricity from renewable sources. In the case of industrial plants, this is 100%. In agricultural plants it is planned to increase the use of renewable energies with solar panels and the contracting of renewable electricity in the coming years.

The activity also uses biomass sources for self-consumption, which have associated savings in CO2 emissions as presented in the decarbonisation chapter.



WE INSTALL PHOTOVOLTAIC PANELS FOR IRRIGATION NEEDS

In 2022, 3 photovoltaic panel installations were set up in Portugal (Machados, Palheta and Torre de Bolsa farms) mainly to cover irrigation needs and reduce the associated carbon footprint. This corresponds overall to more than 636 m2 of photovoltaic installations and will enable annual production of approximately 180,000 KWh of self-produced clean energy. These new installations will allow us to reduce the electricity consumption on these farms by 13%, thus minimising the impact and footprint in the irrigation phase.

Actions to reduce energy impact:

- ✓ Installation of photovoltaic solar parks on farms in Portugal to cover irrigation needs.
Hecho
- ✓ We have achieved the replacement of 100% of the fleet of BAIN forklift trucks with electric vehicles.
Hecho
- ✓ Installation of probes to identify leaks and implementation of measures to monitor and reduce emissions associated with coolant gases.
Hecho
- ✓ Application of thermal efficiency measures in steam boilers using thermal insulation, saving 35 tonnes of CO₂ per year and reducing fossil fuel consumption.
Hecho
- ✓ Use of pumping water and photovoltaic pumping.
Continuous
- ✓ Electricity contracted with Guaranteed Origin 100% renewable energy, contributing to saving 2,000 T of CO₂ a year.
Continuous
- ✓ Completion of 100% the installation of LED lighting.
In process
- ✓ Installation of solar panels at the Borges B-1 and Borges B-2 processing centres to cover part of the industrial needs and encourage self-consumption.
Next steps
- ✓ Increase electricity from renewable sources.
Next steps



100%

renewable electricity consumption in industrial activity (by the end of the financial year)

86%

renewable electricity consumption in agricultural and industrial activity (by the end of the financial year)

GRI 302-1, 302-4

Energy consumption per source (MWh)	2022-23	2021-22
Renewable source		
Electricity	8.776	8.672
Non-renewable source		
Electricity	1.385	1.289
Natural gas	17.080	18.298
Diesel/Petrol	4.952	4.943
Total	32.194	33.203

GRI 302-3

Energy intensity ratio	2022-23	2021-22
Industrial activity	0,82	0,86
Agricultural activity	1,11	1,23

Energy consumption (MWh) / activity indicator (production volume in T).



4.4. CIRCULAR ECONOMY, PREVENTION AND WASTE MANAGEMENT

GRI 3-3

The entire process of obtaining and/or supplying raw materials is carried out taking into account factors such as quality, traceability and other actions that guarantee that the raw materials are produced sustainably under the highest quality standards.

Due to the nature of the activity itself, the greatest impact in terms of waste management and material consumption appears in the industrial phase. And even so, at this stage we have very high waste recovery rates. Our activity is capable of generating very valuable by-products both in its agricultural and processing phases. This is why in most cases we speak more of the term "by-product" than "waste", because of its final use and reuse both as a source of energy and animal feed.

We continually make industrial tests to reduce the volume of plastic in primary and secondary packaging, as well as to improve its recyclability. We also have a waste control register to improve tracking and analysis of KPIs.

At the end of this financial year, the company is completing the process to obtain the Bureau Veritas **Zero Waste certification** for our two main nut production centres (Borges B-1 and Borges B-2). This is a scheme to verify and recognise the amounts of waste generated that do not end up in the landfill, turning to other routes such as recovery, recycling or reuse.

In parallel, the changes already made in the previous waste collection planning are also maintained, making it possible to save associated emissions by adjusting and optimising transport. All BAIN-2 cardboard boxes are FSC certified.

All these actions contribute directly to:

- Reducing the volume of plastic waste associated with packaging.
- Improving the recyclability of packaging, with the aim of having recyclable packaging.
- Introducing and studying new materials to anticipate the needs of the market and our customers.
- Making correct waste management in the production phase, promoting its recovery and reuse.

99%

Non-hazardous waste



GRI 306-2

Volume of waste generated by type (ton)	2022-23	2021-22
Non-hazardous waste	1.673	1.704
Hazardous waste	22	15
Total	1.695	1.720

Companies that do not have agricultural processing centres and that are mainly engaged in agricultural activity manage their waste with specialised waste managers (mainly packaging of plant protection products). Their values are not included in the table above as they only account for 0.4% of the BAIN Group's total waste and no record is available at this stage, as it is for the production sites. Work will be done to adapt it to reporting in the coming years. These are Amêndoas - Herdade da Palheta, Amêndoas – Herdade da Palheta II, Ltd., BSJ - Frutos Secos de Moura, S.A., BSJ2 - Amêndoas de Moura, S.A. and BAIN Mas de Colom.

The increase in hazardous waste over the previous financial year 2021-22 is due to occasional withdrawals for maintenance actions at facilities and stock regularisation.

GRI 306-2

Method of elimination (%)	2022-23	2021-22
Non-hazardous waste		
Recovery operations		
Recycling	40,6%	41,5%
Composting	39,5%	37,3%
Final valuation unknown	0,2%	20,2%
Energy recovery	9,8%	
Elimination* operations		
Disposal unit	8,4%	0,3%
Hazardous waste		
Recovery operations		
Recycling	0,7%	0,0%
Elimination operations		
Final elimination unknown	0,6%	0,5%

The “energy recovery” sub-classification is added in financial year 2022-23. Previously, part of this waste was classified as “Final recovery unknown”.

External waste management by types (t)	2022-23	2021-22
Recovery	1.543	1.699
%	91%	99%
Elimination	153	14
%	9%	1%

*In 2022-23 the categorisation of the final waste manager was changed, but not waste management compared to other years and which affects the disposal classification. The final management of waste delivered to collection and transfer points is specified.



4.4.1. MINIMISING FOOD WASTE

GRI 3-3

The company implements mechanisms to combat food waste. It therefore establishes some of the measures such as research into the reuse of by-products and other organic waste derived from the agricultural and industrial process, as well as making donations to local food banks of products that cannot be managed commercially. This year, 838 kg of product was donated, which apart from combating food waste also provides food for the most disadvantaged groups. Since 2018, more than 8,400 kg of product has been donated.

Since 2018, BAIN has donated 8,411 kg of product to local Food Banks.





5 NUESTRO EQUIPO



5. OUR TEAM

Personnel issues

5.1. PAYROLL PROFILE

BAIN's human and social capital is essential for us, so we work daily to guarantee their well-being and development. We ensure equality, diversity, conciliation, human rights and fair working conditions. We develop policies and initiatives that promote workers' professional development.

394

employees

97,9%

people in payroll
on definite contracts

95%

people in payroll
full time

BAIN TEAM FEATURED POLICIES:

- Personnel selection and contracting policy
- Welcome Plan for new employees
- BAIN Internal Regulation of Conduct (Code of Ethics)
- Occupational Risk Prevention Policy
- Equality Plan
- Protocol for the prevention of moral and sexual harassment
- Policy for the use of information systems
- Internet use policy
- Regulations on per diems and travel expenses of the Borges Group
- Training Policy and Plan





Regarding the distribution of the workforce, 94% are in Spain, while the remaining 6% are in Portugal.

GRI 2-7

Number of people* on payroll** by gender	2022-23	2021-22
Women	183	196
% women	46%	46%
Men	211	226
% men	54%	54%
Total	394	422

* People working in the group at the close of financial year (31.05.2023). The data take into account the company's own personnel and staff on practice, not that of temporary work agencies.

At BAIN we are committed to stable and quality contracting, which is why 98% of the workforce have indefinite contracts and 95% work full-time.

GRI 2-19

Regarding remuneration, we have a **Director Remuneration Policy**, aimed at promoting BAIN's long-term profitability and sustainability, and to introduce the necessary precautions to avoid excessive risk assumption and the rewarding of unfavourable results.

GRI 405-2

BAIN's remuneration policy is based on strict compliance with current legislation and is governed by collective covenants. For them, we work to offer a living wage to all our staff, generating shared value with our professionals, and ensuring long-term economic stability and sustainability.

Wage gap*	2022-23	2021-22
By gender		
Ratio	1%	6%

*Gap by formula: (Average Men's Wage – Average Women's Wage) / Average Men's Wage.



5.2. WORK ORGANISATION

At BAIN we approach the management of our staff with the utmost respect and consideration for their personal and family life. We work to achieve the highest levels of well-being among our employees.

Working hours are organised according to the professional category and the specific functions of each person, however, we have flexibility measures such as:

- Flexible entry and exit hours, the option of doing an intensive day every Friday of the year and some eves of public holidays for the office and structural staff.
- Shift scheme according to the section in which services are provided (morning, afternoon, night or split) for production employees.

Since the last financial year, BAIN has implemented hybrid telecommuting for all office staff, which in turn improves reconciliation of personal and professional life.

5.2.1. RECONCILIATION AND SOCIAL BENEFITS

We have work-life balance measures for the workforce, such as:

- Deadline for the start of meetings, to prevent them from lingering in the afternoons.
- Work disconnection policy. The company has established a digital disconnection criterion for cases in which the submission of a communication is not strictly necessary. In this sense, the workers and management, whenever they can, will send communications in working hours. The company will take measures to avoid computer fatigue.
- Leave to accompany direct relatives on medical visits.
- Extension of maternity leave beyond what is established by law.



This year we once again held the **Day of the Little Borges People**, an activity for staff children with whom ties are reinforced and conciliation is attended to. During the day, we organised specific workshops to learn about the environment and biodiversity by creating shelters for bees and clay balls to scatter seeds, in a unique space among the plantations that the company has on the Mas de Colom estate.

In addition to the reconciliation measures mentioned, we offer our employees social benefits such as discounts for the purchase of company products through physical sales locations in the workplace or draws for show tickets for specific cultural and sports activities, as well as a language school.





5.3. SOCIAL DIALOGUE

BAIN has a Collective Bargaining Agreement, a Workers' Representation Committee (Works Council), which maintains direct dialogue with the company's HR Department and has the functions established in the Workers' Statute, such as the monitoring of compliance with current regulations and consultation of decisions that affect staff organisation.

There are also committees, through which worker participation is encouraged: Works Council, Health and Safety Committee, Equality Commission and Innovation Committee. After these, the results are assessed and the necessary measures are proposed to improve BAIN. The suggestions and proposals of the employees that are shared through channels such as the Suggestion Box, among others, are taken into account in these assessments.

GRI 2-30

100%

of the payroll in Spain and Portugal covered by collective covenant.

The Group also has a **Code of Ethics** that describes the behaviour and guidelines to be followed by staff and collaborators with the commitment to carry out activities in accordance with the highest ethical requirements and with optimal standards of professional conduct for the benefit of our stakeholders. Through this, we ensure freedom of association and the right to collective bargaining in all Group companies.





5.4. OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1

The promotion of the health, safety and well-being of our people is an essential condition in the development of our business activity. At BAIN we have an Occupational Risk Prevention Policy that establishes the duty to ensure the health and safety of our team, and which encompasses all the activities of the company and all its hierarchical levels.



COMMITMENTS AND PRINCIPLES OF THE ORP POLICY:

- To comply with applicable legislation.
- To provide safe and healthy working conditions.
- To involve all company personnel.
- To encourage participation.
- To promote the continuous improvement of the ORP management system.
- To plan prevention.
- To adapt the job to the person.
- To train people.
- To bear in mind the evolution of the technique.

Preventive culture

GRI 403-1, 403-2, 403-3, 403-6, 403-7

The organisation's preventive culture is integrated, at the operational level, through BAIN's Occupational Risk Prevention Management System (SGPRL) and an Occupational Risk Prevention Management Manual. Both are constantly updated in terms of procedures and instructions, thus ensuring the members of our staff are trained against the inherent risks in the development of their activity. For this we have a procedure for the identification of hazards, risk assessment and determination of controls which, aligned with current regulations and the requirements according to ISO 45001, includes the methodology that we apply in the prevention of occupational risks. Once detected and evaluated, the corresponding corrective actions are proposed with the competent departments.



We guarantee proper management of occupational health and safety through the ISO 45001 certification implemented in the main production centres



BAIN's SGPRL (BAIN-B1 and BAIN-B2) is certified according to the ISO 45001 management standard, valid until 2025. The SGPRL of the rest of the companies is not certified, although the same management procedures that are applied in certified companies are contemplated, shared and implemented.

GRI 403-3

BAIN's preventive activity is organised through the Occupational Risk Prevention Area, part of the HR Department and reporting directly to the HR Department and the General Management.

We also have an external Occupational Risk Prevention Service contracted for each work centre, covering all specialities (safety at work, industrial hygiene, ergonomics and psychosociology, and occupational medicine/health surveillance). In this way, the Spanish subsidiaries have the capacity to self-manage in preventive matters, in cooperation with the external Occupational Risk Prevention Services and following the corporate guidelines established at Group level. The management of the concurrent personnel in the agricultural operations in Portugal is centralised through BAIN Extremadura.

Participation and communication on health and labour
GRI 403-4

For the workforce to take part in queries and communications related to occupational health and safety, we have a Health and Safety Committee in the main work centre in Spain. This has the function of actively participating in the development of preventive management, promoting initiatives and proposals for improvement on methods and procedures to prevent possible risks in the workplace, and collaborating in analysing damage caused to the staff's health or physical integrity. It is equally represented and meets quarterly. The rest of the production centres have representatives elected by the staff to channel suggestions or queries. Similarly, there is direct communication between the managers of each centre and the staff.



OUTSTANDING ACTIONS IN HEALTH AND SAFETY IN THE 2022-23 FINANCIAL YEAR:

- Advancement in machine safety and systems of consignment and blocking.
- Increased integration of ORP/ Safety at the Operations level.
- Updating psychosocial assessments.
- Repair and improvement of damaged and slippery interior floors.
- Training at all hierarchical levels on "Safety Leadership".
- Implementation of internal on-line training support.
- Improvements to the facilities with the aim of minimising the risk arising from the concurrence of pedestrians and lifting equipment.
- Updating of Emergency Plans.
- Increase in ORP personnel.

The development of a psychosocial study is planned for the next financial year..

Work accidents and occupational illness

We cross-investigate any incident, accident or occupational illness, as established by our internal procedure. The corresponding corrective actions are also established.

GRI 403-9

Work accident injury	2022-23	2021-22
Accidents without sick leave	17	24
Women	7	11
Men	10	13
Accidents with leave	19	26
Women	6	12
Men	13	14
Accidents with leave in itinere	4	4
Women	4	3
Men	0	1
Frequency index	29,3	39,3
Severity index	1,0	1,2



5.5. TRAINING AND PROFESSIONAL DEVELOPMENT

GRI 404-1

To promote the professional development of our team, we have our own Career Plans and Training Plans to enhance their knowledge and skills.

As contemplated in **the company's Training Policy**, the **Training Plan** is the instrument in which the various needs are contained in an orderly manner and which establishes the approval of the actions for the staff's correct professional development. The objectives of this policy include the definition of the methodology used to detect and meet the training needs of the staff, to define the phases of the process and the participants and to assess the effectiveness of said actions.

This is the impact of the training plan from the previous year:

- Training has been provided at factory level in food safety, hygiene and good practices, ORP and environmental management (annual training).
- Actions aimed at the quality team, aimed at giving updated information on various topics focused on food safety and quality, as well as current regulations, food safety ISO 22000:2018, IFS V7, HACCP system, Halal development and the labelling of food products.
- The 50-hour on-line entry-level job training course for production staff.
- For the company, language training (English, French and Italian) fosters the strong international trajectory of our organisation and the search for new markets. The organisation of the language courses ranges from beginners to advanced level.

At the employability level, internal staff promotion is also encouraged, with the internal announcement of all open selection processes in all areas where the company operates.

Commitment to youth employment

GRI 404-2

At BAIN we are firmly committed to equal opportunities and the promotion of employability without age discrimination. For this reason, one of our main objectives in professional development is to reduce the gap between academic training and professional training by contracting young students in our workforce and people over 45 years of age. We also have agreements on internships and collaboration with different universities, promoting **Dual Training** with institutes in the areas where we operate

We also participate in different job fairs, such as the University Employment Fair of the Rovira i Virgili University (URV) and the Reus Youth Employment Fair organised by the Reus Chamber of Commerce with the aim of promoting young talent from the area.



BAIN was one of the first companies to implement Dual Training. Since 2015, it has been a member of the Alliance for Dual Vocational Training Pact.

In 2022-23, two students from centres close to our main facilities participated in the Dual Vocational Training Programme.

5.6. EQUALITY AND NON-DISCRIMINATION

We work daily to achieve equal treatment and opportunities between different groups (value of plurality and diversity) and thus avoid any type of discrimination (for reasons of gender, belief, inclinations, origin, abilities, etc.) in the business field and to contribute, through our commitment, to progress towards equal opportunities.

We were one of the first companies to implement Equality Plans and reconciliation policies among the workforce and, in fact, we were distinguished for it. We have the 4th Equality Plan drawn up this year, and an Equality Commission to ensure equal opportunities and non-discrimination from a gender perspective.



We also have other policies that take into account respect for the workforce and the guarantee of equal opportunities, such as the company's Code of Ethics, the Selection and Recruitment Protocol and the Welcome Plan. Likewise, the BAIN collective covenant explicitly contemplates the recognition of equality, in which the right of equal access to all sections and professional categories is recognised.

In 2022-23, we prepared the company's 4th Equality Plan.

One year more and since 2010, the **Distinction of Equality in the Company** has been renewed, which was granted by the Ministry of Equal Opportunities and the Women's Institute, which guarantees the implementation of Equality policies and actions. This year, the equality officers received 30 hours of follow-up training on the Equality Plan.

To ensure a work environment that is respectful of gender equality, the dignity and freedom of the staff, we have the **Protocol for the Prevention of Moral and Sexual Harassment**.



Diversity and accessibility

We believe in the diversity of our work teams, made up of people who come from different backgrounds and valued for their merits and abilities.

Our commitment is to favour the social and occupational integration of people with functional diversity and promote equality in the working world. For this reason, BAIN's 4th Equality Plan includes actions focused on the management of people with disabilities and in a state of social exclusion. Furthermore, the organisation is fully compliant with the law for the social integration of people with disabilities..

3,30 %

people with diversity on the payroll

Likewise, BAIN actively collaborates with other entities such as the Illunion or Taller Baix Camp through the outsourcing of services.



A woman wearing a white hairnet and glasses, dressed in a green lab coat, is smiling and looking down at a tray of small, round objects on a laboratory counter. The background shows a typical lab environment with various pieces of equipment and papers.

6 GENERATING SOCIAL VALUE



6. GENERATING SOCIAL VALUE

Information on social issues and respect for Human Rights

6.1. OUR COMMITMENT TO COMMUNITIES

GRI 203-2, 413-1, 413-2

Within the framework of our activity and in line with our commitment to sustainable development, we collaborate closely with local communities, the territories in which we operate and society to generate a positive impact on all of them. Our impact model seeks to promote the creation of value from start to finish, and all this thanks to the development of the rural environment through the promotion of agricultural rent, professional development and collaboration with vulnerable groups. The result of all this is evident in the value of our products, the result of our daily work to promote a healthy food system and nutritious consumption habits for society.

Thus, at the collaboration level, priority is given to all those actions that ensure the social good and those entities that are located in the geographical area close to the towns where BAIN's headquarters are located.

In this sense, the population where BAIN is present and the workers are encouraged to participate in the events that take place in their areas. An example of this are invitations to the workforce, such as in the Reus Women's Race, offering shirt numbers to employees so that they can participate in the activity through collaboration with said events.

This year was the 15th edition of our Blood Donor campaign at the Reus production centre, a day for voluntary donation led by all the staff.

Promotion of agricultural rent

The agricultural field has a strong positive impact on the rural development of the territories where BAIN has farms: we generate employment, we contribute to establishing the population in unpopulated areas and rural areas, we invest in the territory to reactivate the economy and technology of the agricultural sector, we make profitable existing infrastructures that represent important investments for the country (such as the Segarra-Garrigues Canal through the Pistachio Project), we improve the profitability per hectare in relation to traditional rain fed crops and we encourage the consumption of produce from proximity. Finally the Pistachio Project, the Pistachio Project is one more example of cooperation with the territory. Through it, we cooperate vertically with agricultural producers for the planting of pistachio and the implementation of irrigation structures to bring water to the territory and amortise the infrastructure. In this way, we transfer experience and provide advice on the productive part of the crop, with the aim of improving farming income, economically and socially stimulating the territory and creating synergies throughout the food chain.



Membership of sector associations
GRI 2-28

During this year, we were present at various key **world fairs and congresses** in the sector, such as the INC Congress (World Nut & Dried Fruit Congress), which gathers more than 1,100 professionals from the sector. We were also exhibitors at the **SIAL**, one of the largest food fairs in Europe and the world, and we participated in the **ISM in Cologne**, the world's largest trade fair for sweets and snacks.

Moreover, as a result of our commitment to the areas of activity in which we operate, we are represented and/or form part of leading organisations in the sector worldwide, such as:

- **International Nut and Dried Fruit Council (INC):** the international organisation that brings together producers, distributors and consumers of the dried fruit trade sector and whose mission is to stimulate sustainable global growth of the sector.
- **Spanish Almond and Hazelnut Exporters' Association (Almendrave):** the group of almond and hazelnut exporters from Spain that coordinates promotion plans with the aim of consolidating the consumption of almonds and hazelnuts in traditional markets and opening up new horizons. BAIN is on its management team.
- **FRUCOM:** the European federation for the trade of nuts and other products in order to establish the regulatory bases in the EU.





6.2. SUPPLY CHAIN MANAGEMENT

BAIN is committed to contributing to sustainable development through its supply chain, in order to guarantee a sustainable and responsible supply of its products, ingredients and raw materials. We therefore consider our contractors, suppliers and general collaborating entities, which are decisive for the achievement of our goals in growth and development.

Our supply chain is made up of our agricultural farms and also supplier companies (of finished product, raw material and ingredients, and containers and packaging) with whom we seek to forge long-term business relationships based on trust, transparency, and communication.

This implies working together to reduce the negative impact in all processes, including land management, water, waste, emissions, transport and respect for human rights, and thus to guarantee that the purchase and supply of raw materials are sustainable and comply with upright and ethical conduct.

One of BAIN's main objectives is to have greater control of the environmental and social impacts and risks derived from the supply chain.

Likewise, we evaluate the social and environmental risks derived from our supply chain based on the origin and type of product they supply. This provided us with a risk map based on the product and origin of the material supplied, which contemplates the analysis of the following parameters, among others: Respect for human rights, carbon footprint, water footprint and biodiversity.

BAIN's supply chain social and environmental risk map will assist in the implementation of risk mitigation policies and the development of specific codes of conduct.

GRI 308-2

In parallel, the current management and control in the supply chain are supported by the following parameters:

- Clauses related to the knowledge and application of the Code of Ethics and the Criminal Compliance Policy through the Declaration of Customers and Suppliers: the suppliers declare their adhesion and commit to behaving in a manner aligned with BAIN's business principles
- Specific clauses when starting relationships with logistics and transport providers: specific points are added to suppliers' environmental impact and progress.
- Comprehensive quality control and traceability of our entire supply chain. The Food Safety systems and regulations (BRC, IFS, FSSC 22000, among others) our suppliers use are evaluated, always prioritising working with those certified with GFSI (Global Food Safety Initiative). Audits on suppliers of raw materials, ingredients and packaging material are established based on risk assessment. Furthermore, on-site audits are also carried out



for those service providers that do not have GFSI. Las auditorías a empresas proveedoras de materia prima, ingredientes y material de envase son establecidas según la evaluación de riesgo. Además, también se realizan auditorías in situ para aquellas compañías proveedoras de servicio que no disponen de GFSI.

GRI 308-1, 414-1

During the 2019-2020 financial year, BAIN began to introduce the Platform for the approval of supplier companies, a document management tool that aims to optimise the management of the company's supply chain by centralising supplier management. This allows us to increase efficiency during the purchasing and supply processes and provide more information on product traceability. Every year, more companies are registered on the platform and new phases of implementation are developed. Likewise, the score on environmental, social and social responsibility ises and requirements is assessed.

6.3. RESPECT FOR HUMAN RIGHTS

We defend Human Rights throughout the value chain to guarantee the well-being of the people in the company and to achieve the sustainable development of the communities in which we operate. For this reason, for years we have made an effort to ensure they are known and respected in all the organisation's facilities and among our collaborators.

The main BAIN centre has the SMETA Audit, which certifies respect for Human Rights and the company's ethical compliance.



GRI 2-26

This is how it remains in force in our Code of Ethics and in the Company's Criminal Compliance Policy. In this sense, we fully subscribe to the United Nations Universal Declaration of Human Rights, the social policy of the International Labour Organisation and the Principles of the United Nations Global Compact. Based on this, BAIN respects the personal dignity, privacy and personal rights of each employee and is committed to keeping a workplace in which there are no situations of discrimination or harassment.

The company also has a complaints channel through which all investigations will be processed, according to the Code of Ethics, following the legal requirements and in accordance with the employee Human and Labour Rights.



7 GOOD GOVERNANCE



7. GOOD GOVERNANCE

Information on the fight against corruption and bribery

7.1. ETHICS, ANTI-CORRUPTION AND COMPLIANCE

Commitment to crime prevention is part of BAIN's corporate culture. In this sense, we have developed codes, policies and procedures that help us take the necessary measures to fight against corruption and bribery in the company.

GRI 2-23, 2-26

Some of the policies and measures where our commitment to the fight against corruption and bribery is established are:

- Code of Ethics
- Criminal Compliance Policy
- Criminal Prevention Body

- CSR Policy
- Risk Control and Management Policy
- Manual of Prevention and Response to Crime
- Complaints channels
- Declaration of Suppliers and Customers
- **Code of Ethics:** The Code of Ethics establishes the obligation that all people who are part of the Group and those of the stakeholders to whom the Code is applicable, must act based on the ethical principles and values that fostered in the company and must prevent any action of corruption, bribery, fraud and that affects free competition.

It is the company's policy to comply with the exclusion of any possibility of child labour, freedom of association and right to collective bargaining, and the elimination of all forms of forced or compulsory labour.

- **Criminal Compliance Policy:** The aspects of the Criminal Compliance Policy include the risks related to corruption in business, including the crime of money laundering: BAIN's staff and associates are expected to act diligently, remaining alert to suspicious operations (unknown suppliers, lack of documentary support, prices significantly below market prices, payment requests to accounts located in tax havens, etc.), reporting such operations as soon as possible to the BAIN management without revealing the control and investigation actions being carried out to this third party.
- **Manual of Prevention and Response to Crime:** We also have a Manual of Prevention and Response to Crime, which includes the procedures, measures and controls in place on this matter in the company and which details the functions and composition of the Criminal Risk Prevention Body. These include the management of the complaints, which may be received through the Criminal Compliance Complaints Channel (canal-denuncias@borges-bain.com).



Internally, we have also promoted different communication and training processes on anti-corruption policies and procedures for the company's governing bodies, as well as training on the Compliance Programme for all staff..

— Communications, Line of Ethics and Complaints

Channel: For queries, observations and complaints, the staff has different channels at its disposal, ranging from reporting to the hierarchical superior to verbal or written communication addressed to any of the members of the Criminal Prevention Body, as well as through the Ethics Line or the **BAIN Complaints Channel**.

— **Ethics and good practice verifications:** At BAIN we have an Internal Audit Department responsible for evaluating internal controls and the degree of compliance with them and improving process effectiveness. These processes include the preparation of the previously presented risk map, and where we can see how corruption appears as one of the identified risks. In addition, the BAIN centre

is subjected to external audits such as the SMETA Audit (SEDEX Members Fair Trade Audit), one of the most internationally recognised audit procedures in the field of fair trade. In this sense, it is used by our customers to audit their supply chain in terms of ethics and good business practices.

COMPLIANCE

This year, the 2022 edition of **training on Compliance** was launched with the aim of updating knowledge of the risks in this area and knowing how to avoid them.

During the year, employees and new recruits are informed of the policy and receive training in respect for the company's ethical standards, raising awareness of the existence of the complaints channel and how to act when faced with the main risks, among others. This year, face-to-face training was also provided to teams without corporate mail.





7.2. RISK MANAGEMENT AND OPPORTUNITIES

GRI 102-11, 102-15, 103-1

At BAIN, we have implemented a **risk control and management system** based on the **COSO reference framework**, which allows us to continue achieving our objective in this area, which is to manage and minimize the risks of our activity. The structure of the system is defined according to the model of the three lines of defence:

- The **first line of defence** lies in the operational management of the companies. The operational managements are responsible for the risks, for managing them and implementing preventive measures.
- We identify the **second line of defence** in the areas of Quality, Compliance, Financial Control, Legal, Environment, Health and Safety, which help the processes and controls of the first line work correctly.

- The **third and last line of defence** is the Internal Audit, which ensures the proper functioning of the **Risk Control and Management System**, and which informs the governing body and senior management of the degree to which the risk management and control is efficient.

Audits are periodically made to evaluate the effectiveness of the control measures of the first and second lines of defence and to propose the necessary corrective measures.

The group also has a **Risk Control and Management Policy**. Its purpose is to establish the basic principles and general framework of action for the control and management of risks of all kinds faced by the Company and the Group, and which must be applied in accordance with the provisions of the Group's Mission, Vision and Values. Here the main risks identified are described, as well as the systems for controlling and managing these risks.

A close-up photograph of several almonds scattered on a wooden surface. The almonds are in various orientations, some showing their smooth, light-brown skin and others showing their textured, brownish, pitted shells. The lighting is warm and soft, creating a natural, organic feel. The text is overlaid on the left side of the image.

8

**MATERIALITY
AND
STAKEHOLDERS**



8. MATERIALITY AND STAKEHOLDERS

8.1. DOUBLE MATERIALITY ANALYSIS

At BAIN we want to know the expectations, needs and interests of our stakeholders, which is why we make periodic materiality analyses. This participatory process allows us to identify relevant issues resulting from our activity.

Specifically, during the financial year 2022-23 we made a dual materiality analysis considering the guidelines of the European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI).

The process of developing dual materiality took into account surveys of different stakeholders and internally identified risks. The results were also considered of a participatory session attended by people with a high degree of responsibility in the organisation, in which potentially relevant issues for the company from a financial perspective were assessed.

The global risk analysis also took into account the World Economic Forum's 2023 Report, as well as the Risk Horizon tool, which identifies risks according to the sector in which the Group operates and the countries in which it does business.

The dual materiality analysis consists of two main elements:

- Financial materiality: the negative or positive effect that the environment has or may have on the company's economic value.
- Impact materiality: the negative or positive effect that the company has or may have on environmental, social and economic aspects, contributing to sustainable development.

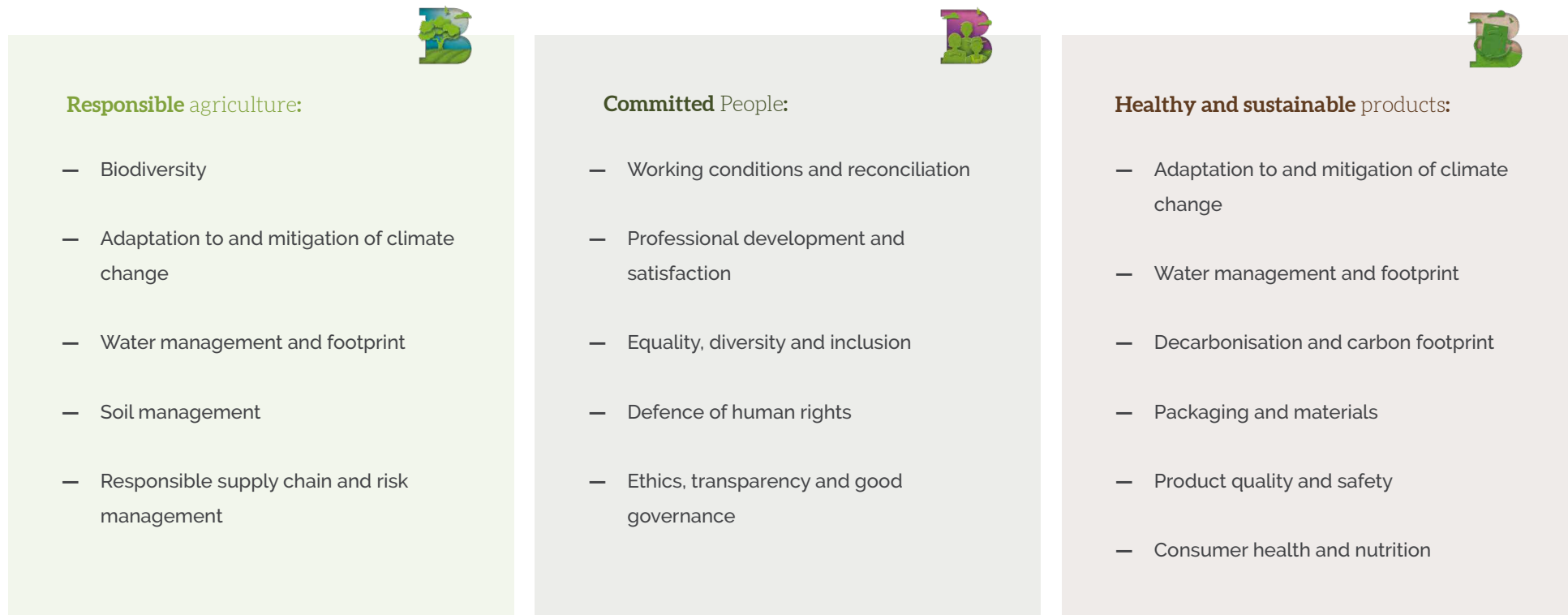


The result is the following double materiality matrix:





Relation of the different material topics with the strategic pillars described in this report:



The results of this analysis will be analysed and integrated in the next financial year.

9

METHODOLOGY AND SCOPE OF THE REPORT





9. METHODOLOGY AND SCOPE OF THE REPORT

GRI 2-2

The purpose of this annual report (1 June 2022 to 31 May 2023) is to inform the stakeholders of the non-financial management policies of Borges Agricultural & Industrial Nuts, S.A. and Subsidiaries, as well as the main lines of work and initiatives developed in these areas during this financial year.

This document has been prepared on the basis of the content published in the report "Consolidated non-financial information statement for 31 May 2023 of Borges Agricultural & Industrial Nuts and subsidiaries", which forms part of the Group's consolidated management report and accompanies the consolidated annual accounts for the financial year 2022-23. This document is available to the public on the website www.borges-bain.com and has been externally verified by BUREAU VERITAS CERTIFICATION as independent verification service provider, in accordance with the wording given by Law 11/2018 in article 49 of the Commercial Code.

The information on the company's policies, actions and performance was taken as a reference in preparing this publication, which includes quantitative data and qualitative information. Likewise, the non-financial key performance indicators included in this report were prepared in accordance with the contents of current commercial regulations and took into account the standards for the preparation of sustainability reports of the Global Reporting Initiative (GRI standards), an international reporting framework that is contemplated in the new article 49.6.e) of the Commercial Code introduced by Law 11/2018.

Any query related to this report can be referred to info@borges-bain.com.

NOTE ON METHODOLOGY

In accordance with the activity carried out, the Group divides some of the information contained in this report following the structure below and in correspondence with the following companies and segments:

- Industrial and commercial activity, consisting of the process of shelling, processing, packaging and B2B marketing of nuts from our own or third-party plantations.

Companies: Borges Agricultural & Industrial Nuts, S.A. (parent).

- Agricultural activity, consisting of the operation of agricultural plantations dedicated to nut production in Spain and Portugal.

Companies: Amêndoas – Herdade da Palheta, Lda, Amêndoas – Herdade da Palheta II, Lda, BAIN-Mas de Colom, S.L.U., BSJ – Frutos Secos de Moura, S.A., BSJ2 – Amêndoas de Moura, S.A., Inc., BAIN Extremadura, S.L.U. and BAIN Andalucía, S.L.U.



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