



CORPORATE RESPONSIBILITY REPORT

2018 - 2019

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1 OUR AMBITION

Our mission is to export the Mediterranean lifestyle through high-quality goods under a sustainable, long-term economic model and products that meet society's nutritional needs. This philosophy governs everything we do throughout the value chain, as we protect health, people, and the environment every step of the way.

Josep Pont Amenós



2. ABOUT US



2 ABOUT US

We are a global farming and food group of family and Mediterranean origin with more than 120 years of history and a strong international presence. **We are leaders in farm management, industrial processing, packaging, and marketing of olive and seed oil, nuts, dried fruit, Modena vinegar, pasta, and snacks.**

Never losing sight of our identity, our company has adapted to change and professionalised and taken our business project to the five continents. Tradition, innovation, and quality unite in Borges to export the Mediterranean lifestyle and high-quality products around the world.

In the last year we have marketed our products in 116 countries, becoming international leaders in our sector with a firm commitment to vertical integration of the farming business and a business project which is clearly committed to responsible, sustainable development.

Mission, vision and values

Borges International Group’s mission, vision and values define who we are and guide our long-term strategies:

- » **Mission:** To export the Mediterranean lifestyle and high-quality products around the world.
- » **Vision:** To be a recognised world leader, marketing healthy, high quality Mediterranean products, cuisine and lifestyle, creating value for consumers, customers, employees, shareholders and all stakeholders connected with the Group’s activity.
- » **Values:** Our values are evident in the way we behave. Our hallmarks are ethics and honesty, respect for people and environmental responsibility, which enable us to achieve our main objective, which is to fulfil our customers’ and shareholders’ needs with the Mediterranean diet.

Code of Ethics

To further our mission, vision and values, our **Code of Ethics** is a tool that allows excellent management of our Group, doing everything to the highest ethical standards.

The **Code of Ethics** reinforces our corporate culture and governs the behavioural standards of everyone who makes up Borges International Group.

 [See Code of Ethics](#)



2 ABOUT US



Origin, tradition and territory

We are committed to the territories where we work, to family traditions and the origin of our products. We respect the planet and look to the future without forgetting our roots.



Innovation and quality

Innovation and quality have always been at the heart of everything we do and define our commitment to satisfy and anticipate stakeholders' needs, by supplying healthy products and contributing to the group's sustainable development at all times.



Internationalisation

With more than 120 years of history and a strong international presence, we have 15 sales offices around the world. We are present in more than 100 countries with more than 6,000 internal and external workers.



Healthy products

Our commitment to a healthy lifestyle inspires us to supply our consumers with healthy products.



Sustainability

We consider social and environmental factors in the business processes that regulate our operations, trade, and relationships with others. We are a sustainable company because we do business sustainably.



Vertical integration

We operate throughout the value chain, producing many of our products on our own estates. We establish lasting relationships and cooperation agreements with the production sector to ensure effective control and ensure traceability.

2 ABOUT US

Organisational structure

Borges International Group has three business divisions:



» **Borges Agricultural & Industrial Edible Oils, S.A.U (BAIEO)** is a leading industrial processing, packaging and B2B marketing business group that produces olive oil, seed oils and Modena vinegar. Borges International Group controls 100% of BAIEO’s shares. However, some subsidiaries have local shareholders with minority holdings.



» **Borges Agricultural & Industrial Nuts, S.A. (BAIN)** is our business unit focused on agriculture, industry and B2B marketing of dried fruits and nuts. The group has been listed in the continuous market of the Bolsa de Madrid since 2017. Borges International Group controls 89% of its shares.



» **Borges Branded Foods, S.L.U. (BBF)** is the business unit that markets products under our group brands, mainly to the Retail and Food Service channels. Borges International Group controls 100% of shares of this business unit, however, some of its subsidiaries have local shareholders with minority holdings.

Corporate governance structure

The senior governing body of Pont Family Holding is the **Board of Directors** whose mission is the permanent management of the Company. The Board of Directors reports to the Shareholders’ General Meeting. Borges Agricultural & Industrial Nuts, S.A. also has an **Appointments and Remuneration Committee** and an **Audit and Oversight Committee**.

2 ABOUT US

Organisational structure

1,133

workforce at year end:

Industrial presence

11

plants

5

countries

Commercial presence

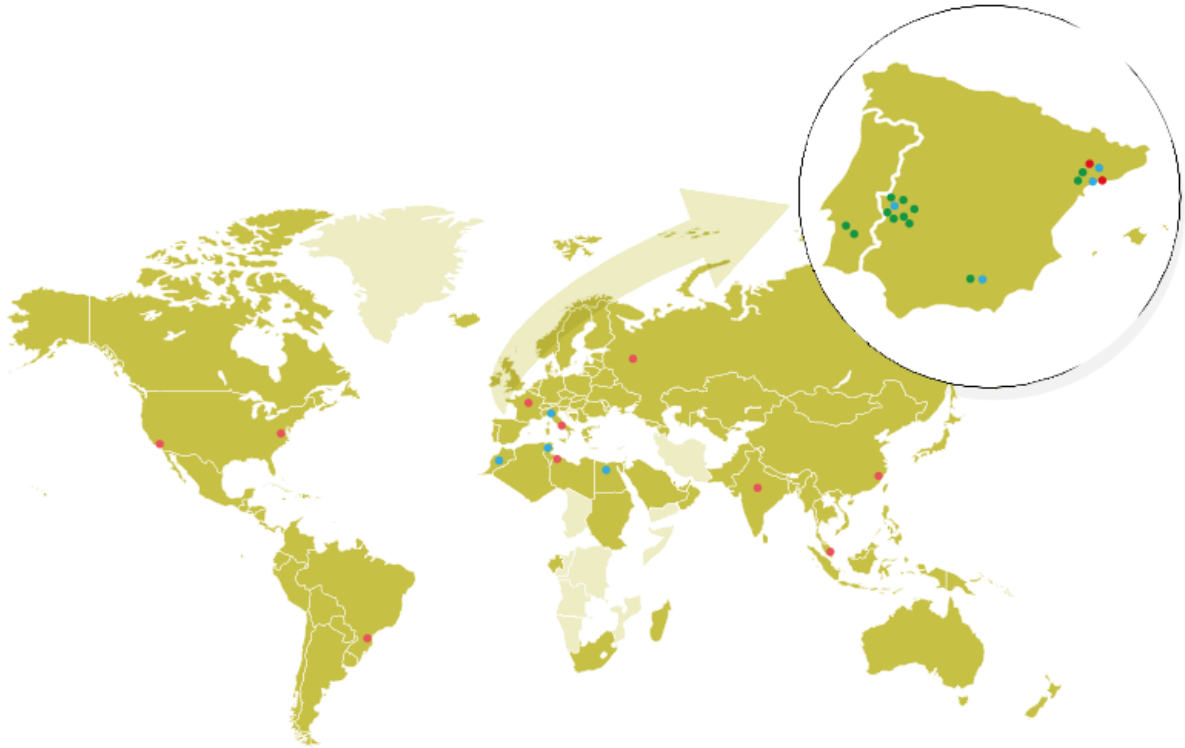
15

offices

9

countries

1More extensive information in section 9. *Our team.*



- Farming
- Industrial
- Commercial
- Presence of Borgos International Group

2 ABOUT US

Our activity



Our products

Innovation, internationalisation, quality and the Mediterranean style of living and eating are part of our essence. We supply an extensive range of healthy products like olive oil, vegetable oils, vinegar varieties, dried fruits and nuts, plant-based drinks, olives, sauces, and pasta.

Our brands



Our customers and consumers

We market our diverse range of products in an extensive international market to different types of customers and consumers:

Borges Agricultural & Industrial Edible Oils, S.A.U.

- **Customers:** We produce, process, bottle and market olive oil, seed oil and Modena vinegar in the B2B channel to customers who market our oil under own brands, and to industrial customers who use our products as ingredients.

Borges Agricultural & Industrial Nuts, S.A.

- **Customers:** We produce, process and package dried fruit and nuts for customers who market our products under their brands, and for industrial customers who use our products as ingredients.

Borges Branded Foods, S.L.

- **Customers:** We supply premium products under our brands to final consumers in the retail channel and to catering professionals through the Out-of-home channel.

- **Consumers:** Who consume our branded products through the channels mentioned above.

2 ABOUT US

A look back over the year



Responsible agriculture

- » We certified a total of **212.7 Ha of farmland** with the Global Gap seal and have earmarked 138,4 Ha for environmental conservation and diversity initiatives.
- » We joined the **ES AGUA platform**, and we calculate the water footprint of our plantations.
- » We have a **Biodiversity Action Plan** for our Mas de Colom estate.



Energy efficiency and renewable energies

- » We invest in energy efficiency, using power from renewable sources, and we are working to reduce our greenhouse gas (GHG) emissions.
- » We have certified the power supply in the BAIEO centre in Tàrrega as **energy** from renewable sources. During the coming year, we plan to certify the two BAIN production centres in Reus.
- » **We obtained the ISO 50001 certification** for the energy management system at the oil plant in Tàrrega.
- » We calculated the **CO₂ emissions** of our main production centres in Tàrrega and Reus.



Healthy, Mediterranean-style products

- » Launch of our new **Healthy & Green Solid Oil 4.0**, a healthy alternative to the saturated fats for use by the food industry.
- » We added to our organic product range - **ECO Natura** - launching new dried fruits, vinegar, oils, olives, sauces and pasta as well as almond and hazelnut **plant-based drinks and products**.

2 ABOUT US

A look back over the year



Sustainable use of resources and the circular economy

- » We generated approximately **15,000 Tn** of almond shells and **1,500 Tn** of olive pits **for use as biomass**.
- » We collaborated on a project with the University of Cordoba to explore the viability of using **almond shells for manufacturing electric car batteries**.
- » **We obtained ECOSENSE certification** for manufacturing single-use containers with recycled plastic.



Business and company

- » We opened a subsidiary in Singapore - **Borges Asia** - to boost the penetration of our brands and business activities in South-East Asia and China.
- » We attended the sector's leading **international fairs and congresses**, including the INC World Nut and Dried Fruit Congress and the SIAL Paris International Food Exhibition.



Personnel and company

- » We certified the security and risk prevention management systems at our headquarters in BAIEO (Tàrrrega) and BAIN (Reus) according to ISO 45001).
- » We updated our corporate **materiality analysis** to identify the most relevant impacts through a stakeholder consultation process.
- » We collaborated with more than **130 cultural, sports and social organisations**.

3. CORPORATE STRATEGY



3 CORPORATE STRATEGY

Strategic Plan

Borges International Group's Strategic Plan for 2009 - 2019 is fully aligned with the Group's corporate mission for the coming years, which is to transform the organisation while adapting to the constant and emerging challenges where food has a pivotal role.

The Group's Strategic Plan defines five strategic objectives:

- 1 We make continuous, horizontal improvements in matters of environmental responsibility throughout the Group with the following lines of work:
 - » Promotion of good ecological practices in the area of sustainable agriculture.
 - » Optimisation of by-products reuse.
 - » Proper use of natural resources.
 - » Production of a portfolio of healthy, ecological products.

- 2 Managing and minimising short-, medium- and long-term risks by identifying and implementing preventive, control and monitoring systems.
- 3 Achieving sustainable growth in all areas of our business by developing new channels and penetrating new markets.
- 4 Continuous oversight of quality and innovation standards, establishing a healthy product portfolio.
- 5 The continued growth of the Group, generating economic value.

Within this framework, we produce Annual Action Plans to address constant changes in the market, always fulfilling needs and grasping opportunities as they arise while safeguarding sustainable growth.

3 CORPORATE STRATEGY

Oversight of Strategic Objectives, Policies and Management Systems

We monitor compliance with our Strategic Objectives with the Policies and Management Systems listed below, using several systems:

- » Performance Monitoring Committees.
- » Assessments and internal and external Management System audits.
- » Annual external audits of all the Group's main companies and limited reviews of companies based on turnover and activities.
- » We track key performance indicators, analysing these regularly. Among these are customer confidence, annual revenue, etc.



3 CORPORATE STRATEGY

Risk management and identification

One of the objectives in our Strategic Plan is to manage and minimise the risks of our activity. To ensure proper risk management, Borges International Group has implemented a **risk control and management system based on the COSO reference framework** that defines its structure following the 'three lines of defence' model.

- » The Group's **first line of defence** is operational management. Operations managers are responsible for identifying and managing risks and implementing preventive measures.
- » The **second line of defence** consists of the management areas of the Quality, Compliance, Financial Control, Legal, Environment and Health and Safety divisions, which ensure that front-line processes and controls function correctly.

- » The **third and final line of defence** is internal auditing, which guarantees the efficient operation of the **Risk Management and Control System**, and which reports to the group's governing board and senior management to ensure that our risk management and control is both efficient and effective.

We carry out regular audits to evaluate the effectiveness of the first and second lines of defence control measures and propose any necessary corrective measures.



3 CORPORATE STRATEGY

Risk Control and Management Policy

In the same area, the **Risk Control and Management Policy** approved by the group's Board of Directors is the document that ensures the suitability of the internal control and information systems and establishes basic principles and a general framework of action for controlling and managing all types of risks to which the group is exposed. The main risks identified are:

- » Market risk:
 - Interest rate risk
 - Exchange rate risk
 - Commodities prices
 - Seasonality of the business
 - Crop volume and quality
 - Tax
- » Credit risk
- » Liquidity and financing risk
- » Capital risk
- » Occupational, technological, environmental, social, political, reputational and legal risk
- » Risks originating from ownership of the Pont Family Holding Group
- » Tax risk

In compliance with the above Risk Control and Management Policy, Borges International Group has implemented a **Risk and Control Map**. We keep this document permanently updated in coordination with the Internal Auditing and management teams in our operational departments to identify risks and eliminate or mitigate their impact through proper management.

3 CORPORATE STRATEGY

Corporate Compliance

The Criminal Compliance Policy is a tool that develops the content of the Code of Ethics to prevent activity that may lead to criminal liability. It ratifies our commitment to comply with the law and to behave according to the highest ethical standards, and it is also our crime prevention framework.

In this area, during this financial year, we launched a campaign to raise awareness of the Crime Prevention Policy among all personnel at Group companies. The initiative required everyone to complete a mandatory online training course hosted on the Borges International Group intranet.

Within the framework of the Group's **Code of Ethics** and to guarantee the effectiveness of the **Crime Prevention Policy**, we have appointed a **Crime Prevention Body**, whose primary functions are:

- » Ensuring that all Group personnel are aware of the content of the Code of Ethics and all relevant laws and regulations.
- » Overseeing proper management of risks that arise from possible non-compliance.

- » Supervising the Internal Control System regarding compliance with the company's rules and ethical standards.
- » Managing reports received via the Whistle-blower Channel and from internal investigations while implementing mechanisms to safeguard confidential communication.

The Group also has a Crime Prevention and Response Manual.

The Group's Code of Ethics has a whistleblowing mechanism, whereby anyone who learns of a potential breach of any aspect of the Code may voice their concerns.

To ensure that the Group's customers and suppliers comply with national and international laws and regulations, we issue them with a copy of the document through which they agree to adhere to the Code, and they must accept our Crime Prevention Policy whenever we enter into a business relationship.



Regulations

As a listed company, Borges Agricultural & Industrial Nuts, S.A. is subject to internal regulations that govern the operation and organisation of several of its governance and control bodies:

- General Meeting Regulations of Borges Agricultural & Industrial Nuts, S.A.
- Regulations of the Board of Directors.
- Internal Rules of Conduct in the Securities Markets.
- Regulations of the Audit and Control Committee.

BAIN's Audit and Control Committee:

- Supervises the effectiveness of the Company's internal control procedures, internal audits (third line of defence) and risk management systems.
- Supervises the annual Internal Audit Plan and checks that the main financial and non-financial risk areas of the business are considered in the plan.

3 CORPORATE STRATEGY

Sustainability strategy

Our Group is committed to sustainable development and produces food in ways that actively improve social wellbeing, environmental balance, and economic progress.

One of our primary objectives is to reduce our environmental impact throughout the value chain and to work according to a sustainable business model that encourages sustainable consumption and production.

That is why our commitment goes beyond economic considerations and encompasses long-term ambitious, **shared sustainable value** commitments to society. To achieve this, Borges International Group maintains a fluid dialogue with stakeholders, integrating their interests and expectations in our sustainability strategy.

6 *Working towards a positive environmental impact through sustainable production and consumption.*



3 CORPORATE STRATEGY

Committed to sustainable business

- » 'We are committed to responsible, sustainable agriculture to guarantee global food security, create healthy ecosystems and support sustainable management of land, water and natural resources.
- » Certification of our farms as models for **Sustainable Agriculture** and **water footprint** calculation.
- » **Nurture biodiversity** in the territories where we operate.
- » **Care for the environment and engage in the fight against climate change**, seeking the highest level of environmental efficiency in all our projects.
- » Reduction of CO₂ emissions in the agricultural and industrial phases, involving our supply chain partners to mitigate our carbon footprint.
- » Reducing plastics in our products and offering more recyclable and sustainable materials.
- » Promoting the use of renewable energies and investing in more efficient energy sources.

- » Steering our processes towards a circular economy by optimising by-product reuse.
- » Offering healthy, sustainable products that improve society and the environment and encourage good habits through a healthy diet.
- » Developing a portfolio of organic products with the necessary nutrients and benefits for a healthy and balanced diet.
- » Encouraging innovation as a pillar of our search for sustainable solutions in the technological and operational fields.
- » Collaboration with the local communities involved in our cycle.
- » Respect for fundamental human rights, providing real equal opportunities and non-discrimination.

These commitments, which we describe throughout this Report, are born of our mission, vision and values, and are reflected in our everyday work, guided by a set of policies and certified management systems.



3 CORPORATE STRATEGY

Main factors and trends for Group sustainability

Borges International Group has considered the following sustainability factors and trends when devising the Group's strategy



Changes in consumer habits and interest in health promotion

- The Ministry of the Interior's NAOS Strategy (Nutrition, Physical Activity and Obesity Prevention) promotes the consumption of products without added sugar or salt.
- These products are healthier and more environmentally responsible.



Climate Change

- New environmental laws and policies with a positive impact on farming.
- Risk of drought and shortages of raw materials.
- A reduction in water consumption and GHG emissions.
- Switching to energy from renewable sources.



Circular economy

- Use of by-products. Search for new uses for by-products to get the highest possible yield from waste generated in the production process.
- Development of new 100% recyclable and recycled plastic containers. Use of recycled plastic packaging as a second-generation raw material guaranteeing that packaging is 100% recyclable and is therefore reintroduced into the production circuit to manufacture of new packaging.



3 CORPORATE STRATEGY

Policies

- » The Sustainability Policy confirms our mission to collaborate to the sustainable development of society and the planet with our activities, and serves as an overall policy, establishing principles to be included in other Group policies.

The Sustainability Policy is based on the following principles:

- Financial soundness and a long-term approach.
- Adherence to ethical, responsible business practices.
- Respect for human rights.
- Creation of value in the communities where we operate.
- Care for the environment and the fight against climate change.
- Integration of sustainability.
- Innovation.
- Dialogue with stakeholders.
- Transparent communication and accountability.

We have other policies that define our commitments and framework for action in different management areas:

- » The **Quality and Food Safety Policy** defines our commitment to manufacture and market high-quality products that comply with stringent food safety standards.
- » The **Criminal Compliance Policy** guides the behaviour of the Group and its people to strict compliance with the applicable laws.

- » The **Environmental Policy** defines environmental conservation one of our organisation's main goals.
- » The **Occupational Risk Prevention Policy** implements and develops our Occupational Risk Prevention system and creates a safe, healthy work environment.
- » The **Anticorruption Policy** document commits us to fight against all types of corruption.
- » The **Personnel Recruitment Policy** ensures that our personnel selection process fulfils equal opportunity requirements.

We also have specific policies derived from BAIN's activities as a listed company.

- » The **Director Remuneration Policy** establishes the principles that govern the remuneration of this governing body.
- » As a listed company, the **Policy on Information and Reporting to Shareholders, Investors and Voting Advisors** establishes guidelines for BAIN's interaction with these stakeholders.
- » The **BAIN Director Recruitment Policy** establishes the procedure for recruiting directors.



3 CORPORATE STRATEGY

Management and Certification Systems

As regards our commitment to sustainability, we have the following certified Management Systems:

Management Systems certified in the BAIEO and BAIN business divisions



Environmental Management System which enables us to identify, prioritise and manage our environmental impact.



Occupational Health and Safety Management System which enables us to mitigate risks and provide a safer, healthier work environment.

Management Systems certified in the BAIEO and BAIN business divisions



Certification whose purpose is to ensure a secure, sustainable food production, which benefits producers, retailers, and consumers.



Occupational Health and Safety Management System which enables us to mitigate risks and provide a safer, healthier work environment.

We also have several **Quality and Food Safety Management Systems**, which are listed later in this section.

Certified Management Systems and other accreditations in the BAIEO business division



Energy Management System, to achieve greater energy efficiency by setting targets and continuously improving our performance.



Strategic customer-industry association that improves the **security/safety of goods in transit** against terrorist attacks in the United States.



Some of our oils have EPD certification, an environmental declaration about the product that includes information about its environmental lifecycle.



Seal that certifies farm production using organic techniques, specifically for exports to the United States.



Certificate granted by the China National Accreditation Service for Conformity Assessment (CNAS) and ANSI-ASQ National Accreditation Board (ANAB) that certifies **organic olive oil in China**.



Organic farming Japanese Agricultural Standard, specifically for **exports to Japan**.

3 CORPORATE STRATEGY

External initiatives

We have also joined different external initiatives related to our business:

» Oil sector:

- International Olive Council COI. An intergovernmental organisation made up of the main olive oil and table olive producers and consumers.

» Nuts and dried fruits:

- International Nut & Dried Fruit Council (INC).
- Almendrave. Association of Almond and Hazelnut Exporters of Spain.

» Group initiatives:

- Renowned Spanish Brands Forum, a strategic alliance formed by public/private Spanish companies who are leading brands within their sectors.
- Diversity Charter. Initiative that promotes the basic principles of equal opportunities, respect for inclusiveness, diversity, and no-discrimination.



3 CORPORATE STRATEGY

Committed to innovation

Borges International Group considers innovation - which is practised horizontally throughout the Group - as an inherent aspect of our existence and origins.



Structure, integration, and innovation projects at Borges International Group

During the year, our firm commitment to innovation led to the following projects:

- » **Launch of Healthy & Green Solid Oil 4.0 (H&GSO)** by the oil division. This project, the result of extensive work by our R&D teams, is a healthy alternative for the food industry to palm oil and dairy, hydrogenated and animal fats. Its lifecycle is far more environmentally friendly than the products it replaces, particularly its impact on climate change and benefits to biodiversity.
- » **New line of almond paste** was developed in the dried fruit and nut division has joined our portfolio in line with our Group's objective to promote the Mediterranean diet with healthier products.

Also, as you will see later in this Report, we use new technologies for the farming tasks we carry out on our estates.

In this regard, we have signed a **collaboration agreement with IRTA**, with whom we have been cooperating for years, to continue strengthening our commitment to agricultural and industrial innovation, and in the development of new high quality, healthy, Mediterranean-style products.

We also collaborated with other significant research projects that make use of our sub-products, one of which is the project launched in the nut area with the University of Cordoba to manufacture **batteries for electric cars with almond shells**. The Group also has a role in different platforms and studies such as the **Food Start Tech Corporate and Ebro Conecta**.

To promote innovation throughout the group, we have an **Innovation Committee**, which supports the various departments, analysing market opportunities to introduce new products and working internally to improve existing processes and systems.

3 CORPORATE STRATEGY

Food quality and safety

Quality is an intrinsic part of our corporate culture. Our values keep us in line with this commitment and ensure that our projects comply with stringent national and international quality, food safety and traceability standards from origin to product marketing.

The **Food Quality and Safety Policy** that governs our activities and operations is proof of this commitment.

In this regard, we have several systems that ensure product quality and consumer health and safety:

- » Implementation of **Continuous Improvement Systems**.
- » Certification of **Food Quality and Safety Management Systems** in our main business areas.
- » **Continuous monitoring** of our facilities.
- » Analysis of **critical points** in production processes and quality controls.

Likewise, and for **quality assurance of olive oil**, we have an organoleptic oil tasting panel at the production centre in Tàrraga, certified by ENAC based on standard ISO17025, which consists of 22 highly experienced tasters.

We would also like to share the following data that highlight our experience in food quality and safety:

- » The BAIEO laboratory was the first laboratory in Spain to be accredited by the IOOC (Spanish Agricultural Council).
- » We obtained the ISO 17025 in 2016, a standard that determines the Quality Management System of a laboratory and recognises its technical competence and the validity of its results.

Our commitment to food quality and safety extends to our suppliers, who are key agents in our value chain. As well as providing them with our Code of Ethics at the start of the business relationship, we have a set of supplier approval and evaluation procedures that enable us to select suppliers that offer guaranteed quality standards in line with the Group's policies.



3 CORPORATE STRATEGY

Accreditations and certifications of Quality and Food Safety

Management Systems certified in the BAIEO and BAIN business divisions



Certification covering food safety and quality management in food processing activities



Certification of food safety and quality management in food processing activities



Halal certification is the technical procedure by which the content and manufacturing process of a product is verified and accredited as being in accordance with Islamic standards.



Kosher foods are foods prepared according to Jewish dietary standards.



Many of our products have been certified with this seal that guarantees the products have been grown using ecological farming techniques.

Certified Management Systems in the BAIEO business division



Certification covering food safety and quality management in food processing activities



ISO9001 establishes the that a quality management system requirements and is the basic standard on which the rest of the certifications of the BAIEO facilities are based: BRC, IFS, and FFSSC: 22000.



General requirements for the competence of testing and calibration laboratories that enables laboratories to demonstrate that they operate competently and that their results are valid.



Quality Management System of an Analysis Laboratory, which demonstrates competent use of the recommended methods to analyse olive oil by means of periodic control tests.

Certified Management Systems in the BAIN business division



Certification of food safety and quality management in food processing activities.



Certification of food safety and quality management in food processing activities.



Certification of hazelnut origin in the "Denominación de Origen de Reus".

3 CORPORATE STRATEGY

Healthy products

We want our company to be a recognised world leader in the marketing of high-quality, healthy, and enjoyable products from the Mediterranean cuisine and lifestyle



We supply traditional products like olive oil and nuts, which are recognised as healthy foods in many medical studies because of their high content of healthy fats that improve cardiovascular health and help to prevent different diseases.

However, at Borges International Group, we wanted to take things one step further by developing new ranges of healthy products that will help us to spread the Mediterranean lifestyle and diet around the world.

These products include this year's new ECO NATURA brand, plant-based nut drinks and Healthy & Green Solid Oil.

We have also aligned with the NAOS (Nutrition, Physical Activity and Prevention of Obesity) Strategy, which is sponsored by the Ministry of the Interior and encourages consumption of products without added sugar or salt.



4. IMPACT ANALYSIS AND STAKEHOLDERS



4 IMPACT ANALYSIS AND STAKEHOLDERS

6 *Borges International Group works to generate value for all our stakeholders.*



In 2018, Borges International Group set out to learn about the material and **relevant issues related to sustainability that arise from our activity**. This project gave us an understanding of our stakeholders’ expectations, needs and key issues and is enabling us to orient our corporate strategy towards the creation of shared value.

As well as analysing courses of action for the future, the study also validated and confirmed that our Group sustainability plan and commitments are steering us in the right direction.

All the organisation’s stakeholders participated in the consultation process, such as workers, suppliers, shareholders, clients, consumers, administration, and management of the company.



4 IMPACT ANALYSIS AND STAKEHOLDERS



1. Identification

In the **initial phase, to identify material issues** affecting Borges International Group, we analysed sustainability as it relates to our sector of activity, drawing inspiration from new trends, considering the normative and regulatory framework and the various international norms and standards in this field, such as the Global Reporting Initiative (GRI).

As a result of this initial identification process, we pre-selected a list of 24 key issues for subsequent assessment in the next phases of the process.



2. Prioritisation

In line with our intention to incorporate stakeholders' expectations and needs into our strategy, we organised several interactive processes when **prioritising key issues**.



Internal analysis

We organised sessions for each of the Group's business units - BAIN, BAEIO and BBF - with participation by members of our team, and other meetings with representatives of the management team. During the sessions, we analysed the initial list of twenty-four key issues and identified the ten most important, based on criteria such as importance, relevance, risk, and opportunity. The result was a list of ten material issues for each business unit, six of which were jointly prioritised by the Group's three divisions:

- ✓ Working conditions and work/life balance
- ✓ Responsible agriculture
- ✓ Internal communication
- ✓ Healthy and sustainable products
- ✓ Packaging
- ✓ Scientific advances



Stakeholder consultation process

We also carried out a process with our main **stakeholders, with shareholders, clients, consumers, public institutions, and supplier companies**, to reveal the most relevant aspects for the main stakeholders with whom Borges International Group has relationships within the framework of its activity.

4 IMPACT ANALYSIS AND STAKEHOLDERS

Impact matrix

After the stakeholder consultation phase, we defined the Borges International Group's **Materiality Matrix**, which identifies relevant aspects related to our Group's sustainability, considering an internal analysis, and integrating the relevance of these aspects for our stakeholders.



4 IMPACT ANALYSIS AND STAKEHOLDERS

Coverage of material aspects

MATERIAL ASPECTS	INTERNAL COVERAGE	EXTERNAL COVERAGE
KEY ASPECTS		
Working conditions and work/life balance		
Responsible agriculture	•	•
Healthy, sustainable products	•	•
PROCESSES		
Packaging	•	•
Traceability	•	•
Scientific advances	•	•
Transport and logistics	•	•
Water management	•	•
Energy management	•	•
COMMUNICATION		
Internal communication	•	
External communication		•
INTANGIBLE		
Customer CSR expectations	•	
Seals and standards	•	
Equality and diversity	•	
Legislative changes	•	

Material aspects and aspects covered by Law 11/2018

When preparing this report, we performed an analysis to ensure that the materiality process implemented by the company incorporated all the aspects of Law 11/2018 on non-financial information and diversity.

The analysis showed that the aspects considered in the materiality study carried out in 2018 covered all the aspects required by Law 11/2018, except for the points related to information in the fight against bribery and corruption and tax information. Since these aspects are dealt with by the above-mentioned Law 11/2018, we decided to include relevant information on this subject in this report.

5. ENVIRONMENTAL SUSTAINABILITY



5 ENVIRONMENTAL SUSTAINABILITY

Committed to sustainable agriculture

We offer healthy food through sustainable resource management



Our activity is based on the land and farming, which is why Borges International Group is passionately committed to promoting **sustainable agriculture**. We adhere to the objectives of the United Nations for Food and Agriculture, which set the course we must follow:

- » Sustainable agriculture must ensure global food security while creating healthy ecosystems and supporting sustainable land, water and natural resource management.
- » To be sustainable, agriculture must **satisfy current and future needs** with products and services, while ensuring profitability, a healthy environment and social and economic fairness.
- » To achieve the global transition to sustainable food and agriculture, it is crucial we improve **environmental protection**, create resilient systems and make efficient use of resources.

This commitment colours all our activity, from how we manage our own estates, to our choice of suppliers. Our supplier code of conduct, explored later in this document, establishes the rules and criteria for **sustainable production of farm produce**, particularly regarding protection of biodiversity, reducing pollution and GHG emissions and making efficient use of basic resources, among others.

Good Agricultural Practices - Global Gap Certification

Certification our operational sustainability is crucial to customer confidence. We have certified our El Carquí (Granada) and the Cantillana (Badajoz) estates to **Global GAP standards**. Together, they total 212.7 hectares. We also are in the process of certifying our Palheta estate in Portugal. The Group is committed to certifying all our estates according to this standard.

5 ENVIRONMENTAL SUSTAINABILITY

Sustainable farming initiatives

We are determined to travel a path true to our vision of the environmental and to adapt to the consequences of climate change. That is why the Borges Agricultural & Industrial Nuts S.A agricultural division is implementing several activities on our plantations:

- » **CO₂ sequestration in soil and fighting erosion and degradation** with measures such as minimum soil tillage, use of plant (green) cover to boost organic content, use of substances that improve soil structure and nutrition and water outlet maintenance and levelling to minimise soil erosion.
- » **We choose renewable energy sources:**
 - **We use biomass** to dry walnuts and pistachios in the processing plants in Benavides (Badajoz) and El Carquí (Granada). During the next financial period, we will validate producing sun-dried almonds for the first time.
 - We are studying the installation of a photovoltaic solar farm with 720 panels on a 5.450m² area to cover the energy needs of the water pump system in the El Carquí estate.

- » **Responsible use of water resources:**
 - Sustainable farming requires a holistic approach, including responsible use of water resources and water efficiency on our plantations. All the almond plantations in the PALM project are **equipped with the latest localised irrigation technologies** and use low flow drip irrigation adjusted to infiltration capacity to minimise wastage.
 - This year, we joined the Es Agua platform, which commits us to calculating the water footprint of all our plantations, starting with the El Carquí estate.
- » Use of the **latest precision agriculture technologies**, such as satellites and crewless aerial vehicles to make more efficient use of resources, and the use of turgidity sensors in the leaves of the trees to adjust irrigation speeds and minimise the environmental cost of plantations.
- » We want to produce **varieties of Mediterranean** origin that are genetically adapted to the local area since these are better able withstand drought and bad weather caused by global warming.
- » **The Mas de Colom agricultural project** promotes pistachio growing in the Segarra-Garrigues Canal area and will allow us to put local and km-0 products on the market.

All these measures are designed to transform all our estates to sustainable farming operations.



5 ENVIRONMENTAL SUSTAINABILITY

PALM project

The **PALM farm** expansion project is an example of the Group's **vision of sustainability and its efforts to introduce responsible farming practices**. The project receives water from Las Vegas Bajas del Guadiana between Extremadura and Portugal. It has received an investment of 22.3 million euros in the last three years, which we have used to acquire, prepare, and develop new properties.

With this initiative, Borges International Group is working on vertical integration, production, processing, and almond products.

We currently have **1,068 hectares planted with almond trees** on several estates, with the ultimate aim to increase that figure to **2,500 hectares**. We use the best agricultural practices derived from the BAIN sustainable agriculture vision for this land, as discussed in the previous point.



5 ENVIRONMENTAL SUSTAINABILITY

Adapting to climate change

When it comes to farming, **adaptation to climate change** is a vital aspect of our business strategy. We are taking steps to move toward sustainable agriculture practices to become more resilient and better prepared for the impact of climate change.



5 ENVIRONMENTAL SUSTAINABILITY

Protecting biodiversity

Committed by nature, our respect for the environment is inherent to our values. In this regard, the **PALM Project** and the use of **plant covers** are excellent examples of projects that we support to encourage biodiversity and benefit the environment.

We have around **138 hectares of land available for environmental projects** like reforestation, fallow land, pastureland, and oak groves. Each enhances the environment and biodiversity. Reforestation, for example, is important in CO₂ sequestration, preventing soil erosion and encouraging encourage biodiversity. In the case of fallow land on cereal pastures, it plays a key role in the conservation of steppe birds, one of Europe’s most endangered agricultural bird groups.

On the Machados farm in Portugal, we have a unique ecosystem typical of the Iberian Peninsula, which is home to holm oaks, cork oaks and grasses. The pastureland regulates water cycles and soil fertility, enhances biodiversity, and plays a fundamental role in mitigating change climate utilizing carbon dioxide fixation. Just one hectare of this grassland can fix between 30 and 40 tonnes of CO₂ equivalent.

Collaboration with the Global Nature Foundation

We have also started collaborating with the **Global Nature Foundation** to improve biodiversity indexes on the Mas de Colom farm, on approximately 70 Ha.

We plan to draw up a **Biodiversity Action Plan** to implement improvements related to farm management, semi-natural habitat management and business commitments.

Bees, our best friends

Bees and almond trees form a virtuous circle and have a mutually beneficial relationship. This is because the insects carry pollen from flower to flower and help to boost almond crops. Once the plantation of almond trees in the PALM Project is in full production, our **bee population will reach 180 million**.



5 ENVIRONMENTAL SUSTAINABILITY

Environmental management of our industrial processes and facilities

To optimise the Group’s environmental management practices, we have implemented documentation systems in the main production areas that contain procedures and instructions that ensure that we work with optimal efficiency and the utmost respect for the environment.

Within the system, the **Environmental Policy** is the bedrock of our operations. We care deeply about the environment and a commitment to nature is part of our culture. We work according to the following principles:

- » We provide information and training to ensure that we protect the environment and prevent pollution.
- » We make continuous improvements to the environmental measure roll-out process.
- » We ensure that our suppliers and contractors align with our ecological principles.
- » We provide transparent information about the environmental impact of our activity.

We take steps to regularly identify environmental issues and their impact on routine situations and emergencies. We also carry out SWOT analyses of our strengths, weaknesses, opportunities, and threats. Based on these analyses, we draw up actions plans with targets and assign resources to make the improvements needed and prevent potential hazards.



5 ENVIRONMENTAL SUSTAINABILITY

One environmental policy recently documented and defined by the Group is the Energy Policy. We have applied it at the BAIEO Tàrrega centre, and it is an example of our principles and commitment to make efficient use of these resources as an industry with a significant energy component due to the energy cogeneration plant.

The management systems implemented in the Group's industries are certified to international standards and recognised by independent organisations:

- » Certification according to **UNE-EN ISO 14.001** by Bureau Veritas Certification at BAIN -B1, BAIN -B2 and BAIEO Tàrrega.
- » Certification according to **UNE-EN ISO 14.001** by SGS at Borges Organic Olive Oil Company (BOOOC), Tunisia.
- » Certification according to **UNE-EN ISO 50.001** by Bureau Veritas Certification at BAIEO Tàrrega.

Evidence Group's interest in and contribution to environmental balance is the ongoing renewal of these certificates and its allocation of resources to obtain new ones. One example is the UNE-EN ISO 14,001 in the pipeline for Capricho Andaluz in Cabra (Córdoba), which we expect to receive in the next financial period.



5 ENVIRONMENTAL SUSTAINABILITY

Fighting climate change

The battle against climate change is part of our business strategy. Having made this commitment, we make continuous improvements to our processes to prepare us for one of the biggest environmental challenges facing society.

As well as measures to adapt and combat climate change in the farming sector described above, this year, we have also taken the following steps to reduce greenhouse gas emissions from our operations.



Sponsors of Fundación Empresa y Clima

True to our commitments, this year we have become **sponsors of the Fundación Empresa y Clima**, a non-profit organisation that works for the leadership and business commitment in the fight against climate change.



5 ENVIRONMENTAL SUSTAINABILITY

Energy from renewable sources

Borges International Group expects to be totally reliant on electricity from renewable sources only at its main production centres by 2020. Since April 2019, **electricity supplies at the Tàrrega production centre have been 100% renewable sources** and in 2020 this will also apply to the centres in Reus.

Sustainable logistics

Concerning sustainable mobility, we encourage our distributors to use of sustainable vehicles on cleaner transport routes, and we are committed to upgrading our internal vehicle fleet with less polluting alternatives.

In this regard, this year, we made the following improvements:



In collaboration with our supplier, we have started operating a Liquefied Natural Gas truck to make the journey from the BAIEO centre in Tàrrega to Marseille and supply the Borges Tramier subsidiary. This vehicle produces **20% less CO₂** than its predecessor.



We have also agreed with our supplier to transport olive oil from Andalusia to the BAIEO Tàrrega centre in **train tankers for a longer portion of the journey**. This measure will reduce the associated CO₂ emissions by up to 50%.



We have introduced the first multi-user **Autogas company vehicle**, powered with biofuel (LNP and petrol), cutting carbon dioxide emissions by 96% compared to a diesel vehicle and producing up to 33% less than a petrol engine.

5 ENVIRONMENTAL SUSTAINABILITY

Other initiatives that reduce our environmental impact

Cogeneration

The cogeneration plant at the Tàrrrega production centre, considered one of the **most efficient in Spain**, opened in 1998. Cogeneration saves energy by producing heat and electricity together rather than separately.

The energy produced is used in the plant's internal processes, and the excess goes into the grid. Since 2008 we have also used gases produced by the cogeneration boiler to dry seeds, thus reducing our natural gas consumption by around 15,000 MWh per year with a consequential reduction in greenhouse gas emissions.

New, more efficient facilities

This year we built a **new seed oil extraction plant at the production centre in Tàrrrega** which, as well as increasing the plant's production capacity, has reduced the environmental impact of our operations by lowering atmospheric emissions, steam, electricity, and water consumption.



“Cogeneration is key to energy efficiency and for reducing greenhouse cases with nationwide savings. This year, we saved 27.8245 MWh by using cogeneration, which is the equivalent of 5,063 Tn of CO2.

Source: Comisión Nacional de los Mercados y Competencia (CNMC)

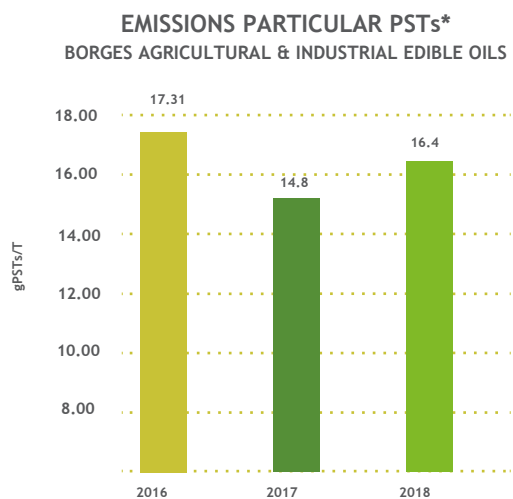
5 ENVIRONMENTAL SUSTAINABILITY

Atmospheric pollution

A greenhouse gas emissions analysis and the measures we have taken to control and reduce them are described earlier in this report.

Regarding emissions of other atmospheric pollutants by the Borges International Group's industries, **we do not consider these are significant**, an opinion supported by the periodic regulatory controls. However, because of the nature of its activities, the BAIEO production centre is obliged to present an annual PRTR declaration to report its estimated NOx, VOCs and PST particle emissions to the responsible government body.

As regards **noise or light pollution**, this report does not include detailed information on these aspects, which are not considered material issues in the context of the Group's activity. However, this does not mean that we do not consider these environmental vectors when renovating facilities and undertaking new projects.



*The data for calendar years of the PRTR2018 is validated by DGQA-DTES from the BAIEO Tàrrega production centre. The data obtained from calculations or estimations based on periodic regulatory controls of sources of emission.



5 ENVIRONMENTAL SUSTAINABILITY

Circular economy and waste prevention and management

Waste prevention and management is a fundamental aspect of Borges International Group sustainability strategy, particularly in the case of industries where it is an environmental vector that requires strict monitoring and control.



Waste processing and management

The following table shows the total hazardous and non-hazardous waste generated by the Group's main industrial centres.

Type		Type of waste			
		BAIN	BAIEO	CAPRICO ANDALUZ	ORTALLI
Non-hazardous waste*	Tn	2,069	3,726	34	70
	%	99.38%	99.76%	100%	100%
Hazardous waste**	Tn	13.1	7.7	0.01	-
	%	0.63%	0.21%	0.03%	-

* Non-hazardous waste from the main activities: cardboard, plastic, glass, pallets, scrap metal, oils, sewage sludge, refinery soil, general debris, and others

** Hazardous waste derived from auxiliary activities: laboratory, workshop, cleaning, etc.



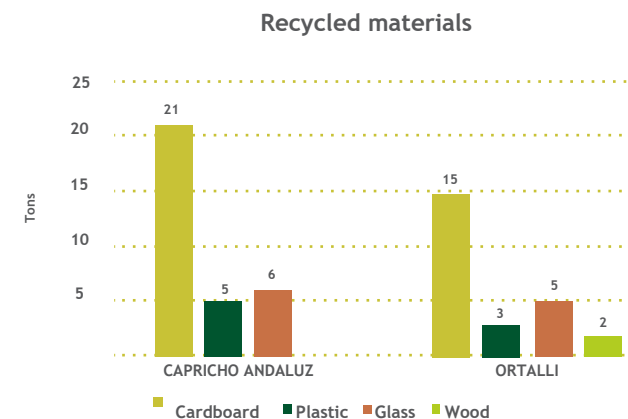
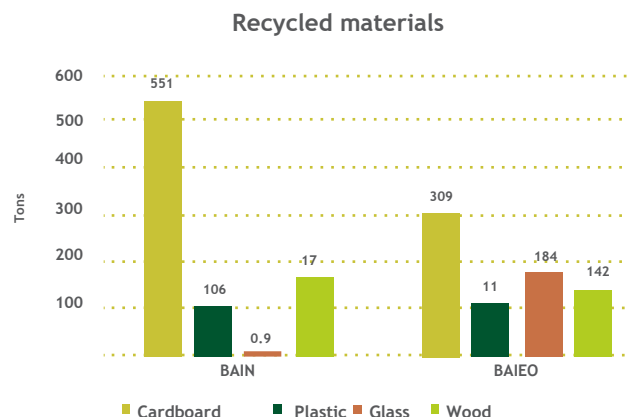
5 ENVIRONMENTAL SUSTAINABILITY

As regards the waste management at our main work centres, the majority is selected and segregated internally, prioritising waste recovery other types of disposal operations, as shown in the following table:

External waste management					
Type		BAIN	BAIEO	CAPRICO ANDALUZ	ORTALLI
Recovery*	Tn	2,072	3,556	31	26
		99.5%	95.3%	89.9%	36.7%
Elimination**	Tn	9.4	177.3	3.51	44.76
		0.5%	4.7%	10.1%	63.3%
TOTAL	Tn	2,081	3,733	35	71

*Material recycling or recovery for manufacture new products, compost, etc.

**Processing of controlled deposits, incineration, etc.



The following is a selection of our external recovery processes:

- » Oil used to fry nuts is stored in a tank prior to removal and recovery as raw material for **manufacturing biodiesel**.
- » Sludge from the company's treatment plants and waste from the refinery site are used to make **compost for agricultural use**.
- » Mixed common waste (general rubbish) is managed as recovered Solid Fuel at the production plants in Reus

and is used as fuel by third-party companies. This means that waste that would otherwise be put in a landfill is used to produce energy.

- » Waste cardboard, plastic, wood and glass from containers and packaging are separated internally at our plants for final recovery of their components by waste management and recycling companies.
- » Hazardous waste is sent to collection and transfer centres where it is mostly reused after undergoing solvent regeneration or special packaging recycling.

5 ENVIRONMENTAL SUSTAINABILITY

Fostering the circular economy

To guarantee an efficient and sustainable productive model, we need to transform the current linear economic model into a **circular economy** that preserves the value of the resources we generate for as long as possible. In line with our commitment, we take steps in all phases of our activities to achieve this goal.

Our priority is to use co-products, by-products, and waste within the industrial plant. If this is not feasible, other external industries should use or recycle it to achieve zero waste.



5 ENVIRONMENTAL SUSTAINABILITY

Industrial phase and production process

In the case of the nut production process - particularly almonds, the main product in our process - we use the following sub products:

- Our shelling plant in Altura generates up to **15,000 tons of almond shells** per year which we use mainly used biomass. This year, we self-consumed around 248,000 kg to power the plant's boilers.
- We obtain a total of **1,500 tonnes of almond skin each year**. After the shelling process, we use them to manufacture animal feed products.

Likewise, during oil production, we take the following steps:

- The **olive pits** we generate at the Capricho Andaluz (Cabra) plant, and the one in Egypt is used for biomass. In total, we produce about **1.7 million kg** depending on the season, of which we **reuse 30% to fuel our boilers**.
- We sell **olive waste as a by-product** to third companies that use it as an alternative fuel for energy use after extracting the pomace from the olive oil.
- The Tàrrega plant also produces several co-products like seed flour and refinery pastes suitable for use as animal feed or cosmetics, among others.

Industrial farming phase

The Borges Agricultural & Industrial Nuts division manages everyday farming waste as follows:

- This year, at Finca Machados in Portugal we found an outlet for pruning waste by reaching an agreement with a **cellulose manufacturer**.
- The **leaves of the deciduous trees** and grass from the mowing and clearing process rot in the soil and become part of the organic content of the earth.
- From the next harvest we will start composting the skins or mesocarps of nuts generated in the agricultural phase and then dig them back into the soil to boost organic content.
- We use nut shells (pistachio, walnut, almond) as biomass to fuel the boiler that feeds hot air to the walnut and pistachio dryers.

We have several other projects that use by-products. One example is a collaboration that started this year with the University of Córdoba and a sector company to make electric vehicle batteries using almond shells.

5 ENVIRONMENTAL SUSTAINABILITY

Food waste

We have a policy of manufacturing on demand and on order, reprocessing defective items, donating food and manufacturing animal feed with our by-products. These initiatives prevent food waste, an issue of great concern to today's society.

In the period covered by this report, our Spanish companies donated a total of **103,387 kg** of food fit for human consumption to organisations such as the Food Bank or Cáritas, which, for some reasons, we are not able to sell.



5 ENVIRONMENTAL SUSTAINABILITY

Sustainable use of resources

Materials used

Efficient use of resources is an important aspect for both the Group and the planet, and it is an area in which we work actively. Our lines of work in this area are:

» We produce packaging and promotional materials according to eco-design and sustainability criteria, prioritising recycled, recyclable, lighter materials.

- » We promote circular processing of the materials we introduce into the market.
- » We are reducing single-use plastics in our facilities.
- » We promote the recycling of our products.

Our projects:

» We have reduced the weight of 95% of our one-litre plastic oil bottles by 20%.

» Launch of the new ECO NATURA brand oil bottles with 25% recycled PET. Next year we will include our BORGES-brand one-litre bottles and reduce the amount of plastic we put into the market by up to 142 tons of every year.

» During the year we were granted ECOSENSE label certification incorporating recycled plastics in single-dose containers, ensuring that the packaging is recyclable and can be returned to the production cycle to manufacture new packaging, guaranteeing the circular economy.

» In the case of glass, green glass bottles currently contain up to 80% recycled glass.

» The cardboard boxes we use in the industrial division in Reus are of certified origin and bear the Forest Stewardship Council (FSC) seal, which promotes responsible management of the world's forests. We plan to add to the packaging certified by this organisation in the years to come.

» We are eliminating plastic glasses and bags for internal use from our Tàrrrega and Reus plants. This initiative will save us from discarding up to 82,000 plastic glasses every year. We will also apply measures in our other subsidiaries.



5 ENVIRONMENTAL SUSTAINABILITY

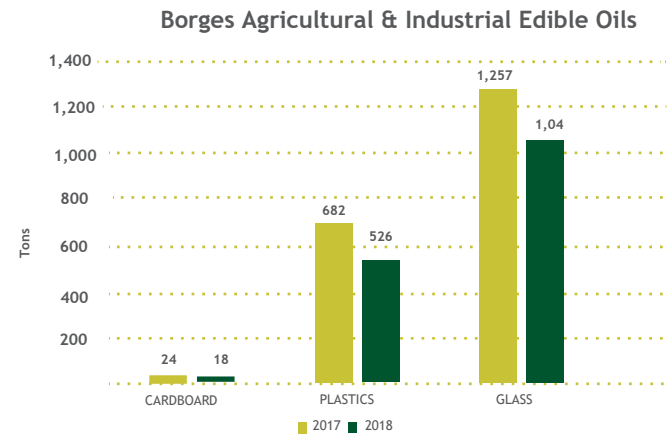
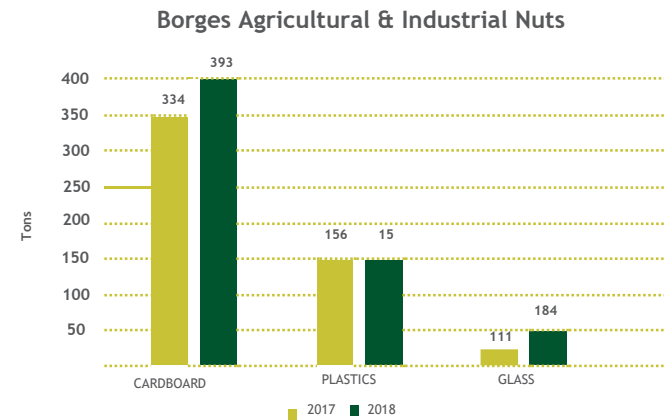
Sustainable use of resources

The following shows the materials consumed by the Group’s main industrial centres based on purchases made during this year 2018/2019.

Container and packaging purchases					
MATERIAL	Units/Tons in thousands	BAIN	BAIEO	CAPRICO ANDALUZ	ORTALLI
Cardboard					
Complex paper boxes, sleeves and bags	Units	29,933	10,059	683	753
Plastic					
Bulk PET plastic for packaging	Tons	-	1.34	-	-
Pre-formed PET plastic for packaging	Units	-	23,799	-	-
Plastic containers (bottles, carafes, others)	Units	4,061	3,636	3,389	964
Caps, lids, handles and others	Units	-	39,129	1,225	1,276
Plastic bobbins	lineal metres	16,326	-	-	-
PET pot lids	lineal metres	-	-	2,530	-
Glass					
Glass containers (bottles, small bottles, etc.)	units	-	46,054	366	5,652
Metal					
Metal packaging (cans, capsules, etc)	units	2,319	921	2,512	-

Note: This table shows the main containers and materials. It does not include large size or bulk boxes or additional items such as labels, sleeves, neck hangs, shrink wrap, seals, etc.

We issue an annual report to Ecoembes detailing the packaged products sold and make financial contributions to their recycling according to the packaging materials used. We include the main types of materials we sold in the Spanish market in 2018:



5 ENVIRONMENTAL SUSTAINABILITY



Electricity consumption

Concerning electricity consumption, the BAIEO (Tàrrega) production centre consumes most heavily, although the plant has used 100% renewable energy since April.

Electricity for INDUSTRIAL USE (Mwh)	2018 - 2019
BAIEO* production centre	21,356
BAIN-B1 production centre	3,291
BAIN-B2 production centre	3,856
Capricho Andaluz production centre	902
Altura production centre	980
Ortalli production centre (Italy)	285
Egypt production centre	51
Electricity for AGRICULTURAL USE ** (Mwh)	2018 - 2019
Spain	1,508
Portugal	253

The data refers to the busiest work centres, which use the most electricity.

*Note: Electricity consumed by the plant and the cogeneration system.

**Note: electricity for agricultural use is mainly used to power water pumps for canal water or river for irrigation. It also includes electricity consumed by the BAIN Extremadura and BAIN Andalusia walnut and pistachio industries.



Energy efficiency at the production centre in Tàrrega

In line with the Group's efficiency improvements, in 2016 we launched a project to enhance energy resource management and reduce greenhouse gas emissions at the Tàrrega plant, where energy consumption is highest.

An external energy audit was carried out to establish a baseline and define aspects to improve. These are some of the most important:

- » Extension and replacement of transformers to improve efficiency of equipment.
- » Improvements to the high-pressure compressed air network.
- » Gradual decommissioning of diesel heating equipment.
- » Substitution of equipment with more efficient models, such as the indoor and outdoor LED lighting systems.
- » Installation of timers and presence detectors in warehouses, cold stores, service areas, etc., making the most of natural light, adapting lighting levels to the real needs of each area.

In an additional phase of this project, the Group decided to implement an **Energy Management System** and received **ISO 50001 certification** in August 2018. We have an Energy policy that lays the foundation of this ongoing management.

Among our other current projects are:

- » Improvements to the low-pressure compressed air network.
- » Improvements to industrial cold generation and distribution.

5 ENVIRONMENTAL SUSTAINABILITY



Water consumption

Water is an important factor in both industrial and farming activity. We use mains water at our production plants in Reus, and in the almond blanching process at BAIN-B2.

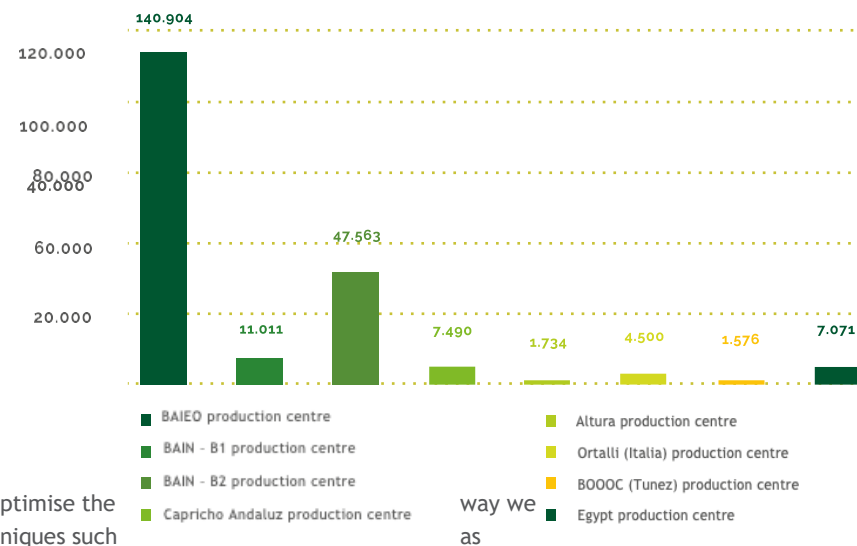
We also use mains water at the production centre in BAIEO Tàrrega, with a small amount drawn from our well.

We consume more water at this plant through the refrigeration towers necessary for industrial processes and for producing steam in the co-generation boiler.

We treat wastewater from the main plants in our plants before it is released into the municipal sewage system, complying with all the applicable rules and regulations.

During the farming phase, as explained above, we make improvements all the time to optimise the use this resource on our estates, investing in technologies and efficient production techniques such turgidity sensors on leaves and controlled flow drop irrigation. In times of restrictions on water use in the areas where we have crop and production centres, we adapt by applying deficit irrigation strategies.

Water consumption for INDUSTRIAL USE (m3)



6. SOCIETY



6 SOCIETY

Sustainable development and commitment to society

Our company is committed to sustainable development, to supporting the local communities where we operate, pursuing our mission, vision, and values to achieve continuous improvement of the impact of our activity on society and on the planet.



Relationships with local communities and communication

In the framework of our activity and our commitments to the territory and society, we relate to different actors in the local community through various projects and collaboration agreements.



15,000 litres of sunflower oil to the Food Banks in our surroundings



70 employees gave blood at the annual "Borges People Red Day" blood drive

- 1 We form alliances with business sectors and entities to create jobs and stimulate the local economy.
- 2 We employ people at risk of marginalisation, making them part of our everyday processes by outsourcing services.
- 3 We recruit newly qualified students for our company's different departments to retain talent and boost career development.
- 4 We collaborate with local entities and the territory to promote culture, sport and health in our areas of influence.

In the framework of the materiality analysis explained above and carried out in 2018, we sponsored several interactive processes with our main stakeholders (shareholders, workers, customers, consumers, suppliers, public institutions and other organisations), which have enabled us to learn their opinions of different aspects related to sustainability and the development of our activity.

6 SOCIETY

Local community development projects

1) We form alliances with business sectors and entities to create jobs and reactivate the local economy.

a) Vertical cooperation - Project Pistachio

The main purpose of Project Pistachio is to encourage irrigation and agro-industrial activity from the Segarra - Garrigues zone by farming pistachio nuts.

The project encourages economic growth in the area by acting as a driving force and generating profits for producers. We offer growers free advice about cultivating this tree, and to the territory, reactivating economic development in the farming sector and creating new jobs from the associated industrial activity.

This year, we also entered into a vertical cooperation agreement with Cooperativa de Ivars with the same objective of encouraging pistachio growing among members of the cooperative.

b) PALM project

The PALM project, whose main purpose is to promote sustainable agriculture, also expects to have positive economic, social, and environmental impacts on the local communities where we operate, creating jobs and reactivating farming activity in the area.



6 SOCIETY

Local community development projects

2) We employ people at risk of marginalisation, making them part of our everyday processes by outsourcing services.

We have been creating close links with associations and foundations that work to integrate people in the social and work lives of people with functional diversity for years, by outsourcing certain services. Some of these outsourced services are manual jobs like labelling, printing an internal communication magazine and laundry and office cleaning services, among others.



Since 2015, we have been members of the Ministry of Health, Social Services and Equality programme, “Hay Salida”, that raises awareness of gender violence.

3) We recruit newly qualified students for different departments of the company to retain talent and boost professional development.

We have been active in the **Dual Vocational Training Programme** since the 2012-2013 academic year and are one of the top companies in the territories. Among others, the objectives of this programme are to forge closer bonds and joint responsibility between the vocational training school and companies that participate in student training. The programme gives us a pool of qualified staff to cover our need for people with knowledge of our processes and business culture.



6 SOCIETY

Local community development projects

4) We collaborate with local entities and the territory to promote culture, sport and health in our areas of influence.

Borges International Group collaborates with activities and associations that encourage healthy lifestyles based on exercise, the Mediterranean diet, and cultural events, all run with organisations in the vicinity of the Group’s different production centres.



Sport

In the realm of sport, Borges supports numerous sporting events that encourage local people of all ages in the community to exercise by donating products to numerous events. In this regard, it is worth mentioning Borges’ agreement with Reus Esport i Lleure, S.A. whereby it collaborates with sports activities organised by this body in Reus every year. Borges also supports exceptional events held in the area of its headquarters, such as the 18th Mediterranean Games Tarragona 2018. As well as being one of the sponsors, the group encourages its employees to volunteer at this important sporting event.



Health

In terms of health, Borges supports several causes and events organised by patient associations, encouraging investigation. Borges International Group collaborates with several events organised by the Spanish Association Against Cancer, raising money to fund research into this disease and improving patients’ quality of life. Another important collaboration is the arrangement between Borges Tramier the group’s company in Aix-en-Provence (France), in the province of Provence-Alpes- Côte d’Azur and **Les Cuistots Du Coeur** Association, whose mission is to improve the everyday lives of children with heart conditions.



Culture

Borges is fully involved in the cultural lives of the towns where some of its headquarters are based and plays an active part in important festivals in many towns to help preserve traditions and to support local cultural associations. Our contribution to culture is of a marked social nature. During the last financial period we launched collaborative programmes with the **Associació Amics de l’Arbre de Tàrraga**, to finance the Plaça del Germà Gonçal Crespo in the Parc de Sant Eloi in this town, the site of the main Borges headquarters. In the same town, Borges has also started working with the **Fundació Residencia de la Gent Gran Sant Antoni**, to improve and adapt part of this foundation’s facilities to enable elderly people in the care home to benefit from this new space.

6 SOCIETY

Investments in infrastructures and support services

Casa Borges - Mas de Colom

To continue participating in community projects, we have invested in a building of historical importance, the Monasterio Mas de Colom, a neo-gothic style building dating to the 14th century and listed as Catalanian Architectural Heritage.

We are in the process of renovating the building to host the future **La Casa Borges - Mas de Colom**. This project will revitalise the economy in the area, giving the town of Tàrrrega an interesting new tourist attraction.

New oil extractor

This year, we invested in a new oil extraction plant for the facilities in Tàrrrega, with an investment of approximately €10 million.

More than 98% of our suppliers are local (Spanish), accounting for approximately 70% of the budget. The project provided 250 jobs for people who worked to install the new oil extractor.



6 SOCIETY

Supply chain

Description of the supply chain

Through the plantations where we produce some of the products we market and our long-term, close relationships with suppliers, we have become experts in the product and the market, satisfying our customers' needs and playing an active role in the value chain.

Our main suppliers provide us with raw materials, packaging

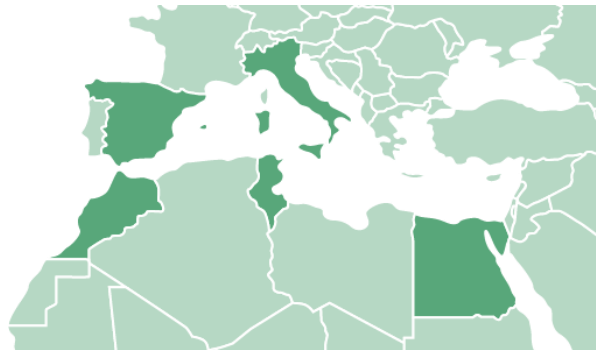
services and transport. There were no significant changes to the supply chain during the year.

In the case of the **Borges Agricultural & Industrial Edible Oils** unit, our production centres are in key locations close to the sources of production, guaranteeing maximum product quality

and conservation. We have five production plants: two in Spain, one in Tunisia, one in Italy, one in Morocco and one in Egypt.

In the case of the **Borges Agricultural & Industrial Nuts** unit, our nut processing facilities are strategically located to ensure that everything reaches our customers in perfect condition. We have five processing centres in Spain: two in Reus, one in Castellón, one in Badajoz and one in Granada.

PRODUCTION CENTRES - BAIEO PRODUCTION CENTRES - BAIN



6 SOCIETY

Supplier Company Management

Borges International Group manages its relationships with supplier companies based on values like **transparency**, **communication**, and **trust**, nurturing close, long-term relationships that benefit us, society, and the planet.

In this regard, we have taken steps to **align our suppliers with our values and code of conduct**:

- » We share and communicate the contents and principles of the **Group’s Code of Ethics** and the **Criminal Compliance Policy** to our suppliers and contractors. Moreover, when we start a business relationship with a new supplier or contractor, we give them both documents and the **Customer and Supplier Declaration**, where they undertake to comply with and fulfil their requirements.

Our objective is to extend our compliance and our Code of Ethics to suppliers, contractors, and collaborators. This alignment enables us to form stable, long-term cooperative business relationships, reduce the risk of human and social rights violations, ensure regulatory compliance (mainly in matters concerning ethical behaviour and integrity) and improve the organisation’s environmental impact.

It is of great importance that suppliers sign the declaration, a document whereby they agree to work according to our **Code of Ethics**.

This code requires suppliers to respect human rights, promote gender equality, treat employees decently, respecting their labour rights and adopt a preventive stance focused on care for the environment, among other obligations. Similarly, the Code of Ethics establishes that suppliers must ensure that their subcontractors work according to the standards set out in the Code and within the applicable legal framework.

The Group reserves the right to terminate any contractual relationships with suppliers who commit serious or reiterated breaches of the company’s Code of Conduct.



- » In the framework of our adhesion to the United Nations Global Compact, we produce a document entitled **Ethical Principles for Suppliers and Collaborators and Ethical Channel**, which summarises the Suppliers’ Code of Conduct. The document is available on our corporate intranet and on the corporate website. It establishes our social and environmental criteria for selecting suppliers.
- » On the other hand, at our main production centres, within the framework of the Environmental Management System we have a **procedure** establishing the processes defined for environmental and energy assessment of our main suppliers through environmental declarations that include specific requirements by types of material or service supplied, always aligned with our environmental standards.

[See the Suppliers’ Code of Conduct](#)

6 SOCIETY

Supplier approval procedure

Our standards define the decision-making process during procurement. When deciding between several potential suppliers, we carry out an approval process that considers quality, productive capacity, compliance with our Code of Ethics, international regulatory compliance, efficient use of resources, costs, and risks of the country of origin, among others.

We also conduct continuous supplier audits of suppliers focused on ensuring that they comply with quality and traceability standards, guaranteeing food safety for our consumers.

New supplier company approval platform

We are currently developing a new tool through a **Supplier approval platform** to guarantee minimum quality standards and to create a database that enables us to optimise the company's supply chain management. This platform centralises supplier management to:

- » Keep a register of approved suppliers and suppliers in the process of approval.
- » Have one, centralised approval process for the Group to ensure compliance with basic quality standards.
- » Centralise documentation and communication related to purchases and provisioning processes.
- » Establish a Supplier Communication Plan.

This Platform enables us to manage our purchase and procurement processes and provides us with comprehensive information about product traceability. Among the aspects included are ethical and environmental behaviour by suppliers. The project is now in the initial stage for suppliers of raw materials, ingredients, containers, and packaging.



6 SOCIETY

HACCP and HARPC plans

In line with our commitment to supply high-quality, healthy products, we have implemented a food safety programme that includes HACCP and HARPC Plans.

The Risk Analysis and Critical Control Points and the Risk Analysis and Preventive Risk Based Control Analysis Plans (HACCP and HARPC, respectively) apply to all the company's production processes. They identify, evaluate and control food safety risks and guarantee continuity of production with the established food safety and quality standards.

Both plans establish preventive control plans for all the products produced by the Group.



6 SOCIETY

Responsibility for products

At Borges International Group, customer satisfaction is a priority. In this regard, the Group's **Code of Ethics** states that we are honest to our customers and stakeholders in general, providing them with truthful, clear, useful, and accurate information when we sell our products.

As well as our commitment to customer satisfaction, in line with the **Food Quality and Safety Policy**, we formulate and supply products in compliance with consumer protection, health and food safety standards. In this regard, are guaranteed by numerous **internationally prestigious certified management systems** (IFS, BRC, AIB, ISO9001, etc.) which ensure that our products comply with the most rigorous quality and food safety standards.

We are committed to ensuring food quality and safety for millions of consumers. We take this responsibility beyond mere compliance with legal and regulatory requirements in the markets where we operate. Our commitment extends to product quality and developing a culture of **innovation** and **continuous improvement**. Everything we aims for continuous improvement of our products and customer satisfaction.

All products sold by Borges International Group undergo continuous improvement processes and internal and external audits derived from the food quality and safety management certifications held by our Group companies.

Systems for handling and resolving claims and complaints

We consider all feedback we receive from customer and consumers important and, therefore, treat it as valuable information.

In this regard, complaints from customers and consumers are considered opportunities for improvement and are managed following our **Claims Action Plan**.

We also have a **Customer Services System** that follows the Claims Action Plan for the domestic market. The management system is outsourced and managed by expert nutritionists who stays in close contact with our Quality and Marketing Departments to ensure an optimal response to our consumers' needs.

Our **Customer Service** system provides a choice of interactive channels of communication (calls, email, and chat). This year we received the following **claims and complaints in the domestic market** (Spain):



2

complaints



4

claims



1

incidents

With regard to the external market, complaints and claims are dealt with by a dedicated call centre for each brand and each country or through our website or telephone and email contact channels.

This communication is handled and dealt with by the appropriate departments.

6 SOCIETY

Borges Community

Since we want to be an approachable group, in 2015, we launched the Borges Community project. It is an online meeting point for our consumers that includes interesting, dynamic content, boosts participation and interaction and enables users to enjoy exclusive experiences and take part in recipe competitions and product prize draws, among other advantages.

It has now become one of the brands main interactive digital communication tools in Spain.

Key indicators:

- » There are currently 84,134 members, with an annual growth of 6.9% during the last financial year.
- » We published 55 new recipes and around 100 new posts, including tips, tricks, etc.
- » We distributed a total of ten newsletters packed with interesting content such as recipes, recommendations, advice, recipe competitions and prize draws for our brand's products.
- » Finally, we have produced three online recipe books, available exclusively to members of the Borges community.

Social networks

Social networks are an important communication channel for our brand's consumers. Our brand is ranked **23rd of 400** mainstream brands by the **Icarus** panel.

Our social networks in figures:



On Facebook, we have

158,737
followers

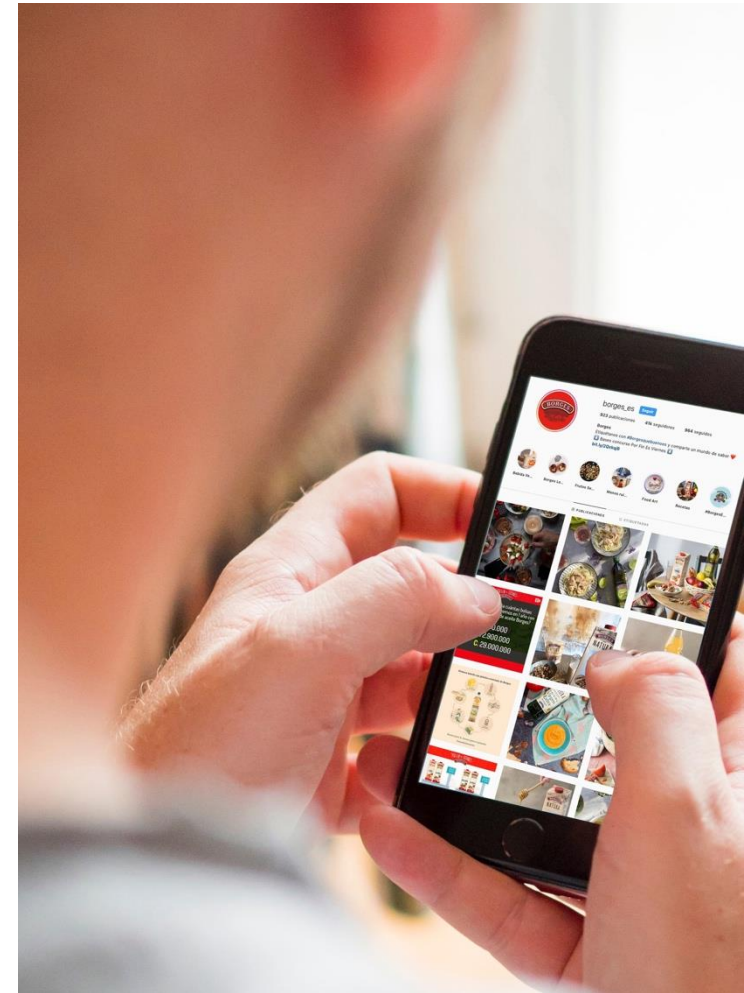
At year end we had **added 72,699** followers compared to the previous year.



We have published 228 new posts on

Instagram and have acquired **11,711 new followers**,

183% more than the previous year.



7. RESPECT FOR HUMAN RIGHTS



7 RESPECT FOR HUMAN RIGHTS



For many years we have focused on evaluating and improving our performance regarding **respect for Human Rights**. To do so, in 2010, we committed to the ten principles enshrined in the United Nations Global Compact. Doing so has ensured that all the companies in Borges International Group are obliged to comply with those criteria.

The work done laid the foundation for developing the Group’s policies and codes, which include a firm commitment and requirement to uphold and encourage respect for human rights by all the Borges International Group member companies and their stakeholders reinforced by periodic customer and corporate audits.

Our Code of Ethics refers to our adherence to the United Nations Universal Declaration of Human Rights, the social policy of the International Labour Organisation and the principles of the Global Compact by Borges International Group. The Group’s Sustainability Policy identifies respect for Human Resources among its principles.

The Code of Ethics has a whistleblowing channel open to anyone to report breaches of Human Rights. During the period covered by this report we did not receive any reports regarding human rights violations.

We also have an **Equality Plan** in the Group’s main companies, which guarantees equal opportunities and no gender discrimination.

7 RESPECT FOR HUMAN RIGHTS



The fight against child and forced labour

Our Code of Ethics includes Borges International Group’s commitment to the United Nations Declaration of Human Rights and the social policy of the International Labour Organisation regarding child labour.

To manage and prevent this risk, as well as the undertakings specified in its Code of Ethics, Borges International Group has published a **Child Labour Handbook** that includes procedures for dealing with cases child labour if detected in any of the Group’s companies. We first implemented this handbook in the Borges Organic Olive Oil Company based in Tunisia.



In the framework of our commitment to respect Human Rights, the **Code of Ethics** specifically prohibits any type of forced labour.

In this regard, all the Group’s management areas ensure that our staff have employment contracts that comply with the national labour laws where we have headquarters.



7 RESPECT FOR HUMAN RIGHTS



Freedom of association and right to collective bargaining

As stated in our **Code of Ethics**, we uphold freedom of association and the right to collective bargaining in all Group companies.

We have Business Committees whose duties are set out in the Workers' Statute and which comply with the law. They also act as advisory bodies for decisions that impact workload management and employees.

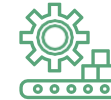
Similarly, workers' representatives sit on several committees and advisory bodies, such as the Health and Safety Committee and the Equality Committee.



External audits to evaluate respect for Human Rights

The main production centres of BAIEO and BAIN's business areas undergo external audits within the framework of the SMETA system. This leading international auditing system assesses respect for human rights, among other matters. During the year, we audited the Tàrrega and Reus headquarters and are planning to inspect the production centre in Tunis.

Our success in these audits enables us to work with some of the most important international companies in the sector.



Respect for Human Rights in the supply chain

In line with the above commitments, one example of our initiatives to promote respect for Human Rights in our value chain is the **Supplier Code of Conduct**. The document requires all the Group's suppliers to respect their workers' Human Rights and treat them with respect and dignity. The Code also requires suppliers to reject child labour, forced labour and discrimination and to abide by other principles of Human Rights.

At the time of writing this report, the Group's main suppliers have signed the **Customers' or Suppliers' Declaration** to commit to our **Code of Ethics** and our **Compliance Policy**. These documents include commitments to uphold Human Rights, and Borges International Group reserves the right to sever business relationships in case of activities that breach the Code. On the same line, we are working to ensure that all new suppliers sign the declaration above.

8. OUR TEAM



8 OUR TEAM

*We strive to be a company to which
are teams are proud to belong*



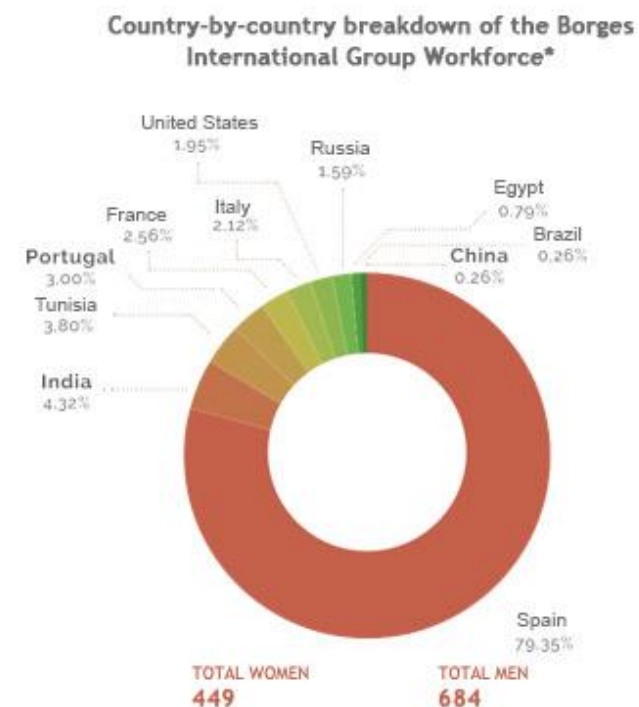
Personnel structure

Our values are evident in the way we behave and are based on **respect for people**. We are guided in this by our Code of Ethics, the signature of which commits our team to:

- Comply with rules, regulations and laws.
- Career development, equal opportunities, and non-discrimination.
- Occupational risk prevention.

Regarding the structure of the Borges International Group workforce, broken down by country, more than 79% of our employees are in **Spain**, making up the majority of the Group's workforce.

Country-by-country breakdown of the Borges International Group workforce*			
Country	Women	Men	Total
Spain	374	524	898
India	3	46	49
Tunisia	11	32	43
Portugal	11	23	34
France	16	13	29
Italy	6	18	24
Unated States	12	11	23
Russia	12	6	18
Egypt	0	9	9
Brazil	1	2	3
China	3	0	3
TOTAL	449	684	1133



*Note: Data at year-end 2018-2019
Regarding the origin of senior management, the CEO is a Spanish national.

8 OUR TEAM

Work-life balance and organisation

Organising the workload

Borges International Group manages human resources from a quality perspective, with policies that encourage people’s development.

The Group’s policies facilitate the work/home life balance, helping people in the company to combine their personal, family and work lives. From the start, the organisation has always respected and been considerate regarding our workers’ own lives and families.



We also offer “extra-curricular activities”, with the main objective of nurturing staff loyalty. Every year we organise activities with games and contests for “Borges Little People” around the festival of Sant Jordi for our employees’ children.

Commitment to the work-life balance

Aware of the beneficial impact of proactive management of a healthy balance between work, personal and family life, Borges International Group not only complies with the legal provisions but goes further, offering staff the option to take advantage of the following measures:

- » Time off to accompany parents and children to medical visits.
- » Intensive workday on Fridays for administration and technical staff.
- » Flexitime - a pool of hours. Each flexible hour worked is compensated with a mandatory hour off.
- » Flexible workdays for administration and technical staff.
- » Short leave of absence, between 15 days and three months.
- » Flexible workdays for administration and technical staff.
- » Accumulation of breastfeeding hours.
- » Time limit on starting meetings.
- » Part-time maternity.
- » Extended maternity leave.
- » Time off in lieu.

*The work-life balance measures listed here apply to Borges International Group personnel at the Reus and Tàrrrega work centres.

Regarding policies to enable staff to disconnect from work, we have established criteria for cases where communication is not strictly necessary. Whenever possible, staff and management communicate during office hours only. The Group also adopts measures to avoid information fatigue.

Absenteeism

The data about absenteeism for the period covered by this report is as follows:

Absenteeism	W	M	TOTAL
The Group’s total hours of absenteeism	55,243.83	52,934.78	108,178.61
	6.27%	3.68%	4.66%
Hours of absenteeism in Spain	47,685.40	42,475.80	90,161.20
	6.50%	3.95%	4.98%
Hours of absenteeism in other subsidiaries	7,558.43	10,458.98	18,017.41
	5.12%	2.88%	3.52%

8 OUR TEAM

Health and safety

Commitment to occupational health and safety

As stated in the **Code of Ethics**, Borges International Group is firmly and permanently committed to occupational health and safety, an essential value in the development of all its activities in strict compliance with all the applicable regulations in this area.

Occupational disease and accident prevention involve everyone, which is why the **Group's Code of Ethics** imposes a set of obligations on all Group employees, among which are:

- » Understanding and compliance with health and safety regulations.
- » Collaboration in ensuring a robust reporting channel for use by the entire team so that all occupational health and safety anomalies are reported and resolved without delay.
- » Ensuring proper use of safety systems and individual personal protective equipment.
- » Taking an active role in training activities organised by the company and make use of the available IT resources.



Our Occupational Risk Prevention System covers all employees of Borges International Group and its subsidiaries.

BAIN and BAIEO's occupational risk prevention systems are certified under the ISO 45001 standard through certification organisation DAKKS. The other companies' occupational risk prevention systems are not certified but include sharing and implementing the same management procedures that apply to the certified companies.

The specific methodologies, procedures, instructions, and audit processes for application of the occupational risk prevention systems are set out in the Occupational Risk Prevention Management Manual.

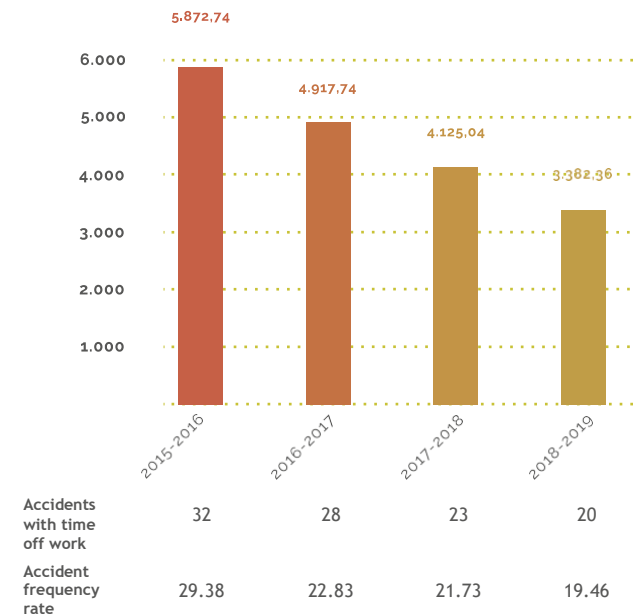
The Group's Occupational Risk Prevention Policy specifies the obligations contained in the Code of Ethics and establishes the general duty of prevention in the development of the company's normal activity, in addition to the following principles:

- » Risk prevention
- » Prevention plan
- » Adapting the work to the person
- » Worker training
- » Adopt the latest protective measures

Main achievements of the SGPRL

Thanks to Borges International Group's Occupational Risk Prevention Management System and the involvement and awareness of all its employees, we have reduced occupational accident rates for three consecutive years:

Accident frequency rate



Note: Data from the BAIN and BAIEO business divisions

8 OUR TEAM

Borges takes care of you (Borges Te Cuida)

Since 2011, Borges International Group has had a nutritional and health programme called Borges Te Cuida (**Borges Takes Care of You**) for all our employees. This programme comprises a set of actions designed to improve and promote health, wellbeing, and healthy habits of the staff through initiatives and activities focused on nutrition, exercise, and sport.

This year, Borges Te Cuida launched a new Healthy Company Programme for the 2018-2020 campaign at the Reus and Tàrraga production centres, with the following initiatives:



Reducing traffic accidents. Campaign to encourage safe, healthy habits when driving, raising awareness of hazards on the road and encouraging alternative measures for more sustainable mobility.



Smoke-free company. A smoking awareness campaign, offering professional support and assistance for staff who voluntarily decide to quit smoking, specific information and workshops and elimination of indoor smoking areas.



Encouraging exercise as a habit. We organised walks and specific workshops and shared information to encourage people to take up sport and competitions organised by the company.



Musculoskeletal diseases. A campaign consisting of on-site training in ergonomics, raising awareness of postural hygiene and improvement with specific information and workshops.



Healthy breakfasts. Regular information about healthy eating, workshops and breakfasts.

8 OUR TEAM

Labour relations

Labour relations are always governed by the law in each country where we operate, the Group’s internal policies and any applicable collective agreements, based on a work contract of that defines both parties’ rights and obligations. We always apply the relevant labour law in our areas of influence, management, and control of human resources.

In this area, we have set up different committees to encourage worker participation:

All our employees are covered by collective agreements in the countries where we work.



Innovation Committee

Heterogeneous training for different members of staff, support for innovation and identifying market opportunities for introducing new products, methods, and systems, or for improving those existing.



Business committee

We have a business committee for Borges International Group, Borges Agricultural & Industrial Nuts, Borges Agricultural & Industrial Edible Oils and Borges Branded Foods, whose members include workers’ representatives from each company. We convene regular meetings, particularly for negotiating agreements and for dealing with routine requests and other matters. Communication flows freely because of these meetings and we also have a corporate email address for all representatives on the committees to centralise communication.

Equality Committee

The Equality Committee ensures there is no discrimination, follows up the Equality Plan and reports to all the staff in this regard.



Health and safety committee

With one in each of the three main work centres in Spain, among other functions, it plays an active part in the development of the organisation's preventive management, promoting initiatives and proposals for improvements to methods and procedures for the proper prevention of risks in the work centre and the development of procedures that make up the preventive management system. It also helps to analyse damage to the health or physical integrity of workers, assessing its causes and proposing appropriate preventive measures.

8 OUR TEAM

Career development and training

Borges International Group advocates for equal opportunities and is committed to providing the necessary resources to improve our team’s career development. With this in mind, we have drawn up a **Training Plan** that includes learning in subjects that help to achieve our organisation’s targets.

Our training activities can be broken down as follows:

- » Actions for the entire team, whose main objective is to **standardise and share the Group’s knowledge**, culture and procedures with all.

- » **Language learning** to prepare workers for our expansion, internationalisation. Linguistic skills also boost worker employability in an increasingly globalised context with the opportunities that this offers.
- » Technical training to update or strengthen specific areas of **knowledge and PRL in each of the group’s areas** to keep us on the right track in terms of continuous learning by area of training and development.

SPAIN	Training hours*	
	2018	
	M	W
Workers	406	365
Total training hours	3,333	2,766
% by gender	54.65%	45.35%
Training hours per person	8.21	7.58

*The data is for the Tàrrrega and Reus headquarters. We are compiling centralised data from the other Group companies broken down by professional categories.

As you can see, the training hours are shared fairly, and there is no significant gender difference.



8 OUR TEAM

Equality and diversity

Borges International Group believes that having a diverse team makes us a stronger company.



Commitment to equality and diversity

The Group's Code of Ethics guarantees equal opportunities, rejecting all types of discrimination based on origin, nationality, religion, race, gender, age or sexual orientation, or on any other grounds.

In line with our Code of Ethics, we have developed a Staff Selection Policy, which establishes guidelines in terms of equal opportunities and non-discrimination. We also have a third Equality Plan 2016-2021 implemented in the Group.

 [Equality Plan](#)

Our company has an important international presence, and the way we approach business includes excellent diversity management, with 31 nationalities working in the Group. Diversity gives us a significant competitive advantage in workgroups originating in different environments, who have different merits and skills.

In this regard, and in line with our commitments, we have been signatories of the Spanish Diversity Charter since 2012.

Projects for integrating people with disabilities

Borges International Group collaborates with several organisations that work to integrate people with disabilities:

- » We have been collaborating with **Taller Baix Camp** at the BAIN-B1 production centre. Since July 2018, we have recruited seven subcontractors to perform specific tasks at the production centre in Reus.
- » At our BAIN -B2 production centre, we collaborate with the **SIFU Group** through a labour exchange for support service with screening by two teams of SIFU Group employees.

In both cases, the BAIN Reus production centres collaborate with **Brócoli** to hire industrial machinery cleaning services by specialised teams comprising people with different abilities.



- » At the BAIEO production centre in Tàrrrega we have been working in close collaboration with **Asociación Alba** for years, which carries out work every day in the company and manages services for laundry and office cleaning service.
- » WE have been working with **Fundación ASPROS** for more than 14 years. We outsource everyday packing and promotion preparation.

We encourage direct recruitment of **people with disabilities in our Group** in the framework of our commitment to social and labour integration, going beyond the legal requirements.

COUNTRY	W	M	% OF ALL STAFF
Spain	9	10	2.37%
Italy	1	0	4.17%
Total	10	10	1.95%

8 OUR TEAM

Equality Plan

The new Royal Decree-Law 6/2019 dated 1 March on urgent measures to guarantee equal treatment and opportunities for women and men in employment and occupation, establishes a new legal framework towards full equality and amends Organic Law 3/2007, of 22 March, for effective equality in relation to equality plans in companies.

Although this is a 2019 law, the group has had an Equality Plan since 2007. Our current plan is the **3rd Equality Plan** - force from 2016 to 2021 - covering the BAIN production centres in Reus and another for the BAIEO production centre in Tàrraga. This is the third Equality Plan implemented by Borges International Group.



A tractor driver on the “Palheta” estate in Cuba, Beja (Portugal), a holding belonging to the “PALM” farm project devoted to almond growing.

The objectives set for the third Equality Plan are:

- » To achieve integration of Equal Opportunities in the **strategy and culture of the organisation** and systematic incorporation of the gender perspective in all policies, decision-making and activities carried out in the organisation.
- » To enable the organisation to project a **neutral image**, both internally and externally, and in the language used in written and oral communication.
- » To guarantee a transparent and **non-discriminatory promotion process** that allows the incorporation of the most suitable internal candidate in each case.
- » To stamp out **sexist attitudes**, discriminatory behaviour and harassment of all kinds and providing mechanisms to detect, prevent and deal with such behaviours.
- » To ensure that all people in all departments, categories, and levels of the organisation have the **possibility of balancing** their personal and family lives.
- » To eliminate all kinds of **gender-based discrimination** in contract types and work hours.

We have an **Equality Committee** that oversees compliance with Borges International Group's commitment to non-discrimination and to monitor the Equality Plan and to report on its progress to the entire workforce.



The company's Equality seal



The Equality in the Company Distinction awarded by the Ministry of Equal Opportunities and the Women's Institute in 2010 guaranteed the implementation of policies and actions in the field of equality.

Since then, every year, both companies prepare a follow-up report summarising the different actions implemented in the field of equality.

8 OUR TEAM



Anonymous resume and unbiased interviews grounds

Within the Equality Plan 2016-2021 project, we have continued to make progress in guaranteeing equal opportunities in selection procedures.

To this end, during 2018 we implemented the **anonymous curriculum** in some selection processes, following the commitment acquired in the adhesion to the pilot test activated by the Ministry of Equal Opportunities, to avoid unconscious biases during personnel selection processes.

Also, we have prepared a **Gender-Free Selection Interview Guide**, with the main objective of avoiding gender bias in personnel selection processes.

Prevention of sexual harassment on gender and moral

The **Group's Code of Ethics** states that at Borges International Group the work environment shall be free from harassment, intimidation, and offensive and improper conduct, including sexual proposals or suggestions, jokes and annoying conversations, graphic material and other actions that may offend a person's dignity.

In this area, at Borges International Group we have a **Protocol for the Prevention of Moral and Sexual Harassment** approved by the workers' union representatives, which safeguards the dignity of everyone who belongs to our Group.

This protocol contains basic recommendations for all forms of harassment and establishes guidelines to follow if harassment is suspected.

We also have a heterogeneous Equality Committee, in which the Workers' Legal Representation also participates, to have a greater presence and accessibility among our staff for queries, consultations or possible complaints. During the period covered by this report, there were no reports of moral or sexual harassment, or discrimination.

8 OUR TEAM

Internal communication

Within the Group, internal communication is a fundamental tool for maintaining fluid, efficient, transparent, and close contact with our employees.

Apart from the traditional communication channels, such as e-mail, notice boards and internal procedures, we also have the following:



» **Welcome Plan:** An induction manual for newcomers provided to them on a mandatory basis.



» **Suggestion Box:** Channel for gathering information so that our team's ideas and opinions can be analysed.



» **Intranet:** Where employees can access corporate information, a series of personal applications and professional procedures, as well as project presentations.



» **Evaluations exercises:** A system for setting objectives, collecting contributions, and establishing personalised training requirements.

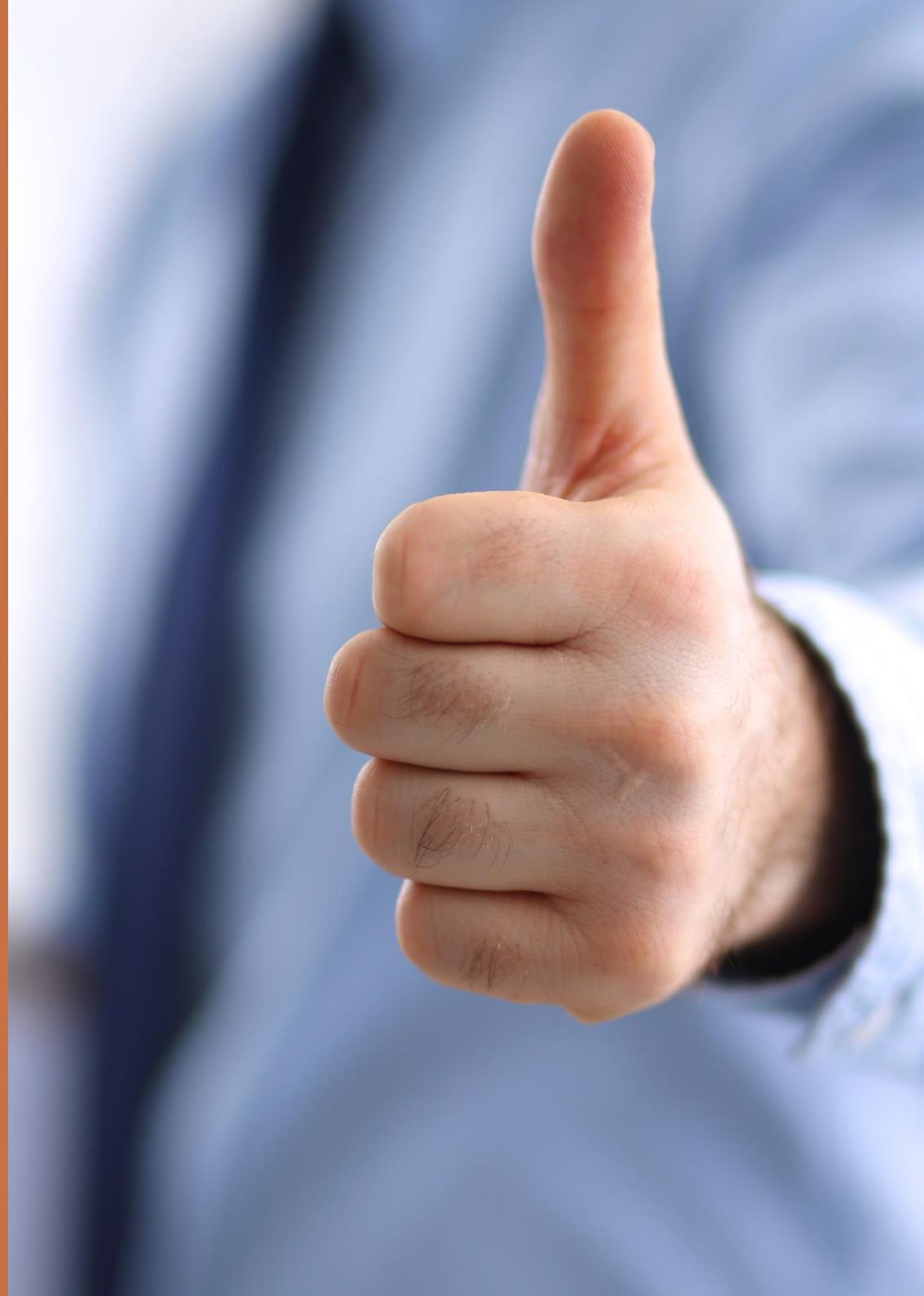


» **Open Door Policy:** For more flexible interpersonal relations between the staff and the organisation, we provide an open and informal space for consultations and clarification.



» **Gente Borges magazine:** A two-way communication medium. Published quarterly it spreads the word about activities and projects carried out by Borges International Group, to bring the business vision closer and create a Group identity.

**9. COMMITMENT
TO FIGHT
BRIBERY AND
CORRUPTION**



9

COMMITMENT TO FIGHT BRIBERY AND CORRUPTION



Measures adopted to prevent bribery and corruption

Borges International Group is committed to adopting measures against bribery and corruption as part of the Group’s business culture.

The **Code of Ethics** is binding on everyone who works for and with the Group and the stakeholders to whom the Code applies, who must act according to ethical principles and values, rejecting and preventing all types of corruption, bribery, fraud, and unfair competition.

In line with our **Code of Ethics**, based on an assessment of criminal risks that could impact the Group, we have developed the **Group’s Criminal Compliance Policy**, which governs, among other matters, the risks related to corruption in business. We also have an **Anti-Corruption Policy**, which commits us to reject all forms of corruption.

In this same area, we also have a **Crime Prevention and Response Manual**, a document that defines procedures, measures, and controls in this area in the Group that details the functions and composition of the **Crime Prevention Unit**. These functions include managing complaints received through the **Criminal Whistleblowing Channel**

 (canal-denuncias@borges-big.com).

Likewise, employees can make observations and complaints in the area of crime prevention using different channels, which range from a simple report to a line manager to a verbal or written communication, e.g. email, addressed to any of the members of the Crime Prevention Unit.

The **Supplier Code of Conduct** requires suppliers to refrain from practices that involve bribery or corruption, both in their business relationships with our Group and their other activities.



10. ABOUT THIS REPORT

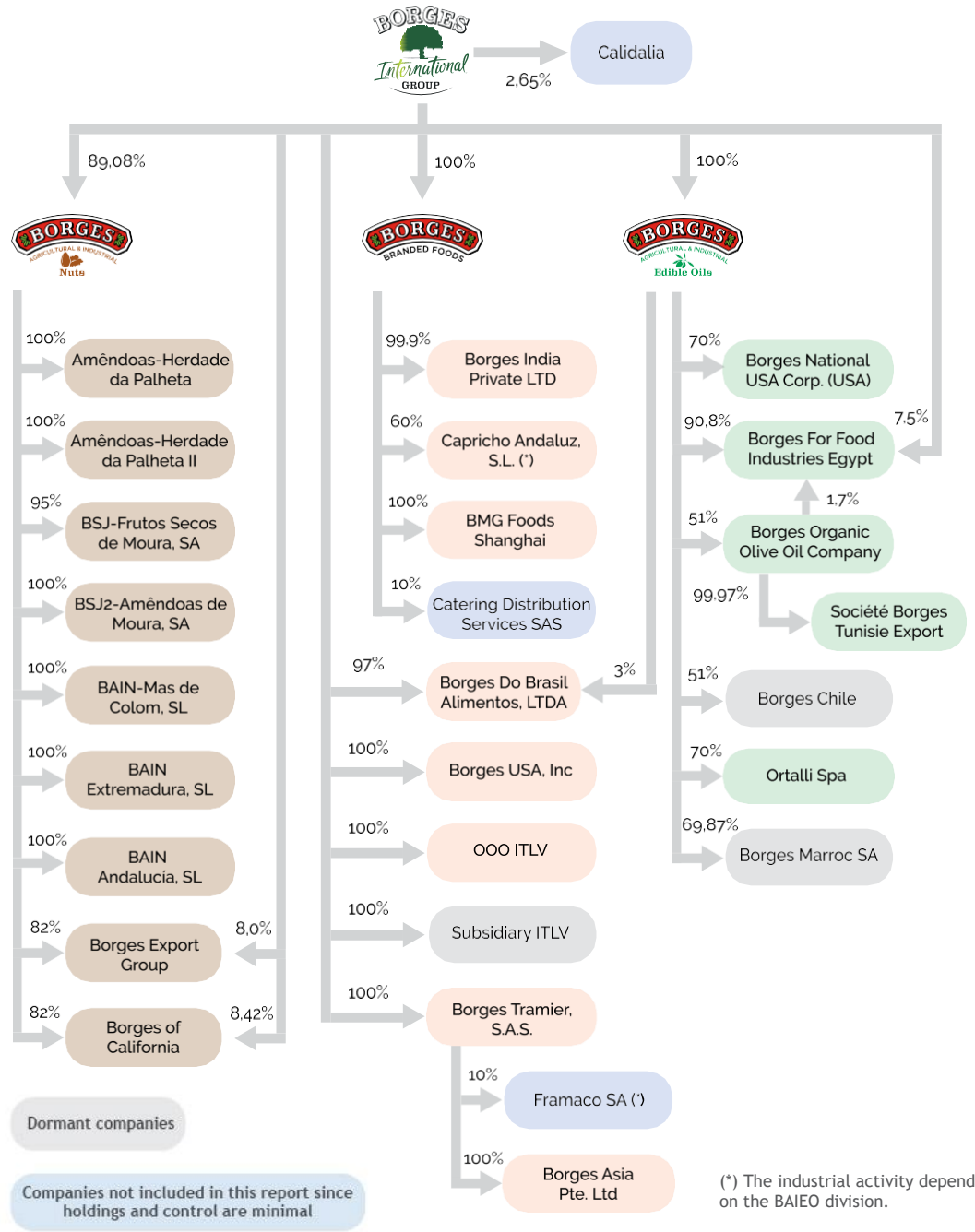


10 ABOUT THIS REPORT

This document has been prepared with information from the Consolidated Statement of Non-Financial Information of Pont Family Holding, S.L. and its subsidiaries, available on the Group's website and refers to the financial year 2018 - 2019, ending on 31 May 2019.

If you have any question about the Statement of Non-Financial Information and its contents, please write to the following email:

rse@borges-big.es



(*) The industrial activity depends on the BAIEO division.

11. CONTENTS



11 DISCLOSURES

The following index contains the disclosures required by Law 11/2018 of 28 December on non-financial information and diversity, its relationship with the GRI Standard as well as the sections of the Statement of Non-Financial Information where these are answered. We have also included other indicators and aspects covered by Law 11/2018 that are not related to a GRI indicator.

Law 11/2018	Reporting criteria	Section of the Report
General aspects		
a) A brief description of the group's business model, including its business environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	• 102-1 Name of the organisation	• Organisational structure
	• 102-2 Activities, brands, products, and services	• Our activity
	• 102-3 Location of headquarters	• Organisational structure
	• 102-4 Location of operations	• Organisational structure
	• 102-5 Ownership and legal form	• Organisational structure
	• 102-6 Markets served	• Organisational structure • Our activity
	• 102-7 Size of the organisation	• Organisational structure
	• 102-10 Significant changes in the organisation and its supply chain	• Supply chain
	• 102-12 External initiatives	• Policies
	• 102-13 Membership of associations	• Policies
	• 102-14 Declaration by the highest decision-maker	• Our ambition
	• 102-16 Values, principles, standards and norms of conduct	• Mission, vision and values
	• 102-18 Governance structure	• Organisational structure
	• 102-45 Entities included in the consolidated financial statements	• About this report
b) A description of the group's policies on these matters, including the due diligence procedures applied to identify, evaluate, prevent, and mitigate significant risks and impacts and verification and control, including the measures taken.	• Main factors and trends that may affect the future development of the company	• Commitment to sustainability
	• 102-11 Precautionary Principle or approach	• Risk management and identification

11 CONTENTS

Law 11/2018	Reporting criteria	Section of the Report
General aspects		
c) The results of these policies must include key non-financial performance indicators for tracking and evaluating progress and must enable comparisons between companies and sectors, in national, European, and international benchmarks used for each subject.	<ul style="list-style-type: none"> Indicators included in the Non-Financial Information Status in the economic, social and environmental areas. 	<ul style="list-style-type: none"> Throughout the Report
(d) The main risks related to those issues that are associated with the activities of the group, including, where relevant and proportionate, its business relationships, products or services that may harm those areas, and how the group manages those risks, explaining the procedures used to identify and evaluate them according to national, European, or international reference frameworks for each subject matter. Information on the impacts identified should be included, providing a breakdown of these impacts, in particular on the main short, medium and long-term risks.	<ul style="list-style-type: none"> 102-15 Main impacts, risks and opportunities 	<ul style="list-style-type: none"> Risk management and identification
	<ul style="list-style-type: none"> 102-34 Nature and total number of critical concerns 	<ul style="list-style-type: none"> Materiality and stakeholder analysis
	<ul style="list-style-type: none"> 102-47 List of material issues 	<ul style="list-style-type: none"> Materiality and stakeholder analysis
(e) Non-financial key performance indicators relevant to the particular business that meet criteria of comparability, materiality, relevance, and reliability. Standards that can be generally applied and that meet the EC guidelines and GRI standards, and the report should mention the national, European, or international framework used for each subject. Non-financial key performance indicators must be applied to each of the statement of non-financial information. These indicators should be useful and consider specific circumstances and consistent with the parameters used in their internal risk assessment and management procedures. In any case, the information presented should be accurate, comparable and verifiable.	<ul style="list-style-type: none"> 102-46 Definition of report contents and subject matter coverage 	<ul style="list-style-type: none"> Materiality and stakeholder analysis
	<ul style="list-style-type: none"> 102-47 List of material issues 	<ul style="list-style-type: none"> Materiality and stakeholder analysis
	<ul style="list-style-type: none"> Indicators included in the Non-Financial Information Status in the economic, social and environmental areas. 	<ul style="list-style-type: none"> Throughout the Report

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Law 11/2018	Reporting criteria	Section of the Report
Information on environmental questions		
Detailed information on the current and foreseeable effects of the company's activities on the environment and where appropriate, health and safety, environmental assessment, or certification procedures; resources devoted to the prevention of environmental risks; application of the precautionary principle, amounts of provisions and guarantees for environmental risks.	<ul style="list-style-type: none"> • 103-2 Focus and management of their components • 103-3 Management focus assessment • Current, foreseeable effects of activities and provisions and guarantees relating the environmental risks 	<ul style="list-style-type: none"> • Environmental management of our industrial processes and installations
	<ul style="list-style-type: none"> • Measures to prevent, reduce or repair carbon emissions with serious environmental impact 	<ul style="list-style-type: none"> • Fight against climate change
Pollution: measures to prevent, reduce or repair carbon emissions with severe environmental impact; considering all types of atmospheric pollution specific to an activity, including noise and light pollution.	<ul style="list-style-type: none"> • 305-7 Nitrogen oxides (NOx), sulphur oxides (SOX) and other significant air emissions 	<ul style="list-style-type: none"> • Atmospheric pollution
	<ul style="list-style-type: none"> • L00 Noise and light pollution 	<ul style="list-style-type: none"> • Atmospheric pollution
Circular economy and waste prevention and management: preventive measures, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste	<ul style="list-style-type: none"> • 306-2 Waste by type and disposal method 	<ul style="list-style-type: none"> • Circular economy and waste prevention and management
	<ul style="list-style-type: none"> • L01 Circular Economy 	<ul style="list-style-type: none"> • Circular economy and waste prevention and management
	<ul style="list-style-type: none"> • L02 Food waste 	<ul style="list-style-type: none"> • Circular economy and waste prevention and management
Sustainable use of resources: consumption of water and water supply following local constraints; consumption of raw materials and measures taken to improve the efficiency of their use; direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy	<ul style="list-style-type: none"> • 301-1 Materials used by weight or volume 	<ul style="list-style-type: none"> • Sustainable use of resources
	<ul style="list-style-type: none"> • 302-1 Energy consumed within the organisation 	<ul style="list-style-type: none"> • Sustainable use of resources
	<ul style="list-style-type: none"> • 303-5 Water consumption 	<ul style="list-style-type: none"> • Sustainable use of resources
	<ul style="list-style-type: none"> • Indication of the existence of local restrictions on the water supply 	<ul style="list-style-type: none"> • Sustainable use of resources

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Law 11/2018	Reporting criteria	Section of the Report	
Environmental information			
<p>Climate change: significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services produced; the measures adopted to adapt to the consequences of climate change; voluntary medium- and long-term reduction targets established to reduce greenhouse gas emissions and the means implemented to that end.</p>	• 305-1 Direct (Scope 1) GHG emissions	• Fight against climate change	
	• 305-2 Indirect (Scope 2) GHG emissions	• Fight against climate change	
	• Measures adopted to adapt to climate change	• Commitment to sustainable agriculture	
	• Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions and the means implemented to that end	• Fight against climate change	
<p>Protection of biodiversity: measures taken to preserve or restore biodiversity; impacts caused by activities or operations in protected areas</p>	• 304-2 Significant impacts of activities, products and services on biodiversity	• Commitment to sustainable agriculture	
	• 304-2 Protected or restored habitats	• Commitment to sustainable agriculture	
Information about social questions and regarding personnel			
<p>Employment: total number and distribution of employees by sex, age, country and professional classification; total number and breakdown of employment contract, the annual average of permanent, temporary and part-time contracts by sex, age and occupational classification; number of dismissals by sex, age and occupational classification; average pay and its evolution disaggregated by sex, age and professional classification or equal value; salary gap, remuneration for equal or average positions in the company, average remuneration of directors and managers, including variable remuneration, allowances, indemnities, payment to long-term savings schemes and any other payment broken down by sex, implementation of policies for disconnecting from work, employees with disabilities.</p>	• 102-7 Size of the organisation	• Staff structure	
	• 102-8 Information about employees and other workers	• Staff structure	
	• Breakdown of the workforce by gender, age and professional category	• Staff structure	
	• Total number and distribution of modalities by work contract	• Staff structure	
	• Annual average by type of contract by age, sex and category	• Staff structure	
	• Number of dismissals by gender, age and professional category	• Staff structure	
	• L03 Salary gap and average remuneration	• Remuneration policy	
	• L04 Dismissal policies	• Work-life balance and organisation	
	<p>Work organisation: organisation of working time; number of hours of absenteeism; measures aimed at facilitating the work-life balance and promoting joint responsibility of both parents.</p>	• L04 Dismissal policies	• Work-life balance and organisation
		• L05 Work-life balance measures	• Work-life balance and organisation
• L06 Hours of absenteeism		• Work-life balance and organisation	
<p>Work organisation: organisation of working time; the number of hours of absenteeism; measures aimed at facilitating the enjoyment of conciliation and promoting the co-responsible exercise of these by both parents.</p>	• 403-8 Workers covered by the occupational health and safety management system	• Health and safety	
	• 403-9 Work accidents	• Health and safety	
	• 403-10 Occupational diseases	• Health and safety	
	• Accident frequency rate	• Health and safety	

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Law 11/2018	Reporting criteria	Section of the Report
Information about social questions and regarding personnel		
Social relations: organisation of social dialogue, including procedures for informing, consulting, and negotiating with staff; the percentage of employees covered by collective agreements by country; assessment of collective agreements, particularly in the field of health and safety at work	• 102-41 Collective bargaining agreements	• Social relations
	• Assessment of collective agreements, particularly in the field of health and safety at work	• Social relations
	• Procedure for information, consultation, and negotiation with personnel	• Social relations
Training: the policies implemented in the field of training; the total number of hours of training by professional categories	• 404-1 Training hours per year per employee	• Professional development and training
Equality: measures adopted to promote equal treatment and opportunities between women and men; equality plans (Chapter III of Organic Law 3/2007 of 22 March, for effective equality of women and men), measures taken to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities; the policy against all types of discrimination and, where appropriate, diversity management.	• Measures to promote equal treatment and opportunities between women and men	• Equality and diversity
	• 406-1 Cases of discrimination and remedial action	• Equality and diversity
	• L08 Protocols against sexual or gender-based harassment	• Equality and diversity
	• Measures to promote the employment and occupation of women in the organisation	• Equality and diversity
	• Policy against all types of discrimination	• Equality and diversity
	• Integration and universal accessibility for people with disabilities	• Universal accessibility for people with disabilities
Information on respect for human rights		
Application of due diligence procedures vis-à-vis human right; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses; reporting of human rights violations; promotion of and compliance with the provisions of basic International Labour Organization conventions related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced and compulsory labour; the effective abolition of child labour.	• 406-1 Cases of discrimination and remedial action	• Respect for human rights
	• 412-1 Operations subject to human rights reviews or impact assessments	• Respect for human rights
	• 412-3 Significant investment agreements and contracts with human rights clauses or subject to human rights assessment	• Respect for human rights
	• Complaints of human rights violations	• Respect for human rights

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Law 11/2018	Reporting criteria	Section of the Report
Information on the fight against corruption and bribery		
Measures to prevent corruption and bribery: measures to combat money laundering; contributions to foundations and non-profit organisations.	• 205-1 Operations evaluated for risks related to corruption	• Commitment against bribery and corruption
	• 205-2 Communication and training in anti-corruption policies and procedures.	• Commitment against bribery and corruption
	• Contributions to non-profit organisations and bodies	• Commitment against bribery and corruption
	• Measures to fight money laundering	• Commitment against bribery and corruption
Information about the company		
The company's commitment to sustainable development: the impact of society's activity on employment and local development; impact of the company's operations on local populations and the territory; the relations maintained with local community agents and arrangements for dialogue with them; partnership or sponsorship actions.	• 202-2 Proportion of senior executives hired from the local community	• Staff structure
	• 203-1 Investments in infrastructures and support services	• Sustainable development and commitment to society
	• 413-1 Operations with local community participation, impact assessments and development programmes	• Sustainable development and commitment to society
	• Association and sponsorship activities	• Sustainable development and commitment to society
	• Relations maintained with local community actors and modalities of dialogue with them	• Sustainable development and commitment to society
	• Impact of the activity on recruitment and local development	• Sustainable development and commitment to society
Subcontracting and suppliers: inclusion in the procurement policy of social, gender equality and environmental issues; consideration of their social and environmental responsibility in relations with suppliers and subcontractors; monitoring and audit systems and results of these.	• 102-9 Supply chain	• Supply chain
	• 308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria	• Supply chain
	• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	• Supply chain
	• 414-1 New suppliers that have passed selection filters according to social criteria	• Supply chain
	• Inclusion of gender equality issues in the procurement policy	• Supply chain
	• Monitoring systems, audits and results of social and environmental responsibility of suppliers and subcontractors	• Supply chain

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Law 11/2018	Reporting criteria	Section of the Report
Information about the company		
Consumers: measures for consumer health and safety, claims systems, complaints received and their resolution.	• 416-1 Assessment of health and safety impacts of product or service categories	• Product responsibility
	• Systems for handling and resolving claims and complaints	• Product responsibility
Tax information: profits obtained country by country; taxes on profits paid and public subsidies received.	• L10 Profits earned and taxes paid on profits country by country	• Tax information
	• 201-4 Financial assistance received from the government	• Tax information



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