



Corporate Social Responsibility Report

Borges Agricultural & Industrial Nuts

2020/2021

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Healthy and sustainable product

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1 Letter from the Chairman

Dear collaborators,

One more year, we are excited to openly and transparently explain to all our stakeholders, how we are progressing in large projects, and the ambitions that our company and our sector have, and to review the most important events of this last year with a look to the future.

If you have had the opportunity to read previous reports, you will know that great challenges accompany us on our way, especially through:

- Leading an agricultural and food sector that fosters a **model of sustainable production and consumption**, through a model capable of guaranteeing world food safety.
- At the same time promoting **healthy ecosystems** that support responsible management of land, water and natural resources.

In this sense, the agricultural project in which we are immersed is an example of how we achieve these objectives, by focusing on vertical integration and offering a local, healthy and sustainable product throughout the value chain.

At the same time, we cannot forget the difficult times behind us; we are living with a global pandemic with devastating social and economic consequences and a climate crisis that requires us to act with determination, as the latest IPCC report has taught us and which sets the world agenda. But even so, new opportunities also arise. Strategies and future plans that support our vision, such as the *Farm to Fork* strategy that lays the foundations for a **fair, healthy and environmentally friendly food system** that we will see in more detail in the chapters that follow.

I also want to remember that this year we are celebrating the company's 125th anniversary. A significant date that inevitably makes us think about the origin of everything and in turn about the future. If we want to celebrate 125 more years, we must think about the coming generations and the world that we want to leave them. And for this, we have to take care of our lands, our biodiversity, our fruit, and continue to put health and well-being at the centre under an efficient production model.

We are proud to know that we can count on all of you and that you are accompanying us on this long and ambitious journey. I hope you have a pleasant read and enjoy its content.



DAVID PRATS PALOMO

Executive President of Borges Agricultural & Industrial Nuts.



2 Zoom in on 2020/2021

The social and economic impact of Covid-19

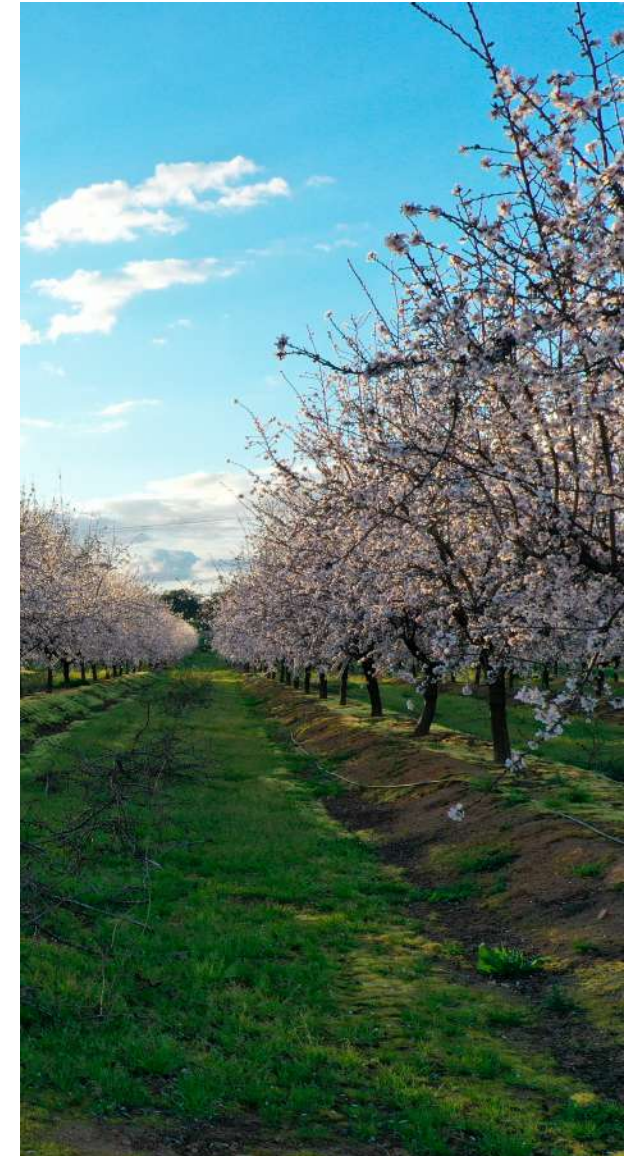
Last year we explained how Covid-19 had impacted on our lives and how we had managed this unprecedented health, social and economic crisis. During this last year we have continued to vigorously implement all those measures, adapting to the needs of the sector and committed to all Borges People and stakeholders.

- **Customers and consumers:** as a food industry, we have continued to respond to the demands of a sector that, more than ever, needed trustworthy and guaranteed references on which to rely.
- **Borges People:** implementation of protocols and policies to minimise any risk of spread of the disease, commitment to teleworking for all structure personnel and contingency plans for personnel on site.
- **Community:** we continue to reinforce donations to the Food Banks and foundations to remain by all those communities suffering the consequences of this pandemic first-hand.

Investment in local produce

During this financial year, BAIN has divested its farms in the Sacramento Valley, United States, to focus on the development of local agriculture, in line with the objectives of responsible agriculture and KMO.

“Following the strategic plan, we plan to add more than 1,000 hectares to our agricultural project in the next three years to achieve the management of 3,500 hectares of almond, walnut and pistachio trees in the Iberian Peninsula.”



The background of the slide is a dense, close-up photograph of numerous small, round, orange-brown objects. These objects have a wrinkled, textured surface, similar to the skin of a seed pod or a small fruit. They are piled together, creating a rich, organic pattern of warm tones.

3 BAIN, connected to the world

BAIN, connected **to the world**

Summary of the year

Borges Agricultural & Industrial Nuts (hereinafter, BAIN) is a vertically integrated, Spanish listed company engaged in the agricultural production, processing, packaging and B2B marketing of dried fruit, and mainly walnuts, pistachios and almonds.

Our **vertical integration throughout the value chain** gives us greater quality control in all phases of the productive process, guaranteeing traceability and food safety.

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

This financial year, BAIN invoiced **143.4 million euro**, in a total of **58 countries**. Exports accounted for 51.7% of turnover, at €74 million, reaffirming the company's international profile. Almonds were the best-selling product of the BAIN Group, accounting for 63% of the total sales, followed by walnuts with 10% and pistachios with 6%.

Present in
58 countries

143,4
million € in sales

2.307 hectares
managed in the Iberian Peninsula

2.870 tons produced
on managed farms

104 hectares
environmental conservation

296 hectares adhered
to the Pistachio Project

32,4 thousand tons
of dried fruit sold

434 employees at
the end of the year

5 factories

1 commercial office

BAIN, connected to the world

Summary of the year

In its activity, BAIN is characterised by operating in all phases of the value chain, from the field to the table:

- 1. Procurement phase:** we manage more than 2,307 hectares of walnut, almond and pistachio trees from which we obtain part of the fruit we sell, which gives us excellent knowledge and vertical integration of the key raw materials.
- 1. Industrial phase:** our industrial facilities are in strategic areas to allow the processing of raw materials at their optimum point.
- 1. Commercial phase:** our products are sold on the B2B channel. We produce the best products for industries or sectors that use them as ingredients in their processes and we package third-party brands for some of the most prestigious companies.





Cantillana Farm (Badajoz)

Involvement in the sector and the environment

We are present in leading organisations in the sector world-wide, such as:

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

We are also part of the following associations:

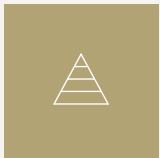
- ✓ Agrupación de Exportadores de Almendra y Avellana de España (Almendrave)
- ✓ AINIA Instituto Tecnológico Agroalimentario
- ✓ Almond Board of California
- ✓ Asociación Agraria - Jóvenes Agricultores
- ✓ Asociación de Fruticultores de Extremadura (AFRUEX)
- ✓ Asociación Española de Descascaradores de Almendra (Descalmendra)
- ✓ Asociación Española de Frutos Secos
- ✓ Asociación Extremeña Ganaderos del Reino
- ✓ California Walnut Board
- ✓ Confederació Empresarial de la Provincia de Tarragona (CEPTA)
- ✓ Cruz Roja Española
- ✓ D.O.P Avellana de Reus
- ✓ International Nut and Dried Fruit Council (INC)
- ✓ Murcia Central Supply Markets



BAIN, connected **to the world**

#Inbrief

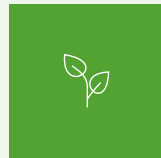
What will you find in this report?



Responsible and
strategic management

Farm to Fork

Sustainable Development
Goals



Responsible
Agriculture

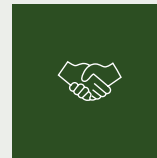
Vertical integration

Soil and water management

Biodiversity

Resilience to climate change

Suppliers and supply chain



Committed
People

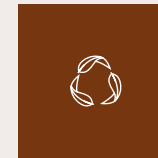
Employment

Training

Ethics and good governance

Equality and diversity

Continuous improvement
teams



Healthy and
Sustainable Products

Health and nutrition

Quality and innovation

Circular economy

Energy transition

Food waste



4 Responsible and **strategic management**

Responsible and **strategic management**

How do we contribute to the EU Farm to Fork strategy?

For a fair, healthy and environmentally friendly food system

The Farm to Fork strategy, presented in May 2020 by the European Union as part of the New Green Deal, aims to accelerate the transition towards a sustainable food system and is based on 6 main pillars. We describe how our business contributes to achieving these objectives through the main strategic growth axes:



Estrategia de Borges Agricultural & Industrial Nuts

Main axes of the Farm to Fork (EU) strategy

Being aware of the great challenges and associated risks of agricultural activity -particularly derived from the climate crisis-, we promote management practices aimed at **preserving soil and water** and promoting sustainable practices such as optimising the **use of inputs** (fertilizers, etc. .) or the reversal of the **loss of biodiversity**. We also rely on technological and innovation solutions that help lay the foundations for an agricultural and industrial sector that is more resilient to climate change.

Guaranteeing sustainable food production

One main axis in the growth strategy is our commitment to vertical integration. BAIN invests to promote a local product, KM 0 and guaranteeing total **traceability** throughout the process. With more than 2,000 hectares currently planted, the agricultural business aims to continue growing by promoting local produce and ensuring **global food security**.

Ensuring food safety

As a transformer company, we are heading towards an increasingly **circular** production model, reinforcing **digitisation, continuous improvement** and **industry automation** to be more efficient and increase productivity in our operations, with renewable energies in the production process and improvements to reduce environmental impact in **packaging and materials**. We also implement **good practices in the Supply Chain** to reduce the main waste (overproduction, waiting times, etc.).

Encouraging sustainable practices in food processing, wholesale and retail trade, hospitality and food services

Our responsibility does not end with offering sustainable food at its source. It also has to be healthy and contribute to promoting **healthy diets** to improve the health of society. Dried fruit are one of the pillars of the Mediterranean diet, a healthy fat, with multiple associated nutritional benefits. We promote their benefits in all our channels and we continually innovate to find solutions and **new products** in the face of society's current and future nutritional problems.

Promoting sustainable food consumption and facilitating the transition to healthy and sustainable diets

Finding solutions for **food loss** in the production phase and in different phases of the food chain. We define KPI's and **food waste monitoring** in industrial processing within the strategy of continuous improvement and we strive to ensure that there is no waste by donating products to other sectors. We back research for the **recovery of by-products** and other **organic waste** from the agricultural and industrial process.

Reduce food loss and waste

Internal policies and procedures to **prevent food fraud** throughout the chain, thus avoiding jeopardising the sustainability of food systems.

Fighting against food fraud throughout the entire food supply chain

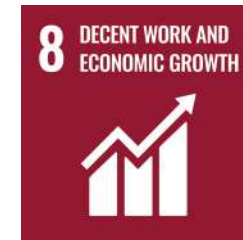
Responsible and **strategic management****Contribution to the 2030 agenda**

In line with our commitment to carry out our activity in a responsible manner, the Group has identified those objectives on which we have a greater impact and can therefore make a larger contribution.

- **SDG 8 “Decent work and economic growth”** covers the different actions we carry out to guarantee our professionals' well-being, working from respect for labour rights, and ensuring compliance with Human Rights throughout our value chain, and thus we can move forward towards fair, sustainable and inclusive growth.
- **SDG 12 “Responsible production and consumption”** leads us to manage our entire value chain, from the production of raw materials on our farms or the relationship with our supply chain, to the transportation, logistics, manufacturing, and commercialisation of our products, as well as the innovation and design of new launches, under criteria of sustainability and taking into account and reducing their impact.

- **SDG 17 “Partnerships to achieve the goals”** is more than an objective, it is the method to achieve the remaining SDGs. It is the attitude and the way in which we have to develop our activity, creating alliances and with our stakeholders.

Although these are the 3 main goals that will define our strategy, indirectly we also play an active role in achieving other goals through our activity. For example, Goal 15 (Life of terrestrial ecosystems) to which we contribute through biodiversity preservation plans on our farms, or Goal 7 (Affordable and non-polluting energy) with the use of renewable energy in our production centres and plantations.



Main axes of BAIN business

Responsible agriculture

Vertical integration

More than
2.000 own hectares
managed

More than
32 thousand tons
of dried fruit marketed



Proximity and Km 0 product

1 Soil management

Planning of plant cover to avoid the loss of fertile soil.

2 Precision agriculture

Technologies that help to adjust the irrigation doses of plants and their needs.

3 Preservation of biodiversity

Agronomic handling to preserve environmental biodiversity.

4 Renewable energies

Use of 100% renewable electricity and electrification of the internal fleet.

5 Recovery of by-products

Continuous investigation to recover the by-products generated in the process.

6 High quality standards

Investment in quality and excellence in all of our products.

Milestones 2020/2021

- ✓ Zero pesticide waste product for almonds, pistachios and walnuts.
- ✓ Calculation of direct and indirect CO2 emissions from the agricultural and industrial activity.
- ✓ Certification of 953 ha with Global GAP.

Responsible and **strategic management****CSR strategic plan**

The CSR Strategic Plan is the tool that allows us to advance towards the mission and vision of the company. This has been prepared on the results of dialogue with our stakeholders, through the materiality analysis¹ and is structured around 3 pillars: **Responsible Agriculture**, **Committed People** y **Healthy and Sustainable Products**.

1. Responsible Agriculture

This first pillar includes the management of our own farms, as well as collaboration with suppliers in the agricultural sector, and external services that affect other points in the Group's supply chain, such as transport and logistics, to guarantee that raw materials are purchased and **supplied under sustainable criteria**. The main strategic objectives that will continue to be worked on in the coming years in this block are the following:

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

[Read more](#)

¹ Results of the analysis in the section "Discussion with stakeholders" in the chapter "Committed People"

Responsible and **strategic management****2. Committed people**

This block deals with the management of the most human and social part of the company. The relationship with our workers, our people, our collaborators, our shareholders and our communities. We guarantee the **well-being and development of the professionals** who are part of BAIN, each day ensuring equality, diversity and fair working conditions. We also contribute to the **development of the communities** where we work and, in general, with the world in which we live, since we understand that sustainable development is only possible if we move forward in collaboration with our stakeholders. In this sense, the main strategic objectives that guide our actions and attitude in this area are the following:

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

[Read more](#)
**3. Healthy and sustainable products**

Aware of the influence we have on our customers and consumers, we are responsible for **promoting a healthy lifestyle through our products**, which must be characterised as sustainable in every way from their recyclability to their nutritional benefits. In this sense, within this pillar we manage both the nutritional and healthy policy with our products, and the way in which they are made and processed in our production centres, our environmental, energy and waste management. To do this, we work to implement policies and processes that lead us to achieve major strategic objectives:

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




[Read more](#)

Responsible and **strategic management**




Monitoring of the projects - Summary of 2020 - 2021

Status of the projects presented as first steps last year:

 Responsible Agriculture	
Global GAP Certification	Done
Global GAP certification for the farms Machados, Cuartillo, Casarente and Benavides	
Present	54%
2023	100%
Water Footprint	In process
Calculation of the water footprint on the El Carqui farms and progressive installation of an efficient irrigation system located in our plantations.	
Zero Pesticide Waste Product	Done
Zero as the side waste product for our armoured plantations and certification for the will not plantations.	
Projects with suppliers	In process
Collaborative projects with suppliers to apply sustainable practices in their plantations and evaluation of the supply chain under ESG criteria.	
Biodiversity Action Plan	In process
Implementation of the Action Plan for Biodiversity on the Mas de Colom farm and participation in the Agricultural Biodiversity Observatory	
Present	50%
2022	100%

 Committed People	
Career plans	Ongoing
Promotion of training plans and career plans to contribute to the personal development of all workers.	
Specific training	Done
Specific training for our professionals on biodiversity and the preservation of the environment with agricultural practice.	
Pistachio Project	Ongoing
Economic and social dynamization of the territory through projects and collaborations such as the Pistachio Project (1)	
Ethical behaviour	Done
Refresher courses on compliance for BAIN employees.	

(1) See the project detailed in the Responsible Agriculture section, as part of the vertical integration.

 Healthy and Sustainable Products	
Healthy products	Ongoing
Continuous improvement of our products from a nutritional viewpoint and development of new products prioritising their healthy benefits and healthy fats.	
By-product recovery	Ongoing
Projects to recover byproducts such as arm and skin or organic remains during the process.	
Energy efficiency	Done
Implementation of projects to contribute to greater energy efficiency (insulation of installations, LED lighting, consumption control, etc.)	
Electrified fleet	Done
Electrification of the group's fleet of forklift trucks.	
Present	90%
2023	100%



5 Responsible Agriculture

Responsible Agriculture



The lines of work are developed below within this first area, which includes all phases related to the supply of our raw materials, what happens before our product is processed and reaches our production centres. All with the aim of guaranteeing purchase and supply of raw materials produced sustainably.

Relevant facts of the year

- **Focusing on local agricultural development and disinvestment in farms in the USA.**
- **Product with zero pesticide waste on leaving the farms also for almond and pistachio plantations, thus adding to the walnut plantations.**
- **GAP Global Certification of good agricultural practices for the Machados, Cuartillo, Casarete and Benavides farms, reaching 953 hectares certified.**
- **Calculation of direct and indirect CO₂ emissions in the agricultural phase according to ISO 14064.**
- **Use of pheromones to control pests as a more sustainable alternative to conventional insecticides.**
- **More than 1,200 hectares of plant cover and 104 hectares dedicated to the preservation of the environment and conservation of biodiversity.**
- **Evaluation of suppliers of raw materials, packaging and external services on ESG policies and practices.**



Certification of good agricultural practices (GAP)

We continue to expand the farms certified with the Global GAP international standard. This year the farms of Machados (Portugal), Cuartillo (Badajoz), Casarente (Badajoz) and Benavides (Badajoz) were added to those already certified to make a total of 953 hectares certified.

“Today 54% of the total hectares of the Group are certified in Global GAP. The aim is to reach 100% in the next few years, as they start to go into production.”



Zero pesticide residue, also in almonds and pistachios!

Another notable development this year is that we are now in a position to also prove that our production of almonds and pistachios in Spain is a product free of pesticides (less than 0.01 mg/g), thus adding to the walnut production that already met these conditions.



Responsible Agriculture

Vertical integration and proximity product

We are now in full growth in two key projects for the organisation and a symbol of the promotion of a proximity and km 0 product: the PALM Project and the Pistachio Project. Both projects share values such as **cooperation with the territory, responsible production** and the creation of a **positive environmental, economic and social impact** for the surrounding communities.

PALM PROJECT



It has more than 1,500 hectares currently planted between Spain and Portugal and turned towards the production of (even more) sustainable and healthy almonds. These are the main characteristics of the varieties of almond trees in our project:

- ✓ Almond varieties of Mediterranean origin, backing local products and adapted at the local level, offering greater probability of withstanding the extreme droughts and inclement weather caused by global warming.
- ✓ Varieties with a higher content of unsaturated fats, thus providing an even healthier product.
- ✓ More resistant varieties, as they have a hard husk, causing a lower incidence of pests and a lower risk of microbiological contamination in harvesting.
- ✓ Zero pesticides waste product.
- ✓ Agronomic management based on the criteria of responsible agriculture.



Responsible Agriculture

PISTACHIO PROJECT

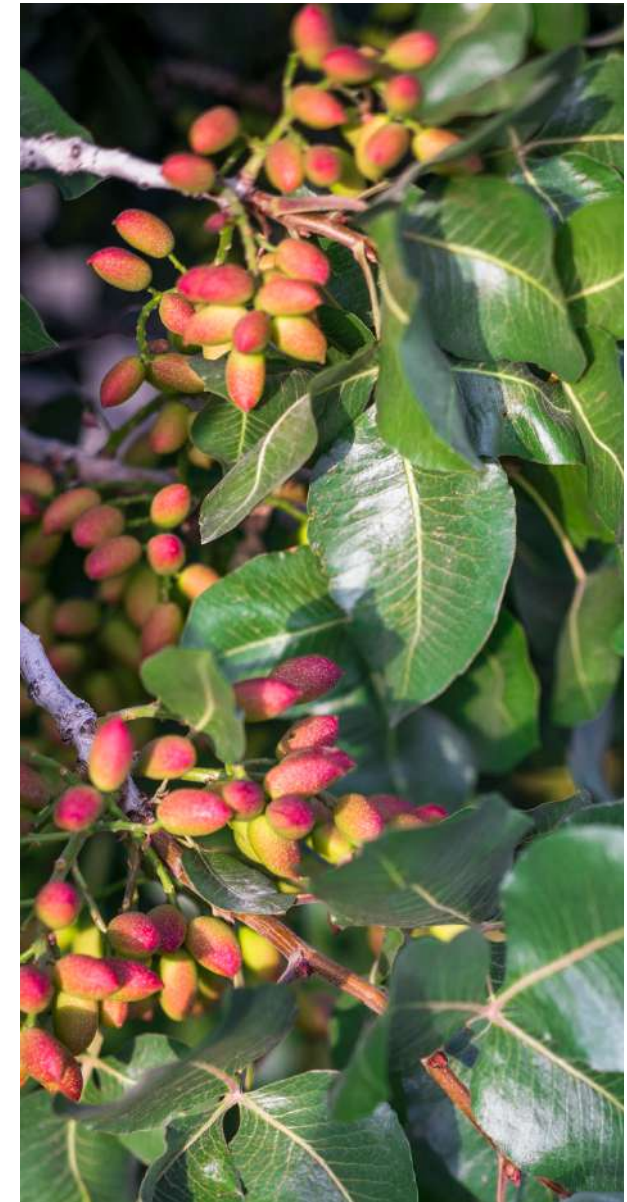
We seek to cooperate vertically with farmers in the planting of Pistachio. The BAIN Pistachio Project is a win-win vertical cooperation project between BAIN and the pistachio farmers in the area, in which we transfer experience and provide advice on the productive part of the crop, with the aim of improving farming income, economically and socially stimulating the territory and creating synergies throughout the food chain.

**Social impact of the Pistachio Project:**

- ✓ Investment and job creation associated with agricultural and industrial activity.
- ✓ We contribute to anchoring the population in depopulated areas and the rural environment.
- ✓ 46 adhered producers and more than 296 hectares (Huesca, Lérida and Tarragona) with an upward growth trend.

**Economic impact of the Pistachio Project:**

- ✓ Investment in the territory and economic and technological recovery of the agricultural sector.
- ✓ Profitability of existing infrastructures that have meant very significant investments for the country (E.g. Segarra-Garrigues Canal).
- ✓ Promotion of the consumption of local products.
- ✓ Important improvement in profitability per hectare in relation to traditional dry crops.



Responsible Agriculture

Protection of biodiversity

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

At BAIN we promote different projects and initiatives to contribute to the preservation of our environment and its habitats.



Benefits of working with biodiversity:

- It reduces soil erosion
- It reduces our water consumption
- It reduces the loss of nutrients
- It reduces the use of pesticides
- It increases the diversity of species
- It sequesters carbon
- It contributes to mitigating climate change

- ✓ We have **more than a hundred hectares dedicated to environmental purposes** such as reforestation, fallow, conservation of ZEPA areas, grazing and pastures on different farms in Granada, Lérida and Portugal.
- ✓ We have 77.6 hectares devoted to **reforestation** in Granada (El Carquí estate) and areas of **fallow** in Lérida (almost 25 hectares) that help in the conservation of agricultural birds, the group of birds most threatened in Europe.
- ✓ We have 19.7 hectares of **pasture** in Machados and 7.65 hectares of **Holm oak** in Palheta. This is a unique ecosystem typical of the Iberian Peninsula that integrates Holm oaks, cork oaks and grass. Pasture regulates water cycles and soil fertility, enhances biodiversity, and also plays a fundamental role in mitigating climate change thanks to its carbon dioxide fixation. **30 to 40 tons of equivalent CO₂** are fixed in one hectare of pasture alone.
- ✓ All our farms have management policies based on soil protection, species preservation, minimum tillage, nutrient management, and preservation of natural resources.

- ✓ We have joined the **Observatory of Agricultural Biodiversity**, a project that seeks to better understand the state of biodiversity in the agricultural environment in Spain and to monitor how some agricultural practices help to preserve it with very simple methodologies such as direct observation, counting, nests and traps, etc.).



“All the measures implemented on our farms are an example of the model that we also expect our suppliers and the agri-food sector in general to implement.”

Responsible Agriculture

Biodiversity action plan

Continuing the project that began last year, the Mas de Colom farm (1) (Lérida) has begun to implement the different measures of the plan:

- ✓ Biodiversity performance has been improved on 67 hectares of farmland and we have increased the complexity of 3,000 linear metres of multifunctional margins on the farm. Through the strategic planting of **more than 1,000 trees and shrubs and more than 3,000 aromatic plants**, we have given these semi-natural habitats better conditions to host different biodiversity groups such as pollinators, small birds or arthropods to control the pests in our crops in a natural way.
- ✓ More than 250 old fruit trees in the process of disappearing have been planted to recover natural elements of our agricultural landscape that have gradually disappeared over time.
- ✓ The farm also has a large permanent **pasture** area to help conserve steppe birds such as the little bustard, as well as a permanent **pond** with water for biodiversity and **nest boxes** for nesting other types of birds.
- ✓ In the entire agricultural area, plant roofs between lanes have also been implemented. This not only has an associated economic benefit (the loss of fertile soil) but also environmental, since they act as ecological corridors for the movement of soil fauna, pollinators and arthropods, which are beneficial for pest control on the farm.
- ✓ Incorporation of **organic matter into the soil** to improve its structure and achieve greater carbon sequestering. Also analysis of irrigation needs, in order to save water or post harvest nitrogen balance analysis to ensure that we are not providing the soil with more fertilisers than are strictly necessary.
- ✓ This experience, in addition to the agronomic practices already present on the group's more than 2,000 hectares, has allowed us to generate the bases to develop a **responsible sourcing programme** that can be extended throughout the supply chain.

(1) Characteristics of the farm:

- 70 hectares
- 10% of the area dedicated to semi-natural habitats
- Located within the ZEPA 2000 area (Anglesola - Vilagrassa protected area)
- Main crops: pistachios, almonds, walnuts and olive trees



“We have increased the complexity of 3,000 m.l. through the planting of more than 1,000 trees and shrubs and more than 3,000 aromatic plants”



Watch biodiversity video





Cover crops on Mas de Colom farm (Lleida)

A symbiotic relationship

With a population that has decreased by 37% in Europe in recent years, bees like many other pollinators are in danger of extinction and it is all of our responsibility to help preserve their population.

Bees and almond trees form a virtuous circle and establish an almost symbiotic relationship, since they drag pollen from one flower to another and contribute to increasing the production of almond tree plantations.

When we put out the hives, they may contain 35,000 to 40,000 bees and a few days after the almond tree pollination is over, the hive population can reach the figure of 60,000 bees.

“When we manage to have all the almond tree area of the PALM Project in production, we will reach a population of almost 180 million bees.”



**Watch bee
video**



Responsible Agriculture

Management of natural resources

Soil management

Retaining CO₂ in the soil and combating erosion and land degradation is critical for a sustainable agriculture that aims to preserve a scarce commodity like land for future generations. At BAIN we work to add to this with different measures that are already common practice in our daily management:

“We have more than 1,200 hectares of plant covers that contribute to preventing the loss of fertile soil and act as natural corridors for species”

- ✓ **Minimum tillage** in all our plantations.
- ✓ Planting of **vegetation** to increase the content of organic matter in the surface layer of the soil, to favour biodiversity and minimise compacting problems.
- ✓ We provide **organic and calcium carbonate amendments** to increase the content of organic matter in the soil, improving its structure, reducing its erosion and improving efficiency in the use of water.
- ✓ We carry out **levelling, water outlets, drainage and cleaning of drains** to direct, channel and collect run-off waters and to minimise erosion and/or asphyxiation problems that can be produced by episodes of rain.

“In an area with bare soil and permanent crops, between 40 and 200 tons of fertile soil can be lost per hectare and year”

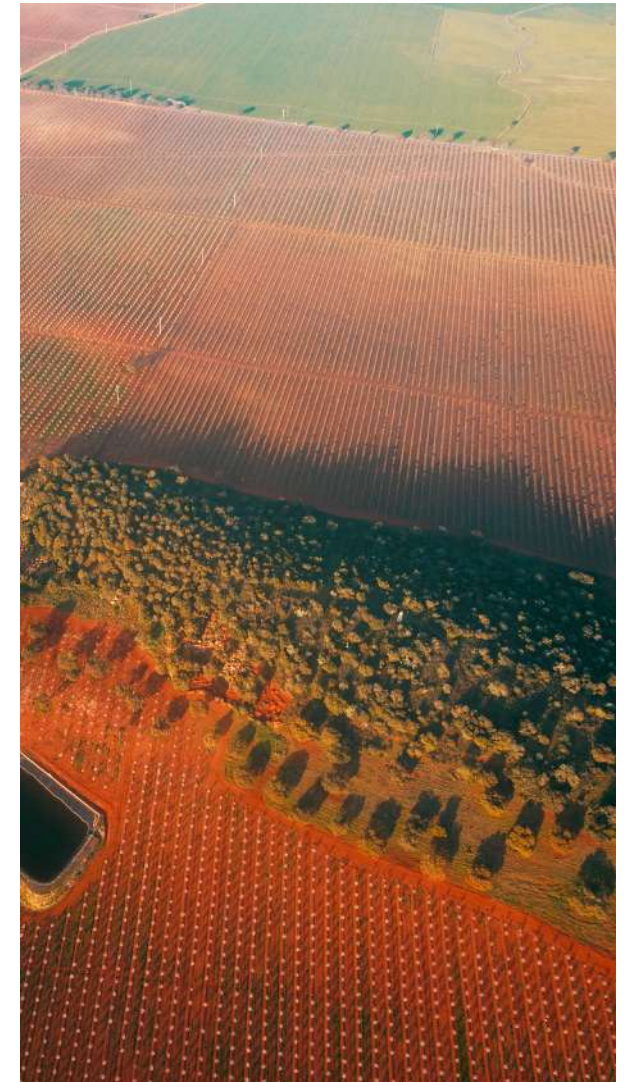
Responsible Agriculture

Water management and precision agriculture

Being aware of this resource's direct implication on our activity, we work continuously to improve water efficiency. All plantations have the latest technology in localised irrigation and we use very low-flow drips to adjust it to the land's infiltration capacity. In the rest of the Group's farms, especially the older, we are also progressively turning the irrigation system towards more efficient localised methods.

- ✓ We are active members of the EsAgua platform and we have undertaken to **calculate the water footprint** of all our plantations, starting with the El Carqui farm in Guadix (Granada) in 21/2.
- ✓ Last June 2020, on world water day, we participated in the "Good practices in the use of water in agriculture" webinar organised by EsAgua, providing BAIN's experience in water management.

"Precision agriculture plays an important role in the fight against climate change and allows us to optimise water consumption in our plantations"



Responsible Agriculture

The use of new technologies makes it possible to verify our effectiveness and efficiency in fertilisation and the use of water. In this way, we can ensure that we provide the nutrients at the right time of the irrigation cycle and adjust their quantity according to the needs and available nutrients. We can also modulate irrigation and avoid water losses.

- ✓ We are assessing the best future solution in **remote detection applied** to images from satellites and nano satellites with high spatial resolution and Unmanned Aerial Vehicles applied to precision agriculture.
- ✓ The use of very low-flow **drip irrigation systems** allows us to supply the water according to the soil's infiltration capacity to avoid problems of water logging and run-off.
- ✓ The amount of water to be supplied with the irrigation is calculated each week from the **forecast evapotranspiration** (evaporated water and water transpired by the plants), which are closely linked to the weather forecast (temperature and wind).
- ✓ This amount of water is also adjusted with a coefficient that includes the crop's specific **monthly needs**.

- ✓ We also use new precision farming technologies in the form of sensors such as flow meters, humidity probes at different depths of the soil or suction probes to extract representative samples of the nutrients in solution available for plant absorption.

“The goal we set ourselves is to calculate the weekly evapotranspiration of each farm, to monitor the water and nutrient status of the soil and the plant and thereby adapt the watering and fertilisation to the needs of the vegetative cycle at all times.”



Control pests in a more sustainable way

This year we have tested the pheromone introduction technique to combat pests on 52 hectares of walnut trees in Las Mesas and Benavides. Pest control using pheromones is a **non-invasive technique** with great benefits over conventional insecticides, including respect for biodiversity, the lack of residues in the harvest and their avoidance of resistance. An essential technique to build a more sustainable agriculture.



Responsible Agriculture

Transition and energy efficiency

Renewable energy sources help mitigate the impact of agricultural activity on issues such as the pumping of water for irrigation. In this sense, we continue working to incorporate renewable energies or more sustainable sources in our farms.

- ✓ In this sense, we are in the process of replacing all the pumping of irrigation water that consume diesel oil or electricity with **photovoltaic pumping**.
- ✓ We currently dry our production of walnuts and pistachios **using biomass** largely from our own farms (walnut husk, almond husk, etc.).
- ✓ During the 2019-2020 harvest, for the first time we validated the process of **sun dried almonds**. This process allows us to completely eliminate the use of energy in this field phase and consists of preparing the lanes, shaking the almonds, cordoning them off in the centre of the lane, and letting them dry directly in the sun.



Responsible Agriculture

Circular economy and waste management

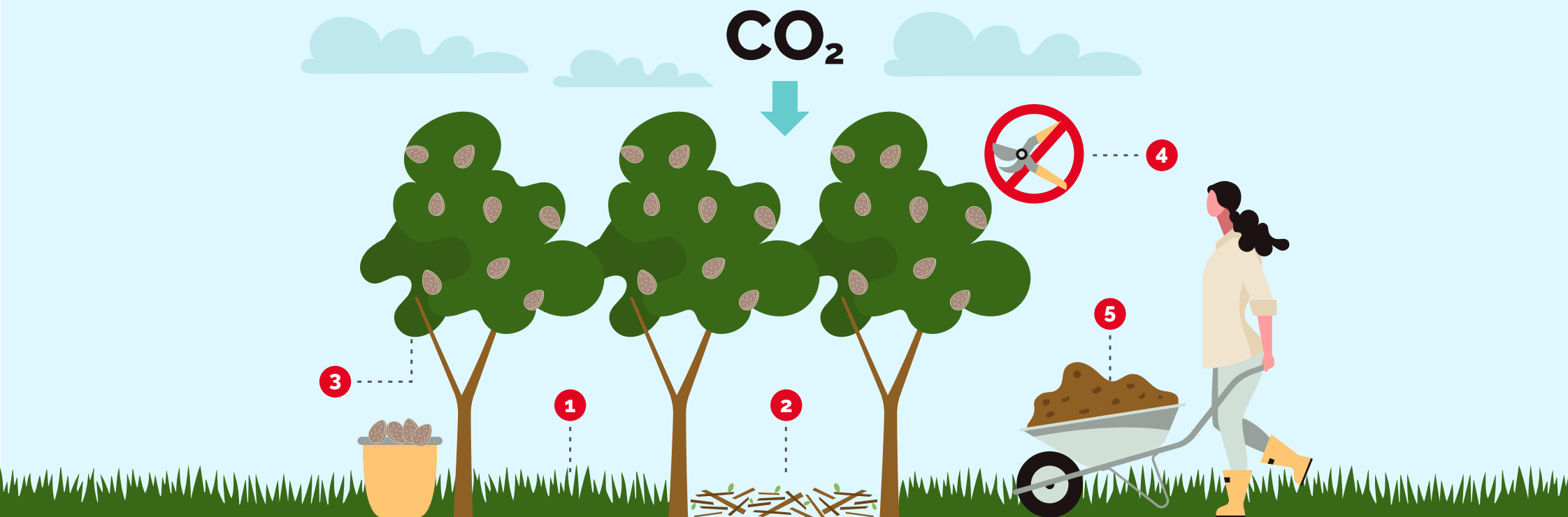
How do we manage agricultural residue and waste?

We are very close to closing the circle in our agricultural activity:

- **Pruning remains:** traditionally burned to avoid possible sources of inoculation of pests and diseases. In the last 2 years we have already distributed them through an agreement with the company ENCE, which will use them for cellulose manufacture.
- **Leaves in deciduous trees:** they decompose in the soil and are incorporated as organic matter with the labouring.
- **Cutting of plant cover:** the remains decompose in the soil and are incorporated as organic matter.
- **Dried fruit skin or mesocarp:** we are already composting the almond skin to put it back into the soil in the form of organic manure. In 2020 we also allocated almost 500 tons of almond skin to animal feed.
- **The agrochemical containers** are processed through a specialised waste manager (SIGFITO, etc.) and the waste from the agricultural machinery workshop is also managed through specialised managers.



What actions of daily management help us to retain CO₂?



Responsible agronomic handling is key to storing carbon in the agronomic phase.

1 Plant or spontaneous covers

2 Pruning waste on the floor acting as organic compost

3 The reduction of labouaring and minimal labouaring

4 "No pruning" technique, the tree acts as its own drain

5 Incorporation of organic amendments in the soil

Responsible Agriculture

CO2 emissions report

During this year, the CO2 emissions derived from **agricultural activity** were calculated for the first time according to ISO 14064. This calculation has shown us the impact of the activity taking into account both direct and indirect emissions.

Around 70% of electrical energy comes from renewable sources

- ✓ In 2020 we uprooted 25 hectares of walnut (15 hectares in Palacitos and 10 hectares in Tesorero), generating up to 1,271 T of biomass that was later used as biomass. We can estimate the volume of biomass produced throughout the useful life of the crop at 50,821 Kg/hectare.

In the section on Healthy and Sustainable Products, the impact of CO2 emissions on industrial activity for the BAIN processing centre is detailed.

Direct GHG emissions	2020 tons of equivalent CO2
Fossil fuels	
Fixed combustion (facilities)	12,66
Mobile combustion (machinery)	604,42
Agricultural processes	
Direct emissions of N2O	866,66
Indirect emissions of N2O	279,01
Application of lime amendment	143,77
Burning of waste in the open field	14,02
Total Direct emissions of GHG	1.920,53

Indirect GHG emissions	2020 tons of equivalent CO2
Energy	
Electricity consumption	73,91
Transport	
Road	144,96
Waste	
Waste	1,65
Water	
Water	1.602,58
Total Indirect GHG emissions	1.823,09

Total emissions	3.743,62
Soil conservation practices	-55,46* Kg equivalent CO2

Data about agricultural activity companies in Spain (BAIN Andalucía and BAIN Extremadura), made with OCCO tools.

*We're working to also extend it to Portugal companies, with their emission factors. Information provided for guidance purposes.

Although ISO 14064 does not take into account the carbon stored and fixed by the tree itself during its useful life through its biomass (biomass of the plant, leaves, skin and almond husk), we have made an estimate of the amount of **emissions that can be retained**, taking into account the hectares we have and the useful life of a tree:

Kg/hectares and year	
Total biomass Kg/hectares ⁽¹⁾	14.338 kg/hectares
Includes biomass from the plant, leaves, skin, and almond husk and biomass almond grain with skin.	
Total hectares	1.075,61 hectares
Total biomass T/Year	15,422 T/year
Total fixed carbon ⁽²⁾	7,711 T/year
Total CO2 emissions	28,275 T/year

⁽¹⁾ Estimate of plant biomass from "Life Cycle – based Assessment of Energy Use and Greenhouse Gas Emissions in Almond Production, Part I". It must be remembered that a tree's retention is not the same every year; the calculation considers an annual average for the total years of life that it may have.

⁽²⁾ Ratio of conversion of IPPC T Biomass to T Carbon of 0.5.



Relationship with the supply chain and risk management

BAIN has 2 industrial plants for the processing of dried and desiccated fruits (Reus), a plant dedicated to the husking of almonds (Altura) and two processing centres in the locations where we have the farms (Extremadura and Andalusia). We also have more than 2,000 hectares of our own planted in the Iberian Peninsula that guarantee the supply of a local and proximity product. The rest of the raw material comes from 15 different countries, mainly 80% from Spain and the USA.

“87% of the raw material comes from countries without risk according to the amfori BSCI list. Of the remaining 13% that comes from countries at risk, more than 80% of the suppliers have external social audits such as SMETA.”

- ✓ In order to promote a responsible and ethical management model with collaborators and customers and ensure their good behaviour, our contracts include clauses relating to knowledge and application of the Code of Ethics and the Criminal Compliance Policy.
- ✓ During this financial year, an assessment was made by sending a questionnaire to all the group's suppliers (raw material, containers and packaging, finished product, etc.) on **responsible practices and policies** to find out what practices they carry out and detect future synergies for cooperation.
- ✓ We are developing a **risk map** specific to our supply chain and adapted to countries and products, which will help us to be even more aware of the **social and environmental risks** and impacts associated with the supply chain, and allow us to implement policies to mitigate risks and develop a specific Code of Conduct.
- ✓ Each year we are submitted to and successfully pass different customer audits, both specific to customer codes of conduct audited by third parties in ethical (**SMETA**), environmental and quality matters, which allow us to guarantee our customers a responsible supply chain while giving us a way to enjoy continual improvement.

Analysis of risks derived from the supply chain

Type of risks
<div> Social risks</div> <p>Although approximately 90% of the raw material that we supply comes from suppliers in risk-free countries according to the amfori BSCI list, we identify various risks associated with specific products and countries that must be taken into account. Among these risks, we analyse indicators such as working conditions, child labour, fair wages and country governance/politics.</p>
<div> Environmental risks</div> <p>We analyse those risks that may have a direct environmental impact, associated with a specific product or at the origin of the matter. We take into account indicators such as the associated water footprint, use of fertilisers, carbon footprint or agricultural practices in general. We detect, for example, that products such as almonds or pistachios have a significant associated water footprint to take into account and which would imply the need to have control systems or policies to minimise said risk.</p>

The background of the slide is a close-up photograph of dark, rich soil. On the right side, a person's hand is visible, with fingers gently holding and turning a clump of the soil, revealing its crumbly texture. A large, semi-transparent white rectangle is centered on the left side of the image, serving as a backdrop for the text.

6 Committed People

Committed People



The people who make up BAIN's great team, the communities where we operate and the general society of which we are part naturally form one of our strategic pillars and have a transversal presence throughout our value chain. Our work is focused on **contributing to the socio-economic development of these communities and the creation of quality employment**, putting the well-being and development of our staff at the centre and always ensuring equality, diversity and fair working conditions.

Relevant facts of the year

- Launch project and creation of continuous improvement teams under a culture focused on people and the team.
- More than 7,500 hours and €41,552 invested in professional development and training.
- 83% satisfaction in the evaluation of the implementation of the teleworking method.
- Contribution to the employment of young talents through Dual Training programmes.
- 90% of the workers have taken the group's Compliance training course.
- Donation of more than 10,000 kg of food to food banks and foundations
- Economic and social dynamisation of the territory and communities where we operate.

Committed People

Borges People



Workforce structure

Our team of people is made up of 434 employees² (47% women and 53% men), distributed between Spain and Portugal. These are professionals with an average age of 43 and an average term in the company of 13 years³. 95% of them are based in Spain and 5% in Portugal.

We promote quality employment and therefore stable contracting. 72% of BAIN's workforce is on permanent or indefinite contracts. Temporary contracts are closely associated with seasonal work, such as pruning or harvesting, which is typical of our business activity.

Regarding the distribution by type of contract, gender and professional category, at the end of the year 72% of contracts are permanent; of these 55% are of women, who make up 47% of the Group's workforce.

Regarding remuneration, we have a [Director Remuneration Policy](#), available on the company's website.

Number of employees, by sex at the end of the year	2020-2021	2019-2020
 Women	203 47%	214 48%
 Mens	231 53%	234 52%
Total	434 100%	448 100%

People working in the company at the close of financial year 20-21 (05/31/2021).

² The data take into account the company's own personnel, not that of temporary work agencies.

³ It takes into account the company Borges Agricultural & Industrial Nuts (315 employees) which represents 73% of the group. The term of service of agricultural companies recently introduced in the group is not taken into account.

Committed People

Equality, diversity and human rights

- ✓ Since 2010, we have held the **Distinction of Equality** in the Company granted by the Ministry of Equal Opportunities and the Women's Institute, which guarantees the implementation of Equality policies and actions.
- ✓ We also have the **3rd Equality Plan** and an **Equality Commission** that ensure equal opportunities and non-discrimination from a gender perspective.
- ✓ We have a **Protocol for the prevention of Moral and Sexual Harassment** with the interest of safeguarding the dignity of the workforce. No complaints were received in the year.
- ✓ Application of a **Selection and Recruitment Protocol** taking into account the Company's Jobs Description (DPT), as well as the Equality and Non-Discrimination standards. The Process itself defines lines and steps to follow that guarantee good execution (without discrimination). The degree of compliance will indicate its transparency and the retention of the new talent on board in the medium and long term.

“Work climate studies are carried out in terms of equality. The next is scheduled for the 2nd semester of 2021”

Equal talent attraction

As an example of our commitment to equality and the fight against discrimination, we have an **Internal Bias-Free Interview Guide**, which aims to guarantee equal personnel selection processes, thus avoiding any type of discrimination and/or unconscious biases. In this sense, we publish neutral job offers and we have also participated in the **anonymous curriculum** program (CVA), which promotes the implementation of depersonalised selection to avoid bias during the staff selection or professional promotion processes.

Human rights

Defending Human Rights throughout the value chain is essential to guarantee the well-being of the Group's workers, as well as for the sustainable development of the communities in which we operate and of society in general. Within this strategic and management framework, for years we have strived to ensure that Human Rights are respected in all Group facilities and among our employees.

- ✓ BAIN has the **SMETA Audit**, an international benchmark audit that assesses respect for Human Rights and the company's ethical compliance, among other aspects.
- ✓ The group's **Code of Ethics** and **Compliance Policy** ratify the support and respect for persons and their dignity, thus signing the Universal Declaration of Human Rights of the United Nations, the ILO and the Principles of the Global Compact.



Committed People

Conciliation and organisation of work

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

The organisation of working hours varies according to the professional category and specific functions of the staff, and includes the following measures of organisational flexibility:

- Office staff and structure: **flexible hours for starting and finishing** and the option of doing an intensive shift every Friday of the year and some days before bank holidays.
- Personnel contracted for production: **shift system** corresponding to the section in which they give their services (morning, afternoon, night or split).

During the 2020-21 financial year, it is important to highlight the **implementation and maintenance of teleworking** for

all office personnel. In addition to its relevance during the management of the pandemic, this work method has continued to be used as a measure for reconciling the personal and professional life of our staff. During this year we carried out a survey on the satisfaction with this form of work and the needs around it, which received 83%⁴ satisfaction by the workforce.

“83% of the staff surveyed positively viewed the implementation of teleworking”

The proactive management of the reconciliation of work, personal and family life has numerous benefits for our staff. With the aim of increasing their personal and professional well-being, ensuring a beneficial work environment and complying with current legislation in this area, we offer our team the following conciliation measures:

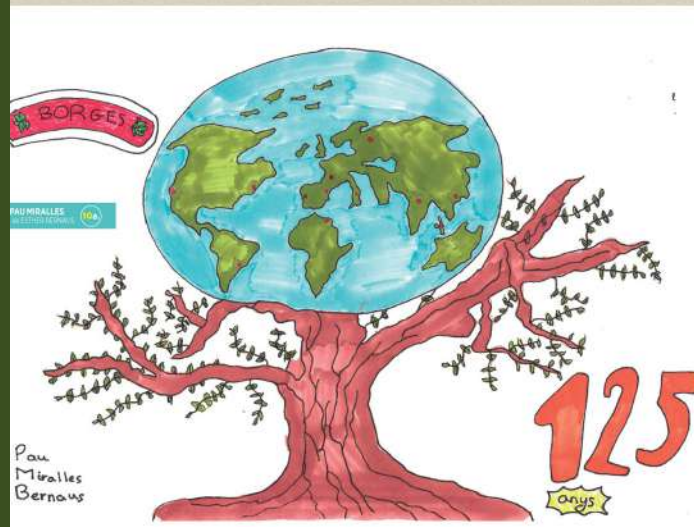
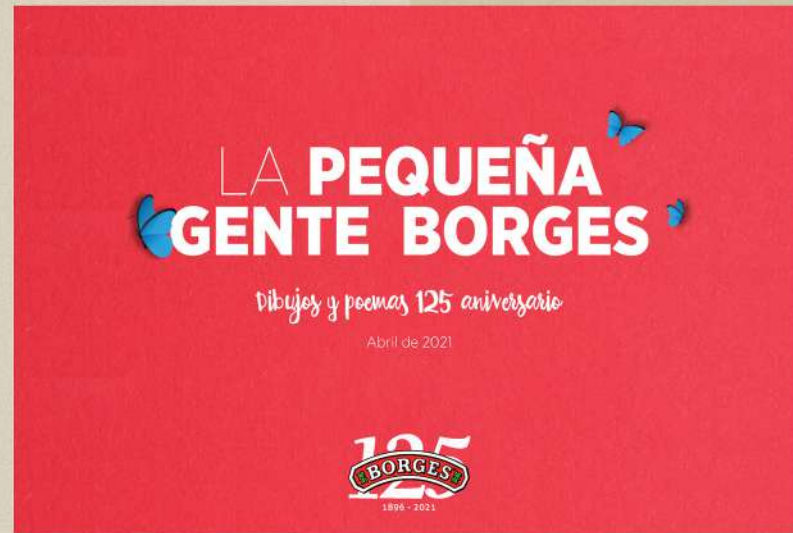
- Leave to accompany direct relatives on **medical visits**.
- **Flexible timetables** (intensive working day on Fridays and days before public holidays and flexible start and finish for administration and technical personnel)
- Total **telework** for administration and technical personnel during the time of the Covid-19 pandemic.
- **Deadline for the start of meetings**, to prevent them from lingering in the afternoons.
- Extension of **maternity leave** with 9 days more than those established by law.
- **Equal leave** for birth and care of minors between both parents⁵.
- Update of the Protocol for **Sensitive Personnel for Pregnancy and Lactation**.

⁴ Assessment on the entire consolidated group.

⁵ This financial year registered 9 paternity leaves, 2 maternity leaves and 1 leave of absence for care of children/parents.

Little Borges People

Among the measures to strengthen the bonds between employees and arrange conciliation, at BAIN we carry out specific activities for Borges Little People, the children of our team of people, in which we work on values such as companionship, fun, teamwork or good nutrition. For another year, and coinciding with our 125th anniversary and the Sant Jordi festival, we have published a special book with a compilation of drawings, poems and illustrations from the youngest.



Committed People

Training and professional development

Through annual Career Plans and Training Plans we promote the professional development of our team with the aim of increasing their knowledge and skills. During this financial year, **more than 7,500 hours of training** were given in the Reus centre⁶, 80% more than the previous year, and of which 52% were for women. The total investment amounted to €41,552.

- ✓ This year **99 training actions** were carried out (23 more than last year) and a total of **631 people** took part (88 more than the previous year).
- ✓ We actively participate in the **Dual Professional Training Programme**, where we bring newly graduated students into the different departments of the company to retain talent, enhance their professional development and reduce the gap between academic and professional training.
- ✓ During this year, training was given on the Biodiversity Action Plan previously explained to internal company personnel (agricultural, commercial, marketing technicians, etc.).

“More than 7,500 hours of training and €41,552 invested in our team’s professional development”

“Internal training sessions have been held for agricultural and commercial technicians and sales and purchasing teams, explaining the measures of the plan and the importance of preserving biodiversity”



The figure of the Continuous Improvement Leader

During this last year we have reinforced the figure of the person in charge of Continuous Improvement in our production plants. Their job consists of identifying areas for improvement, defining and planning the actions to be carried out, identifying the necessary resources and establishing the measurement and verification systems in order to continuously monitor the results. All this, with the aim of building a culture of continuous improvement that revolves around **people** and the **team**.



Committed People

Health and safety

We have an established preventive culture and we work constantly in search of continuous improvement in its implementation. The permanent main objective is to reduce all accident KPIs. Said objective in the 19-20 and 20-21 financial years was partially achieved with a fall in the monitored KPIs.

	2020 2021	2019 2020	% Variation
Work accidents with leave	16	17	-6%
Work accidents without leave	27	20	35%
Frequency index	25,6	31,32	-18%
Severity index	0,6	1	-40%
Incidence index	4623,14	5587,04	-17%
Average duration of incidents	19,63	31,82	-38%
Days lost	314	541	-42%

Data from the Borges Reus B1, Reus B2 and Altura work centres. Agricultural companies are not contemplated.

"Since 2019, we have had ISO 45001 certification of the Occupational Health and Safety Management System"

Outstanding projects 20-21:

- ✓ Advancement at the level of machine safety and systems of consignment and blocking.
- ✓ Increased integration of ORP/Safety at the Operations level in BAIN..
- ✓ Improvement of the management of outsourced staff in the production centres with the largest number of people.
- ✓ Project for the incorporation of assisted handling equipment and automatic packing/palletising.

- ✓ Continuity of the actions already presented in last year's report on the management of the pandemic: Contingency Plan, constant contact with health authorities, implementation of internal hygiene regulations and basic safety measures, adaptation of our facilities with elements of protection/prevention, among many others.

Acknowledgements received:

- In 19-20, BAIN was recognised by MC MUTUAL, at the 18th Edition of the MC MUTUAL "Antonio Baró" awards for the Prevention of Occupational Risks, which recognise companies, people and institutions that stand out for protecting people's safety and health in the workplace.



The path to a healthy company

We have a Borges Te Cuida [Borges Looks After You] healthy company programme, with initiatives that aim to foster and promote the health and well-being of company workers through various actions (ergonomic training in the workplace, sessions to improve body posture, physiotherapist service, smoke-free company, etc.). Already an annual event for 12 years, this year we once again held Red Day with a blood donation marathon open to the entire staff.



Committed People

Social impact on the community

Development in the local community

Within the framework of our activity and in line with our commitment to sustainable development, we collaborate closely with local communities, the territory and society to generate a positive impact on all of them.

- ✓ We collaborate with **groups at risk of social exclusion**, integrating them into our day-to-day processes through the outsourcing of services or direct staff contracting. We collaborate, for example, with Tropomi Foundation, Taller Baix Camp, the SIFU Group and Brócoli with the contracting of people in the production centres.
- ✓ Through the "**There is a way out**" programme of the Ministry of Health, Consumption and Social Welfare, we promote the hiring of women victims of gender violence, thus contributing to returning them to the jobs market.
- ✓ We participate very closely with local and territorial entities to promote **sport, health and culture**.

- ✓ This year almost **10,000 kg of food** was given to Food Banks to reduce food waste and meet current needs of society.
- ✓ Other initiatives, such as the **Pistachio Project**, also have an associated social impact, as described in the section on Responsible Agriculture.

Acknowledgements received:

- This year 19-20, the SIFU Group recognised Borges Agricultural & Industrial Nuts for these 7 years of cooperation.



Committed People

Discussion with stakeholders

A fundamental tool of any organisation is to maintain fluid, efficient and transparent contact with all stakeholders. The main **channels of dialogue** with all of them are identified below, as well as their frequency:

	Customers	Suppliers	Employees	Governments, administrations and regulating bodies	Community and society	Shareholders	Frequency
Web	✓	✓	✓	✓	✓	✓	Permanent
Social media	✓	✓	✓	✓	✓	✓	Permanent
Complaints channels	✓	✓	✓	✓	✓	✓	Permanent
Press flyers and media	✓	✓	✓	✓	✓	✓	According to needs
Email	✓	✓	✓	✓	✓	✓	Permanent
Annual CSR report	✓	✓	✓	✓	✓	✓	Annual
Materiality analysis	✓	✓	✓	✓		✓	According to needs
Newsletter and communiqués	✓	✓	✓			✓	According to needs
Gente Borges Magazine	✓		✓			✓	Four-monthly
Communication campaigns	✓	✓			✓		Permanent
Presence in sector institutions	✓	✓		✓	✓		Permanent
Fairs, conventions and congresses	✓	✓					Permanent
Complaints system	✓	✓					Permanent
Customer service (telephone and mail)	✓	✓					Permanent
Satisfaction survey and empathy map	✓						Permanent
Work, Equality and Health and Safety Commitees			✓				Permanent
Suggestions Box			✓				Permanent
Year evaluation and climate study			✓				According to needs
Intranet			✓				Permanent
Feedback 360°			✓				According to needs
Open doors policy			✓				According to needs
Noticeboard			✓				Permanent
Welcome plan			✓				Permanent
Work harassment complaints channel			✓				Permanent
Covenants and collaboration agreements					✓		Permanent
Sponsorships					✓		Permanent
General Meeting of Shareholders						✓	Annual
Annual report on corporate governance						✓	Annual
Annual report on Director Remunerations						✓	Annual

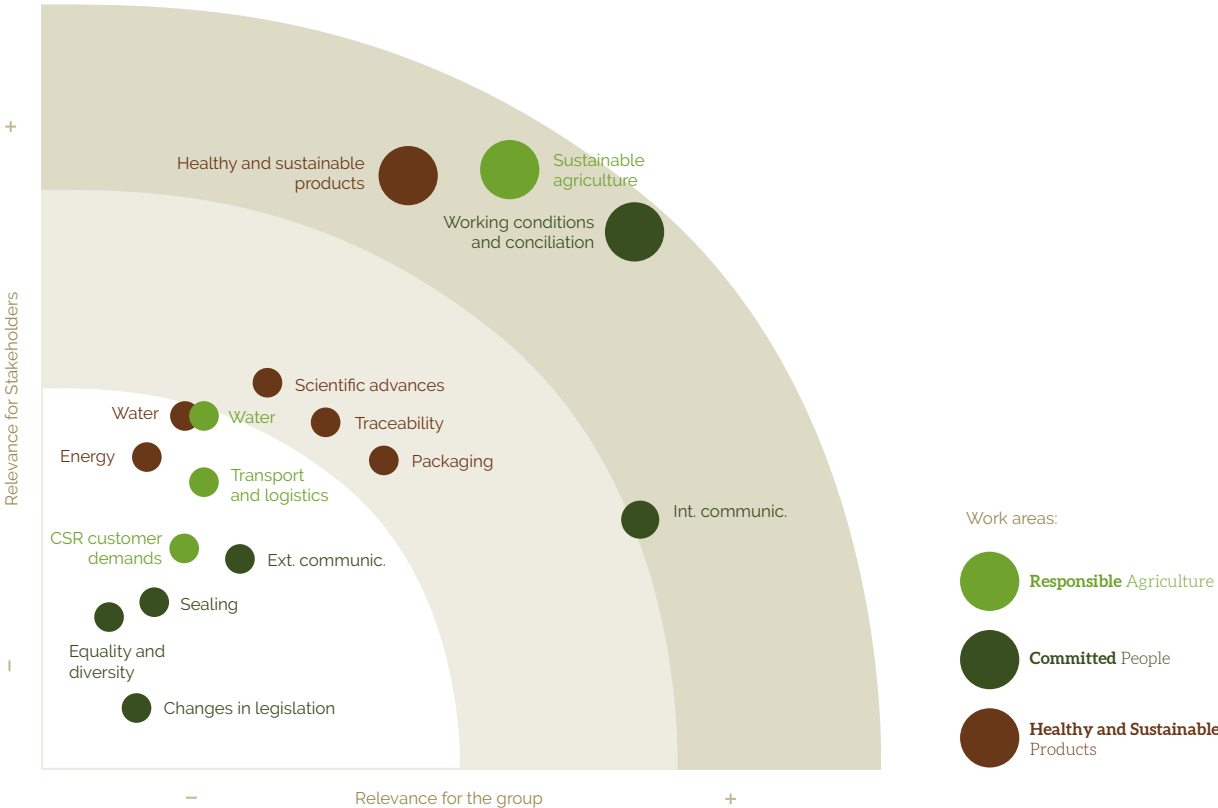
We also have a **Communication Policy with Shareholders and Investors** that details the main communication and information channels for this group.

Committed People

Analysis of materiality and discussion with stakeholders

To know our stakeholders' expectations, periodic materiality analyses are made in which a participatory process is carried out with them, to learn about material or relevant matters derived from the development of our activity. The latest analysis⁷ made in 2018 and which is still in force, has helped us define the CSR Strategic Plan of the company presented before and allows us to understand the expectations, needs and key issues identified by our stakeholders. The three work areas can also be seen described in our [CSR Policy](#).

After a process of identification, participation and consultation, we achieved the materiality map that follows:



7 The consultation involved all the stakeholders such as the workers, suppliers, shareholders, customers, consumers, administration and management of the company.

Ethics and Governance

Corporate governance and risk management

Following the recommendations of the Code of Good Governance of listed companies, BAIN has two specific bodies in the organisation's structure:

- The Appointments and Remuneration Committee⁸
- Audit and Control Committee⁹

During this financial year, the Audit and Control Committee of Borges Agricultural & Industrial Nuts S.A was appointed as the **supervisory body of the company's policies and rules in social and environmental concerns and corporate governance**. Also related to the configuration of corporate governance, we have the **Director Selection Policy**.

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

Measures taken to prevent corruption and bribery

The commitment to prevent crimes related to corruption and bribery is part of the company's business culture.

- ✓ The company's **Code of Ethics** includes the provision that all people who are part of the Group and those of the stakeholders to whom the Code is applicable, must act based on the ethical principles and values that it fosters and must avoid and prevent any action of corruption, bribery, fraud and that affects free competition.
- ✓ In line with what our Code of Ethics establishes, after an evaluation process of the criminal risks that could affect the company, we have developed the **Criminal Compliance Policy**, which includes, among other aspects, the risks related to business corruption.

We also have a **Crime Prevention and Response Manual**, a document that includes the procedures, measures and controls in place on this matter in the company and which details the functions and composition of the Criminal Risk Prevention Body. These functions include the management of the complaints that may be received in the Criminal Compliance Complaints Channel (canal-denuncias@borges-bain.com). Internally, we have also promoted different communication and training processes on anti-corruption policies and procedures for the company's governing bodies, as well as training on the **Compliance Programme** for all workers.

- ✓ Of the 118 BAIN employees to whom the invitation to take the Compliance course was sent, **90% have done it** as of the date of issuance of this report, 14% more than the previous year.
- ✓ During this year 2020/2021, a **refresher course on the Compliance programme** was given with an update on crimes, aimed at employees who took the first general training course more than a year ago.

⁸ Its functions include those of evaluating the skills, knowledge and experience necessary in the Board of Directors, of defining the functions and skills necessary for the candidates who must fill each vacancy, of proposing the remuneration policy for Directors and general managers or those who perform its senior management functions under the direct dependence of the Board, Executive Committees or CEOs, as well as individual remuneration and other contractual conditions of executive directors, and of ensuring their observance.

⁹ Its functions include supervising the effectiveness of the Company's internal control, internal auditing and risk management systems, including tax, as well as discussing with the Auditor the significant weaknesses of the internal control system detected in the development of the audit and supervising the policies and rules of the company in social and environmental concerns and corporate governance.

A close-up photograph of several almonds scattered on a dark, textured wooden surface. Some almonds are in sharp focus in the foreground, while others are blurred in the background, creating a sense of depth. The lighting is warm, highlighting the natural texture and color of the almonds.

7 Healthy and Sustainable Products

Healthy and Sustainable Products



In this block, we develop the lines of work that contemplate everything related from the time the raw material arrives at our production centres, to when it is made, packaged and finally distributed to customers and consumers. We explain how this product was produced, through what environmental management, and how the generated waste was minimised and treated, with which energy model and improvements in packaging, among others.

Relevant facts of the year

- **Development of the Twenty Orchards brand to market the sustainable product of our own farms.**
- **Definition of KPI's and monitoring of food waste in industrial processing within the continuous improvement strategy.**
- **100% renewable electric energy throughout the year in BAIN's main production centres, accounting for approximately 90% of the total consumed.**
- **Implementation of the digital signature in internal processes and daily management.**
- **Research for the recovery of by-products with new outlets.**
- **Industrial tests for the implementation of more sustainable packaging and materials, investing in recyclability and compostable materials.**
- **Implementation of Good Practices in the Supply Chain to reduce the main waste (Overproduction, Inventories, Over processing, Waiting Times, Defects, Transportation and Movements).**

Healthy and Sustainable Products

Healthy and sustainable product

We continually develop, innovate and expand our products to offer our customers and consumers solutions and foods that contribute to improving their health and well-being, anticipating the needs of society and contributing to promoting changes and positive impacts.

Twenty Orchards

Under the concepts of proximity, total traceability and sustainability, this year we have shaped this new Twenty Orchards brand. In order to be able to supply the European market, we provide our clients with a product from the 20 best national farms. Model farms, with quality certifications such as Global Gap, which guarantee total product traceability and allow European consumers to consume a Mediterranean product.

“Following the Farm to Fork strategy, we want to make a more local product available to consumers, produced in sustainability, in order to influence and improve people's lifestyle and way of life.”



Healthy and Sustainable Products

Environmental management in our facilities

The BAIN Reus centre currently has the ISO 14001 standard valid until 2024, after being satisfactorily recertified this year. A system that we have been maintaining since 2000. We also have the **Environmental Policy** available on the company's website.

Among the main strategic lines in environmental matters we highlight:

- Materials and packaging strategy.
- Studies of new, more sustainable energy sources (biomass, solar energy, etc.).
- Implementation of practices to reduce waste.

“Successful passing of the recertification audit in ISO 14001, with the new certificate valid until 2024.”



Healthy and Sustainable Products

Outstanding projects and initiatives this year:

- ✓ Continuing with the initiative already presented last year to reduce transfers in waste management, this year we have continued to see **reductions in CO2 emissions derived from this optimisation**, specifically for rubbish and plastic waste::
 - Reduction of CO2 emissions associated with the transport of rubbish::
 - BAIN-B1: Reduction of 32% v. 2018
 - BAIN-B2: Reduction of 42% v. 2018
 - Reduction of CO2 emissions associated with transport of plastic waste:
 - BAIN-B1: Reduction of 32% v. 2018
 - BAIN-B2: Reduction of 16% v. 2018
- ✓ Projects aimed at a circular economy, **by-product** optimisation and energy improvement have also been implemented, as described throughout this report.
- ✓ Continuous improvement and preventive policy through the performance of several **environmental emergency drills** at the BAIN B-1 and BAIN B-2 centres and change of reagents in the BAIN B-2 treatment plant.
- ✓ In the process of **certification on circular economy** for cardboard with the main supplier of packaging material and at the same time manager of the cardboard waste generated.



Healthy and Sustainable Products

Containers and packaging

In order to reduce the environmental impact associated with the packaging and materials of our containers, we have the following initiatives under way:

- ✓ We are working to reduce the microns and weight of all our product references, following a strategy of **eliminating plastic** by lightening the containers.
- ✓ To guarantee **100% recyclable packaging**, we are studying changing multi-material structures to mono material, to facilitate their subsequent recycling.
- ✓ Studies are also continually being conducted of new compostable **materials** and structures.
- ✓ All our cardboard boxes are **FSC certified**.

“We are working to offer 100% recyclable packaging in our entire range of products and to study more sustainable alternatives.”



Healthy and Sustainable Products

Resource efficiency and management

Since the beginning of 2020, the electrical energy contracted in BAIN's main production centres¹⁰ has come from energy from 100% renewable sources, which has entailed a significant reduction in CO2 emissions this year.

"We have 100% renewable electricity in BAIN's main production centres."

Other projects that have also contributed to energy efficiency and emission reduction this year:

- ✓ Installation of **new evaporative temperature control** equipment instead of air conditioning.
- ✓ We implement an **energy consumption control system** to obtain KPI values and to be able to relate energy consumption to production, as a basis for improving the plant's energy efficiency.

- ✓ Studies have been carried out for the **installation of solar panels**.
- ✓ Performance of **energy audits** according to R 56/2016.
- ✓ Implementation of **3rd shift in BAIN B-2** to improve productivity and the consequent improvement in energy efficiency.
- ✓ Work continues to complete the goal of having **100% installation of LED lighting**.

All these projects significantly contribute to reducing the impacts that we have in the production phase, reduce pollution and bring us closer to a more efficient, circular and sustainable model over time.



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These are the BAIN B-1 (Reus), BAIN B-2 (Reus), BAIN Altura and BAIN Extremadura centres, that account for 90% of the electrical energy of the BAIN company.

Electric forklifts



The project has already started to apply a change in technology in internal transport equipment (forklifts, pallet trucks, etc.), going from lead to lithium and through which we hope to reduce electricity consumption and the associated environmental impact by up to 50%. Currently practically 90% of the fleet already works with this new technology and we hope to reach 100% in the next few years.

We have also optimised their handling. By building a ramp between the two main warehouses, it has been possible to **reduce the number of lorry trips by 60%**, replacing them with transport with electric forklifts.





Healthy and Sustainable Products

Energy consumption¹¹

 Energy consumption by source (MWh or GJ) industrial activity	2020-21	2019-20	Variation 2019/20 - 2020/21 (%)
Electricity 	7.474,00	8.150,00	-8,29%
Natural gas	17.369,00	18.210,00	-4,62%
Diesel	4.849,00	8.487,00	-42,87%
Total	29.692,00	34.847,00	-14,79%

 Renewable energy

The consumption of natural gas is essential in the BAIN B-2 production centre in, where it is used as fuel in the steam boiler associated with the main almond peeling process.

 Energy consumption by source (MWh or GJ) agricultural activity	2020	2019-20	Variation 2019/20 - 2020/21 (%)
Electricity 	2.302,09	2.445,00	-5,84%
Diesel	356.833,00	Not reported	
Total	359.135,09	2.445,00	

 Renewable energy


Electricity consumption associated with agricultural use is mainly related to pumping of water from wells, canals or rivers linked to irrigation. The consumption of the walnut and pistachio processing industry in BAIN Extremadura and BAIN Andalucía is also included. It includes the companies of BAIN Extremadura, BAIN Andalucía, BSJ2- Amendoas de Moura, BSJ- Frutos secos de Moura, Palheta I, Palheta II, Mas de Colom.

¹¹ The electricity and gas consumption indicators correspond to BAIN B-1 and show a reduction derived from the decrease until the elimination of microwave product manufacturing.

Healthy and Sustainable Products

Water consumption

Water is an important resource for both industrial and agricultural activity. In our production plants, the water comes from the municipal network and is especially important in these factories since it is used directly in the almond peeling process.

 Water consumption (m3)	2020-21	2019-20	Variation 2019/20 - 2020/21 (%)
Total water consumption for industrial use	64.607,00	61.342,00	5,32%
Total water consumption for agricultural use	6.379.472,00	6.822.651,00	-6,50%


Water consumption increases in previous years due, among other factors, to the growth phase or replanted plots in which the plantations are located. Consumption is associated with agricultural use for the irrigation of farms between Spain and Portugal. The consumption of the walnut and pistachio processing industry in BAIN Extremadura and BAIN Andalucía is also included. It includes the companies of BAIN Extremadura, BAIN Andalucía, BSJ2- Amendoas de Moura, BSJ- Frutos secos de Moura, Palheta I, Palheta II, Mas de Colom.

Healthy and Sustainable Products

Greenhouse gas emissions in production centre


“With renewable electric acquisition, we have avoided 1.523 tons of CO₂ from energy.”

Direct GHG emissions	2020 tons of eq. CO ₂	2019 tons of eq. CO ₂	Featured reductions
Energy			
Natural gas	2.973,39	3.330,48	-10,72%
Transport			
Industrial use	16,76	11,17	51,40%
Road	31,29	58,53	-46,54%
Fluorated gases	1.103,82	784,32	40,74%
Total Direct emissions of GHG	4.125,26	4.184,40	

Indirect GHG emissions	2020 tons of eq. CO ₂	2019 tons of eq. CO ₂	Featured reductions
Energy			
Electricity	0,00	2.216,53	-100,00% 
Transport			
Commercial - Air	10,48	69,97	-85,02%
Commercial - Train	0,70	0,68	2,94%
Commercial - Road	1,77	113,89	-98,45%
Goods - Road	1.945,55	2.561,17	-24,04%
Goods - Maritime	472,62	129,25	265,66%
Waste	352,69	271,83	29,75%
Watter	23,63	23,70	-0,30%
Total Indirect GHG emissions	2.807,44	5.386,84	

 Renewable energy

 Pandemic Consequences

 Improving the method, so there are deviations

Total emissions	6.932,70	9.571,24	-27,57%
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Datos correspondientes a los centros de BAIN B-1, BAIN B-2 y Altura

Healthy and Sustainable Products

Management of waste, by-products and food waste

On the way to a more circular model, at the production level we continuously work to make a correct and better management of the waste generated and research for the reuse of the by-products.

Advances in waste and food waste management:


- ✓ New record of **monitoring and control of waste** to improve analysis of related KPIs.
- ✓ Definition of KPI's and **monitoring of food waste** in industrial processing within the continuous improvement strategy.

Waste management

As mentioned above, improvements have been made in the management of waste transport, thus reducing the number of trips to be made.

By type, **98% of the waste generated is non-hazardous** and is selected and segregated internally, enhancing its recovery, as compared with other disposal operations. Only a percentage of under 0.2% is hazardous or special waste from laboratories, workshops and other auxiliary operations.

“98% of the waste generated is non-hazardous and practically 100% is subsequently recovered.”

 Volume of waste generated by type (ton)	2020-21	2019-20	Variation 2019/20 - 2020/21 (%)
Non-hazardous waste	1.770	1.812	-2,31%
Hazardous waste	39	12	225,64%
Total	1.809	1.824	-0,80%

The increase in hazardous waste this year is a specific event derived from maintenance with the removal of covers and tank cleaning due to regulatory inspections.

Data for BAIN B-1 and BAIN B-2 production centres.

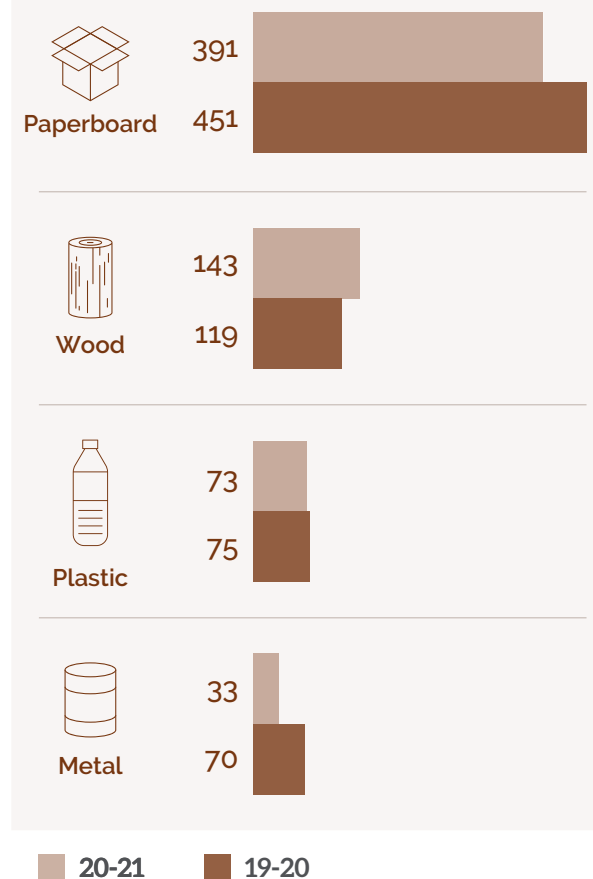
How is most of the waste from the industrial process reused?

99.6% of the waste is selected and segregated, promoting its recovery before other disposal operations.

- ✓ The oil consumed in producing the fried dried fruit is accumulated in storage until it is removed and subsequently recovered as a raw material in the manufacture of 99,6% fuel.
- ✓ The sludge from the sewage treatment plants is used to make 99,6% for agricultural applications.
- ✓ The mixture of general waste is managed as a Solid Recovered Fuel and is used as an 99,6% for other companies. This achieves an energy recovery of a waste that is mostly eliminated via landfill.

- ✓ Cardboard, plastic, wood and glass waste from containers and packaging is segregated internally in our plants to allow the manager and recycling companies to 99,6% it.
- ✓ Cardboard, plastic, wood and glass waste from containers and packaging is segregated internally in our plants to allow the manager and recycling companies to recover it.
- ✓ Ecoembes has certified that in 2020 BAIN contributed to the protection of the environment by saving 150 tons of equivalent CO₂ by recycling our packaging.

Detail of recycled material (ton)



Graph corresponding to the of BAIN B1 and B2 production centres.

Healthy and Sustainable Products

Reuse of by-products

The nature of the activity itself means that during the production process different by-products are generated (shell, peel, etc.) that are mainly destined for companies and third-party sectors such as biomass or cosmetics, as well as for internal use in self-consumption in some production centres for certain boilers.

In this sense, we particularly highlight the **more than 7,000 tons/year of almond husk** generated in our own plants and which are mainly used for biomass, and the **1,500 tons/year of almond peel** mainly destined for animal consumption, through our authorised waste manager.



**Watch by-product
reuse video**



Healthy and Sustainable Products

Excellence in quality, food safety and innovation

Quality

The most demanding certifications, as well as the experience and professional capacity of our employees, allow us to offer the highest quality standards and product traceability.

We renew our commitment every day to all the products we pack being submitted to the most rigorous controls and to guaranteeing that they meet the highest quality standards. Our Food Defence Plan also guarantees health and food safety.

“This year, we have improved the BRC/IFS score and maintained the rest of the certifications and high standards.”

Among the actions carried out and strategic lines, this year we highlight:

- ✓ Acquisition of a container **leak detection** system.
- ✓ **Integration of technology** to improve the production process and quality control, for example, with the use of hyper spectral technology for the detection of foreign objects.
- ✓ Acquisition of new materials and analysers to **detect weak points** in the packaging process and to further improve product quality.
- ✓ Implementation of **artificial vision** to improve the processes and quality of the finished product, such as the detection of bitter almonds or for the sealing of containers.
- ✓ At an operational level, we always measure the OTIF (**On Time In Full**), in other words, we make sure that the product is delivered at the correct time and in the right quantity.



Healthy and Sustainable Products

Innovation

Innovation management allows us to develop products and processes to be pioneers in our sector and anticipate the future needs of our consumers. We therefore invest considerably in investigating, innovating and improving processes. The main ongoing projects are aimed at:

- ✓ Projects to **recover our by-products**
- ✓ Development of **new industrial packs**
- ✓ Improvements to the drying / dehydration processes
- ✓ Development of new, **more sustainable packs**
- ✓ Development of new ingredients and products with **added value**
- ✓ **Technical specialisation** in each of the new varieties of our own farms

“We continue to research and work with healthy ingredients such as almond paste, looking for new uses and applications.”



Healthy and Sustainable Products

The management systems, certifications and programmes audited by the group companies according to their industrial or agricultural activity are detailed below:

		Management Systems			Certified products or audited programmes										
		Environment	Health and Safety	Quality	Food Quality and Safety								Responsible Business	Agricultural Practices	
		ISO 14001	ISO 45001	ISO 9001	BRC Food	IFS	CCPAE	HALAL	KOSHER	Avell. de Reus	AIB	FDA	Sedex	Global GAP	Es Agua
Industrial Division	Borges Agricultural & Industrial Nuts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Agricultural Division															
Agricultural/industrial activity	BAIN - Extremadura, S.L.U.													✓	
Agricultural/industrial activity	BAIN - Andalucía, S.L.U.													✓	✓
Agricultural activity	BAIN - Mas Colom, S.L.U.														
Agricultural activity	BSJ2 - Frutos Secos de Moura, S.A.													✓	
Agricultural activity	Amêndoas - Herdade da Palheta, Ltd.													✓	
Agricultural activity	BSJ - Frutos Secos de Moura, S.A.													✓	
Agricultural activity	Amêndoas - Herdade de Palheta II, Ltd.													✓	

8 Next steps



Responsible **Agriculture**

- Calculation of the water footprint on the El Carqui farm and progressive installation of an efficient and localised irrigation system in our plantations.
- Preparation of the map of social and environmental risks of the supply chain.
- Participation in the Agricultural Biodiversity Observatory and implementation of the Biodiversity Action Plan.
- Global GAP Certification for the Palheta B, Torre Bolsa and Tesorero farms and renewal for farms already certified.



Committed **People**

- Review of Succession Plans in the company, through career plans and reinforcing the retention of talent.
- Performance of a labour climate study on matters of equality.
- Studies to improve worker health and safety, such as conducting a psycho-social study, an accident rate study or shift changes to improve productive hours.
- Continuous diagnosis of group salary audits, as part of the Equality Plan.



Healthy and Sustainable **Products**

- Projects for the reuse of by-products such as almond peel or others produced in the process.
- Advances in packs and materials to improve the recyclability of packagings.
- Electrification of the group's fleet of forklift trucks.
- Development of the Twenty Orchards brand to offer a local, healthy and sustainable product.
- Monitoring and good practices to reduce food waste.

9 About this report

The purpose of this 2020-2021 Corporate Social Responsibility report (1 June 2020 to 31 May 2021) is to inform the stakeholders of the company's non-financial management policies, as well as the main lines of work and initiatives developed in these areas during this financial year.

This Corporate Social Responsibility report is published each year and has not been externally verified. In preparing this publication, which includes quantitative and qualitative numbers and data, information on policies, actions and performance provided in previous Borges Agricultural & Industrial Nuts Sustainability reports has been taken as a reference.

Likewise, different sources of information were taken into consideration, including stakeholders and international organisations. We launched different communication channels to find out the priority of the workers (a group of strategic interest to the Group), who help to determine the materiality of the topics presented and identify those that are most relevant to them.

Any query related to this report can be referred to rse@borges-big.com



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