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# **CORPORATE SOCIAL RESPONSIBILITY REPORT**

2018 · 2019

# SHARED SUSTAINABILITY REPORT

We have always believed that building a large and lasting enterprise requires our focusing on performance through the prism of humanity. These last years have undoubtedly, once again, been years full of challenges, and we come to the end with the satisfaction of having continued to generate value society as a whole through an activity model based on sustainability.

We will continue to meet our strategic goals and maintain our commitments with our stakeholders, strengthening the image and confidence of all of them in the work done by the Company. In the coming years, our efforts will focus more on

those areas in which we believe we can have the greatest impact: to strengthen the vertical integration of our business, to control a model of responsible and sustainable agriculture and to maintain a direct and transparent dialogue with all our stakeholders, among other lines.

We want to set challenging and ambitious goals with your help, because we sincerely believe that in the current situation, companies like Borges Agricultural & Industrial Nuts must be leaders through their tools and resources, leaders in creating opportunities for people, as well as for the communities in which they operate.



**Josep Pont**

*Chairman*

*Borges Agricultural & Industrial Nuts*



**David Prats**

*CEO*

*Borges Agricultural & Industrial Nuts*

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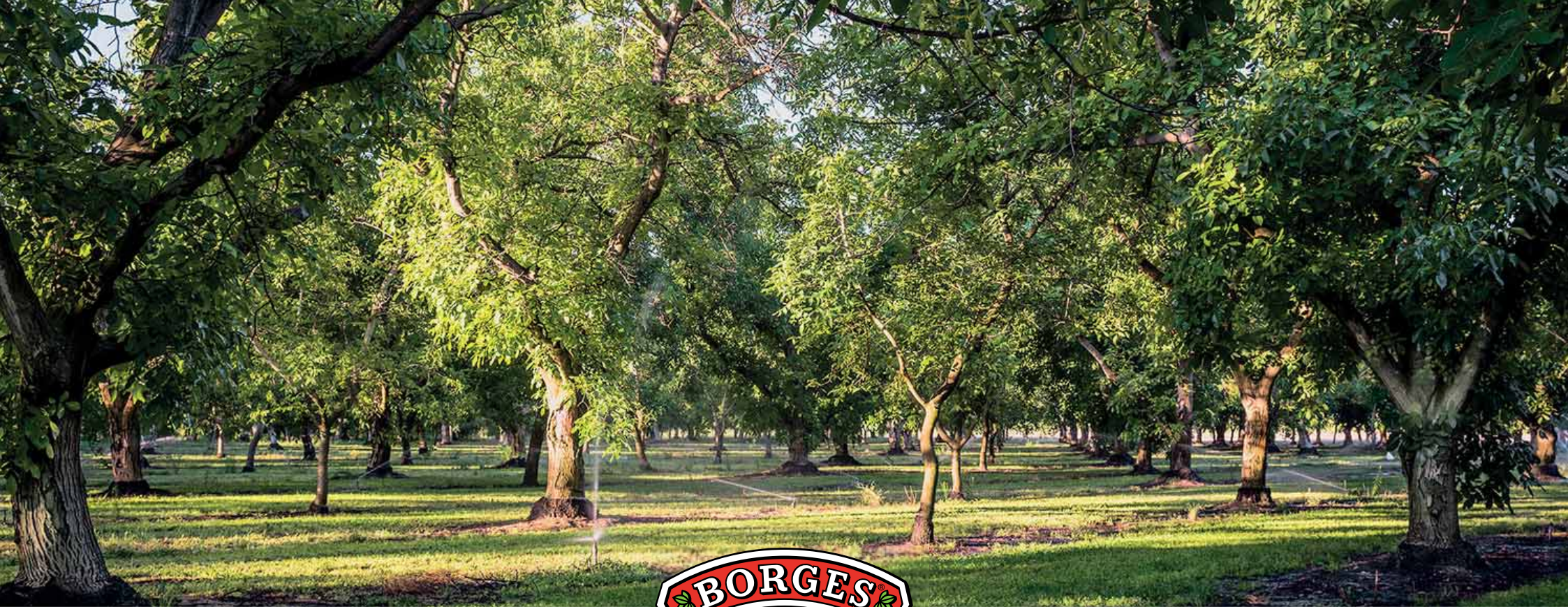
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# BORGES IN THE WORLD

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# BORGES IN THE WORLD

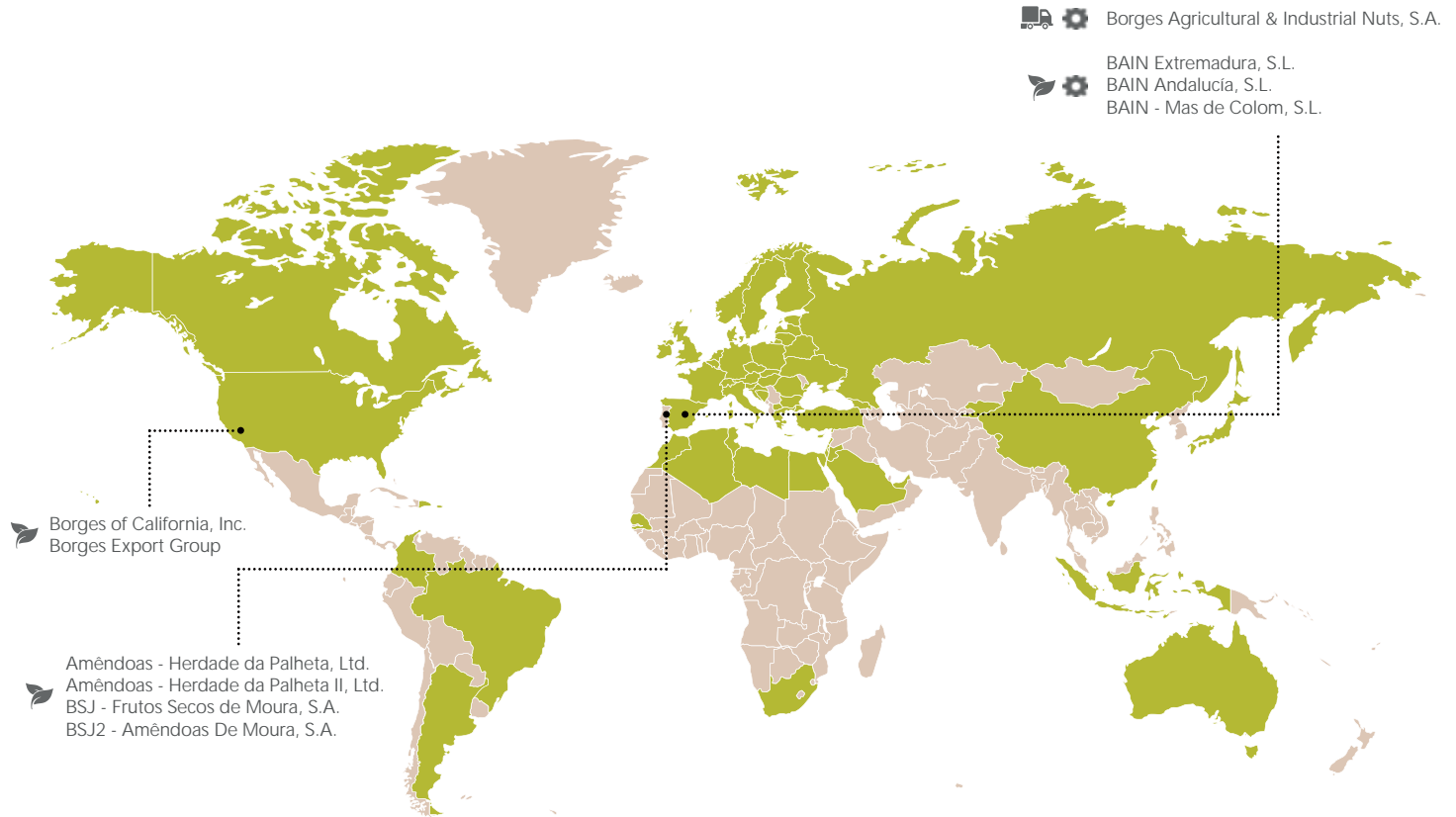
We are a vertically integrated, Spanish and European listed company engaged in agricultural production, processing, packaging and B2B marketing of dried fruit, and mainly nuts, pistachios and almonds.

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

- With the presence of BAIN
- Without the presence of BAIN

-  Agricultural
-  Industrial
-  Commercial

Present in  
**62 countries**



<b>177,8</b> Million € in sales	<b>493</b> Employees	<b>5</b> Factories
<b>2.531</b> Hectares managed	<b>46</b> Thousand tons commercialised	<b>1</b> Commercial office

# CURRENT POSITIONING

## HIGH PROFILE AND INTERNATIONAL LEADERSHIP

We reaffirm ourselves as one of the world leaders in our sector, making sales of 177.8 million euros, in 62 countries. Exports account for 57.7% of turnover, reaffirming the company's international profile. Almonds are the best-selling product of Borges Agricultural & Industrial Nuts, which is referred to as BAIN in this report, accounting for 66% of the total sales, followed by nuts, with 10%.

## FIRM STAKE ON THE AGRICULTURAL BUSINESS

We manage a total of 2,531 hectares directly. 968.4 hectares are currently in production and 866.3 will start producing gradually in the coming years.

We lead the Pistachio Project in cooperation with the farmers, which already accounts for 129.2 hectares.

As for our own farms' production, this decreased in the pistachio harvest as the year was an OFF year in its productive cycle, but this was compensated with the good walnut harvest and the entry into production of the first 117.7 new hectares of almond trees,

which produced slightly above projections.

## The BAIN business project has a clear focus on Sustainability

The new BAIN plantations are governed by criteria of sustainable agriculture. Behind the adherence to the EsAgua platform, the objective of which is to position Spanish companies as benchmarks in the water footprint and in the field of sustainability,

BAIN has started the process to become certified in GLOBAL GAP, one of the international standards for good agricultural practices and sustainable agriculture.

WE LEAD THE  
PISTACHIO PROJECT IN  
COOPERATION WITH THE  
FARMERS, WHICH  
HAS ALREADY REACHED  
129.2 HECTARES  
ADHERED



# GLANCE AT THE YEAR

## INDICATORS OF SUSTAINABILITY AND PROJECTS IN PROGRESS



212,7 hectares certified with the **Global GAP**, the world standard for safe and sustainable production.



**138.4 hectares** set aside for **environmental measures** such as reforestation, fallow and pasture.



Some **15,000 tons** of almond husks are generated per year, which are used as biomass.



We have started a research project to make **batteries for electric cars** using **almond shells**.



551 tons of **recycled paper and cardboard** in the Reus factories.



1,168,205 **cardboard boxes certified as FSC<sup>1</sup>**.



Workers were provided with a **car that works with LPG<sup>2</sup>** for their trips between centres, or commercial visits.



1,798 kg of product donated to the **Food Bank to combat food waste**.



We have **eliminated plastic cups** from our centres and applied a new protocol for the use of single-use gowns and caps.



The **Group materiality map** was updated through the consultation with our stakeholders.



We calculated the **CO2 emissions** of our main production centres.



**213 t of equivalent CO2** saved in 2018 thanks to the recycling of our containers. (Fuente: ECOEMBES)

<sup>1</sup> FSC: Guarantee of environmentally sustainable handling.

<sup>2</sup> LPG: Liquefied gas with low CO2, NO x Nitrogen oxide and particle emissions.

# GLANCE AT THE YEAR

## OUR STAFF



### 493 WORKERS

39% women  
61% men

We have the company's *3rd Equality Plan*

87% Permanent  
14% Temporary



### 30% FEWER ACCIDENTS

Throughout the staff in the last three years.



### 3.220 HOURS OF TRAINING

55% women  
45% men

€ 31.505 invested



### NEW ISO 45001 CERTIFICATION

In occupational risk prevention.





# VALUE CHAIN

## IN BORGES AGRICULTURAL & INDUSTRIAL NUTS WE OPERATE THROUGHOUT THE VALUE CHAIN

### PROCUREMENT

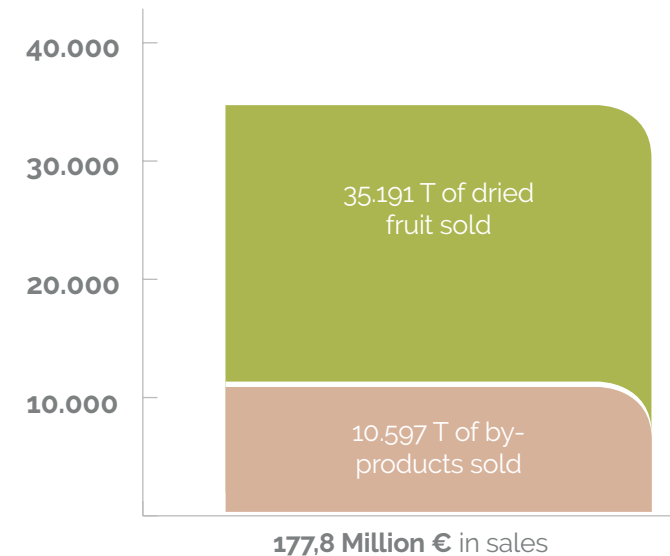
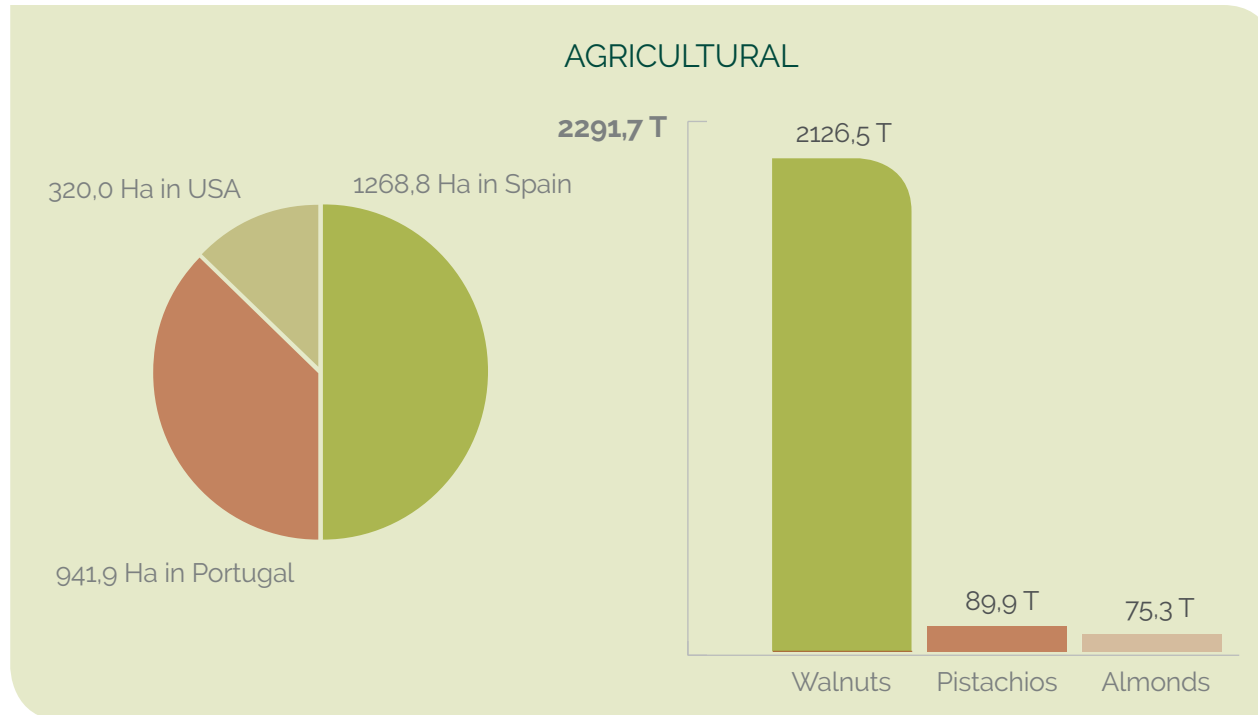
We manage more than 2,500 hectares of walnuts, almond trees and pistachios from which we obtain part of the fruit we sell, which gives us excellent knowledge and vertical integration of the key raw materials.

### INDUSTRIAL PHASE

Our industrial facilities are in strategic areas to allow the processing of raw materials at their optimum point.

### COMERCIAL

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.





**RESPONSIBLE BUSINESS**

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# SUSTAINABILITY STRATEGY

## MOVING FORWARD THROUGH SUSTAINABLE PRODUCTION AND CONSUMPTION TO ACHIEVE A POSITIVE ENVIRONMENTAL IMPACT

Our company supports **sustainable development** by producing foods that actively favour social well-being, environmental balance and economic progress.

The Group's two main goals are to **minimise our environmental footprint** throughout our value chain and to generate a sustainable business that helps ensure sustainable forms of consumption and production.

Therefore, our commitment transcends the economic field and aims for the ambitious goals of **creating shared and sustainable long-term value**. BAIN therefore maintains an open and ongoing dialogue with its stakeholders, fulfilling their expectations.

WE ARE AWARE THAT  
OUR STRATEGY TODAY  
WILL MARK OUR  
FUTURE





# SUSTAINABILITY STRATEGY

## COMMITMENTS TO A SUSTAINABLE BUSINESS

- **Commitment to responsible and sustainable agriculture** capable of guaranteeing world food security, promoting healthy ecosystems and supporting the sustainable management of the land, water and natural resources.
- **Care for the environment and fight against climate change** seeking maximum environmental efficiency in all the projects we undertake.
- **Reduction of CO2 emissions**, including both the agricultural and industrial phase and in the supply chain partners, to mitigate our carbon footprint.
- Certification of our farms with the seal of **Sustainable Agriculture** and tracking of the **water footprint**.
- **Promotion of biodiversity** on our farms and in the lands where we operate.
- **Reduction of single-use plastics** in our products and offering of more recyclable materials.

- **Promotion of the use of renewable energies** and investment in more energy-efficient sources.
- **Transformation towards a circular economy** in our process, by optimising the reuse of by-products.
- Offering of **healthy and sustainable products** that improve social and environmental performance and promotion of good habits with proper nutrition.
- Development of the portfolio of **Bio products** with the necessary nutrients and benefits to maintain a healthy and balanced diet.
- **Respect for fundamental human rights**, acting to promote effective equal opportunities and non-discrimination.
- **Collaboration with the local communities** involved in our cycle.
- **Encouragement of innovation** as one of the pillars that promotes the search for sustainable solutions in the technological and operational fields.

# COMMITMENT TO QUALITY AND INNOVATION

**Quality** is part of our culture and values. 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.

It is a right of our millions of consumers, and an obligation on our part that, in addition to our firm commitment to comply with legal and regulatory regulations, we constantly renew our commitment to ensure that all the products we package have been subjected to the most rigorous checks to ensure that they meet the highest quality standards.

Our quality is not only limited to the food we sell. In our relationships with employees, customers, partners and suppliers, we must also satisfy the whole of society in general.

Our **Food Defence Plan** guarantees health and food safety.

Our professionalism is endorsed by:



# COMMITMENT TO QUALITY AND INNOVATION

**Innovation management** is for us a key tool in creating value and a commitment to the future to develop products and processes that allow us to be pioneers in our sector and anticipate the needs of our consumers and our land. We therefore invest considerably in investigating, innovating and improving processes, thus guaranteeing the company's competitiveness and future.

In this last period, we highlight different projects and initiatives implemented:

## AN EXPANDED RANGE OF HEALTHY PRODUCTS: ALMOND PASTE

As a result of the work of the company's Research and Development Department, last September the new almond paste line started operating at the BAIN facilities. This is a product made 100% with almonds; in other words, with no added ingredients.

With these new references, we expand our product range with the objective of focusing the company around the Mediterranean world and a range of healthier products.





# COMMITMENT TO QUALITY AND INNOVATION

## DEVELOPMENT OF MORE SUSTAINABLE BATTERIES THROUGH BIOMASS

This year, we have started a project to give even more value to the almond shell that we generate in our production process. To do this, together with the University of Córdoba and other companies, we are participating in a study to use this by-product to produce electric car batteries.

According to the University research team, almond husks can be turned into a type of active carbon and increase these cars' autonomy by 60%.

The use of this by-product from almond shelling allows for the design of more sustainable batteries and greater waste reuse.

THIS PROCESS ALLOWS  
US TO GENERATE  
GREATER VALUE FOR  
OUR STAKEHOLDERS  
AND CONTRIBUTE TO  
THE SUSTAINABILITY OF  
OUR PLANET.





# ANALYSIS OF MATERIALITY AND STAKEHOLDERS



# RESULTS OF THE MATERIALITY ANALYSIS

The materiality map of the issues that most concern our stakeholders was updated in this period to define the areas and projects on which we will continue working. Apart from focusing on the lines of action in the coming years, this study has served to validate and confirm that the sustainability plan and the commitments set by the company are **moving in the right direction**.

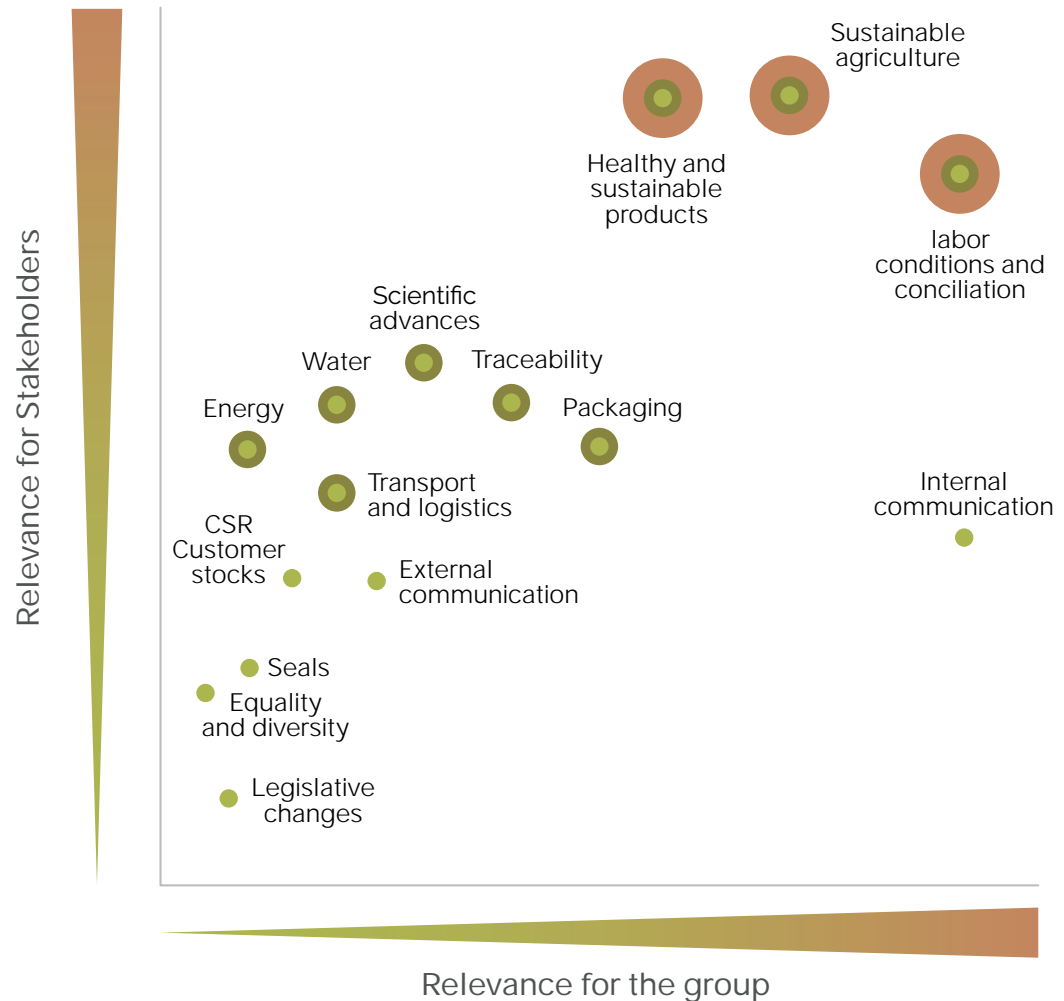
The consultation involved all the stakeholders such as the workers, suppliers, shareholders, customers, consumers, administration and management of the company.

For next year, we will be developing multidisciplinary work teams to materialise the projects and actively send initiatives from different departments of the company.

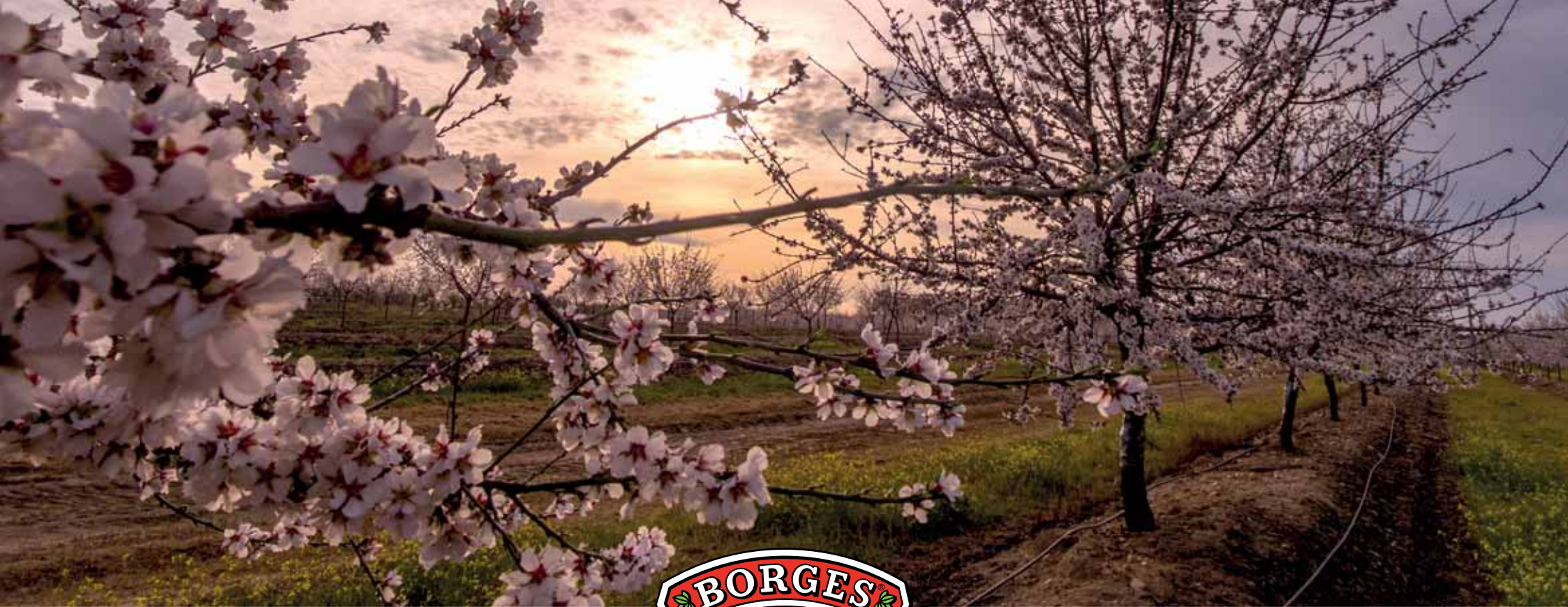
As can be seen, the pillars are directly in line with the company's sustainability strategy: to continue to lead sustainable agriculture in our farms, to offer healthy and sustainable products, to ensure proper working conditions and our workers' work-life balance; and to ensure responsible industrial processes: good management of water, energy, transport, packaging and innovation.

A company is socially responsible when it responds satisfactorily to its different stakeholders' expectations of its operation.

*SRC Expert Forum - Ministry of Employment and Social Affairs*







# COMMITMENT TO SUSTAINABLE AGRICULTURE

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# SUSTAINABLE AGRICULTURE

## ENVIRONMENTAL AND AGRICULTURAL MANAGEMENT

One of the main pillars of the Borges Agricultural & Industrial Nuts agricultural project involves the application of responsible and sustainable criteria in our daily activities. We therefore take on the objectives of the United Nations Food and Agriculture Organisation when defining the direction we should follow:

Sustainable agriculture must ensure global food security and promote, at the same time, healthy ecosystems and support the sustainable management of land, water and natural resources.

In being sustainable, agriculture must meet the needs of present and future generations of its products and services, while ensuring profitability, environmental health and social and economic equity.

Environmental protection, system resilience and resource efficiency must necessarily be improved to achieve the global transition to sustainable food and agriculture.





# SUSTAINABLE AGRICULTURE

We believe that certifying the sustainability of our activity is crucial to give our consumers the guarantees they need.

We have certified the El Carquí (Granada) and Cantillana (Badajoz) estates, which total 385 Ha, as **Global GAP**, and we are in the process of certifying the Palheta estate in Portugal.

The Global GAP is the world standard for **Good Agricultural Practices**. It evaluates all stages of production, from pre-harvesting activities, such as soil management and phytosanitary applications, to post-harvesting product handling, packaging and storage.

We are committed to certifying all our farms as Global GAP.



WE WANT TO OFFER  
HEALTHY EATING BY  
MANAGING RESOURCES  
SUSTAINABLY

# SUSTAINABLE AGRICULTURE

## FIGHT AGAINST CLIMATE CHANGE

**Precision agriculture** can play an important role in the fight against climate change insofar as it makes us **more efficient in the use of resources**.

In this sense, we are currently assessing the best future solution in **remote detection applied** to images from satellites and nanosatellites with high spatial resolution and Unmanned Aerial Vehicles applied to precision agriculture.

The first goal we set ourselves is to calculate the Eto (reference evapotranspiration) of each farm, to monitor the water status of the soil and the plant and thereby adapt the risk dose to the needs of the vegetative cycle at all times.

We have begun to use turgor sensors in leaves to monitor the hydric state of the plants and optimise the risk.





# SUSTAINABLE AGRICULTURE

## FIGHT AGAINST CLIMATE CHANGE

Retaining CO<sub>2</sub> in the soil and combating erosion and land degradation is critical for a sustainable agriculture that seeks to preserve a scarce good like land for future generations.

At BAIN we work to add to this with different measures that are already common practice in our management model:

- **Minimum tillage** is applied to all our plantations.
- We use **green covers**, or 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 amendments** to increase the content of organic matter in the soil, which allows us to improve its structure, to strengthen the clay-humic complex formed by colloidal particles of clay and humus, which plays a very important role in the capacity to retain and exchange cations, which, in turn, are crucial for plant nutrition.
- We make **calcium carbonate amendments** to improve the soil structure and avoid problems associated with acid soils, in order to facilitate water infiltration and percolation to help reduce erosion and efficiency in water use.
- 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 when the rainfall is greater than the water-saturated soil or soils' infiltration capacity.

# SUSTAINABLE AGRICULTURE

## FIGHT AGAINST CLIMATE CHANGE

In order to optimise sustainable production in an efficient way, we have to wager on species and varieties genetically adapted at the local level, offering a greater probability of withstanding the extreme droughts and inclement weather caused by global warming.

In our PALM project we wager on **Mediterranean almond varieties**, which are characterised as being self-fertile, late-flowering, hard shell and having a higher content of unsaturated fats and oleic acid.

- By using self-fertile varieties, we can minimise pollination problems if the weather conditions are not favourable for pollinating insects' activity.
- With the late flowering, we try to minimise the risks of late freezing during flowering.
- With the hard shell, we try to minimise the problems of insects and produce a zero-waste product, something that we are already in the process of achieving in our almond production.
- With a higher content of unsaturated fats and oleic acid, we provide society with an even healthier product.



# SUSTAINABLE AGRICULTURE

## OTHER MEASURES AGAINST CLIMATE CHANGE

The use of **renewable energy sources** helps to mitigate the environmental impact of agricultural activity.

In this sense, we are analysing the installation of what will be our **first solar photovoltaic park** to cover the energy needs of our pumping on the El Carqui estate in Guadix (Granada) with 720 panels and an area of 5,450 m<sup>2</sup>.

In the processing industry of Benavides (Badajoz) and El Carquí (Granada) we dry our walnut and pistachio productions with biomass: almond shell, walnut shell, pistachio, olive stone, pineapple skin, etc.

In the next campaign, we will make sun dried almonds for the first time, which will completely eliminate the use of energy, and contribute to reducing the impact of our activities on the environment.



# SUSTAINABLE AGRICULTURE

## WATER MANAGEMENT

Sustainable agriculture implies **responsible, integrated management of water resources**, which means that plantation water efficiency is key.

We are aware of the direct involvement of this resource in our activity, so we have projects under way to optimise its use.

All almond plantations of the PALM Project have the latest technology in localised irrigation.

- We use very low-flow drips to adjust the flow to the infiltration capacity of the land and to minimise losses due to run-off and leaching.
- The **turgor sensors in leaves**, already mentioned, also help us to monitor the water status of the soil and the plant

We are active members of the Es Agua platform

We are committed to calculating the water footprint of all our plantations, starting with the El Carquí estate in Guadix (Granada), planned for next year.

With our adhesion to the EsAgua Network, we agree to periodically assess our environmental policy, and to inform all our employees of it and dissemination it to the general public.



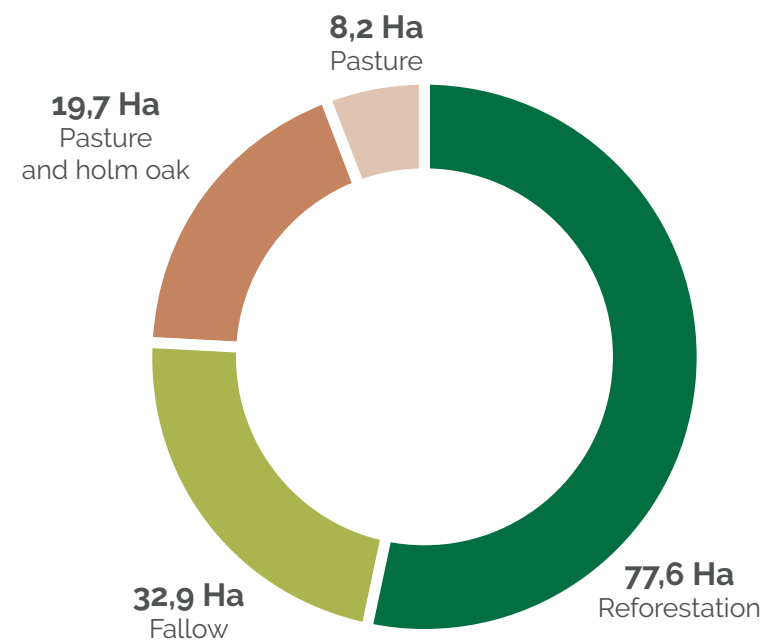


# SUSTAINABLE AGRICULTURE

## PROTECTION OF BIODIVERSITY

We currently have about 138.4 hectares for environmental measures:

- **Reforestation:** 77.6 Ha dedicated to reforestation on the El Carquí estate (Granada). Reforestation plays a role in fixing CO<sub>2</sub>, in the fight against soil erosion and helps to promote biodiversity.
- **Fallow<sup>1</sup>:** 30.3 Ha of ZEPA in Mas de Colom (Tàrrega) rented as part of the compensatory measures of the Environmental Impact Declaration of the Segarra and Garrigues regions and 2.6 Ha of ZEPA in voluntary fallow for environmental purposes.
- **Pasture and holm oak:** 19.7 Ha of pasture on the Machados estate (Portugal), which is intended for environmental compensatory measures. 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 CO<sub>2</sub> are fixed in one hectare of pasture alone.**
- **Pasture:** 8.2 Ha of pastures on the El Carquí estate (Granada).



### <sup>1</sup>The steppe birds.

The agricultural birds include **steppe birds**, those most threatened in Europe.

Their European distribution areas are largely restricted to the Iberian Peninsula and therefore **Spain plays a particularly important role in conserving these species.**

A common denominator for most of these species is the key role played by fallows in cereal steppes in their conservation, as they are key agricultural substrates for their survival and nesting.

# SUSTAINABLE AGRICULTURE

## PROTECTION OF BIODIVERSITY

### Collaboration with the Global Nature Foundation

**This year, work started with the foundation to improve biodiversity indices on the Mas de Colom estate, in Tàrraga (approximately 70 Ha).**

This entity has made a diagnosis at different points to improve their ecological potential.

This study provides us with different actions to improve the environment such as the rebuilding of banks, basins for amphibians and shrubs of wildlife interest, among others.

We will also carry out agricultural management that is less aggressive for the environment, measurably improving the quality of the biodiversity.



# SUSTAINABLE AGRICULTURE

## PROTECTION OF BIODIVERSITY

The Red List of the International Union for the Conservation of Nature (IUCN) warns that 16.5% of invertebrate pollinators are in danger of extinction worldwide.

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.

The almond tree flower is one of the first flowers of spring and is characterised by a high pollen content, which contributes very significantly to the reproduction and multiplication of the hive. Normally the queen bee completes the first important laying of the year during the 3 or 4 weeks of the flowering of the almond trees, allowing exponential growth of the hive.

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 almost 180 million bees.

IN EUROPE, BEE  
POPULATIONS HAVE  
DECREASED BY 37% AND  
BUTTERFLIES  
BY 31%







# CARE OF THE ENVIRONMENT

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# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## RENEWAL OF OUR ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM

One more year, we have re-certified our environmental management system in Reus production centres according to the ISO 14001 standard, a system that we have been maintaining since 2000.

Among the objectives achieved this year, **we highlight the lightening of containers placed on the market to reduce the associated household waste.** Percentages higher than those marked as targets.

53% reduction in glass containers in ECOEMBES 2018 container declaration with respect to the same products the previous year, by changing their design and a 41% reduction with respect to the same cardboard containers of these references.

In this same line, from of this year the cardboard packaging used in the BAIN-Borges 2 centre will be identified with the FSC certification logo to confirm

the origin of the material obtained from forests with sustainable forest management.

During this period, we also set ourselves the goal of **improving our waste management system by installing** a new more efficient static compactor in the BAIN-Borges 1 centre that will help reduce the number of waste transfers, and therefore the CO2 emissions associated with its transportation.

The **operation of our treatment plants** has also been optimised to improve the quality of waste water discharge.

The Borges 2 centre has extended the **almond skin compacting system** to achieve better management.

In parallel, projects aimed at a circular economy, by-product optimisation and energy improvement have also been implemented, as described in this report.



# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## SUSTAINABLE MOBILITY

In sustainable mobility, this year the first Autogas company car was made available among our employees for use in professional travel.

This car has a smaller environmental impact since it represents a 96% reduction in carbon dioxide emissions compared to diesel vehicles and up to 33% less than a petrol vehicle, and is also free of components like sulphur and lead.

## CALCULATION OF THE CARBON FOOTPRINT

Nine dried fruit references (walnut and pistachio) have their carbon footprint calculated in all phases of the production process.

This study, verified by AENOR in 2015, allowed the most influential phases in the emission of Greenhouse Gases to be identified, as well as those that can be improved through measures and reduction plans in order to significantly contribute to mitigating climate change.

The study helps us to know and control the emissions of our products.



FUNDACIÓN  
EMPRESA &  
CLIMA

This year, through collaboration with the Fundación Empresa y Clima, we **calculated the CO<sub>2</sub> emissions** of our main production centres and our activity to assess and take measures to reduce emissions in the coming years.

# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## CIRCULAR ECONOMY AND WASTE MANAGEMENT

To guarantee an efficient and sustainable productive model, we have to be able to transform the linear economy model in which waste is generated that does not re-enter the company's productive circle, towards a circular economy capable of **preserving the value of the resources we generate for as long as possible**. We work in all phases where we have activity to achieve this goal:

### Industrial phase

#### 15.000 T/year

almond shell intended for **biomass**.



Part of these tons are used as biomass for the boiler that feeds hot air to walnut and pistachio dryers.

At the Altura centre, we use **250 tons of self-consumption** for the operation of our boilers.

#### 1.500 T/year

of almond husk intended for animal consumption through our authorised waste manager.



In our Altura plant, we have an almond shell peeling service for farmers, with the aim of removing the green skin that arrives from the field and which wraps the almond in its shell.

### Agricultural phase

- Pruning remains are traditionally burned to avoid possible sources of inoculum of pests and diseases. This year at the Machados estate in Portugal, we disposed of them through an agreement with a cellulose manufacturer.

- The deciduous leaves and the grass from the mowing and clearing decompose in the ground and are tilled in as organic material.

- From the next harvest, we will start composting the dried fruit skin generated in the agricultural phase to reincorporate them in the soil in the form of organic amendment.

- The most hazardous waste such as agrochemical containers or agricultural machinery workshop waste is disposed of through specialised waste managers.



# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

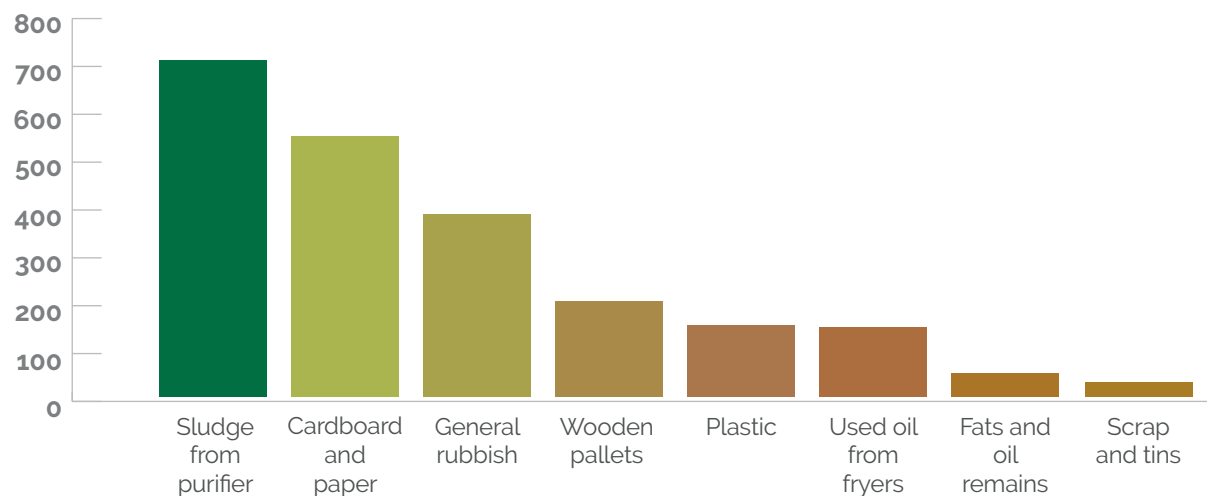
## CIRCULAR ECONOMY AND WASTE MANAGEMENT

### How is the rest of the waste derived from the industrial process revalued?

Waste from our main work centres is managed through authorised carriers and managers. By types, the waste generated is non-hazardous. Only a percentage of under 0.5% is hazardous or special waste from laboratories, workshops and other auxiliary operations. This waste is sent to collection and

transfer centres and is subsequently mainly reused after being submitted to solvent regeneration methods or special container recycling.

Types of non-hazardous resources (T)





# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## CIRCULAR ECONOMY AND WASTE MANAGEMENT

99.4% 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 **biodiesel fuel**.
- The **sludge from the sewage treatment** plants is used to make compost for agricultural applications
- The **mixture of general waste** is managed as a Solid Recovered Fuel and is used as an energy source 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 recover it.



During this period, we have **eliminated the use of plastic cups** from our facilities.



A **new protocol for the single-use caps and gowns** used in our facilities has been developed. Next year we plan to eliminate plastic bags from the shop.

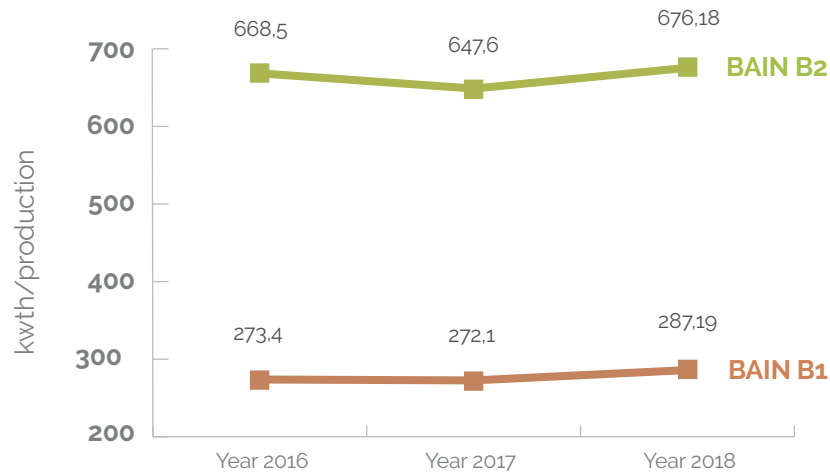
# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## ENERGY AND WATER CONSUMPTION

### Natural gas consumption

The consumption of this resource is essential in the BAIN B 2 production centre in Reus BAIN B 2, where it is used as fuel in the **steam boiler** associated with the main almond peeling process.

There follows the evolution of the consumption of this resource in recent years:



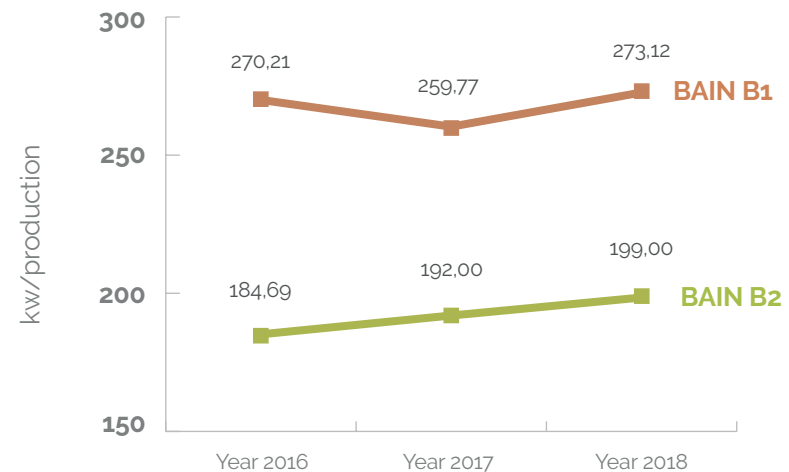
\*NOTES INDICATE Graphic KPI:  
 TONS OF PRODUCTION BAIN B1: Considering tons of total packed product.  
 TONS OF PRODUCTION BAIN B2: Considering total tons of domestic product sales and exports.

### Consumption of electricity

This year, the group companies consumed a total of 8,910 Mwh; this includes both the consumption of the agricultural activity and the rest of Borges Agricultural & Industrial Nuts factories and production centres.

For next year, we want to certify the origin of the energy of our main production centre in Reus as green energy.

Electricity consumption of our main production centres in Reus (B1 and B2):



\*NOTES INDICATE Graphic KPI:  
 TONS OF PRODUCTION BAIN B1: Considering tons of total packed product.  
 TONS OF PRODUCTION BAIN B2: Considering total tons of domestic product sales and exports.

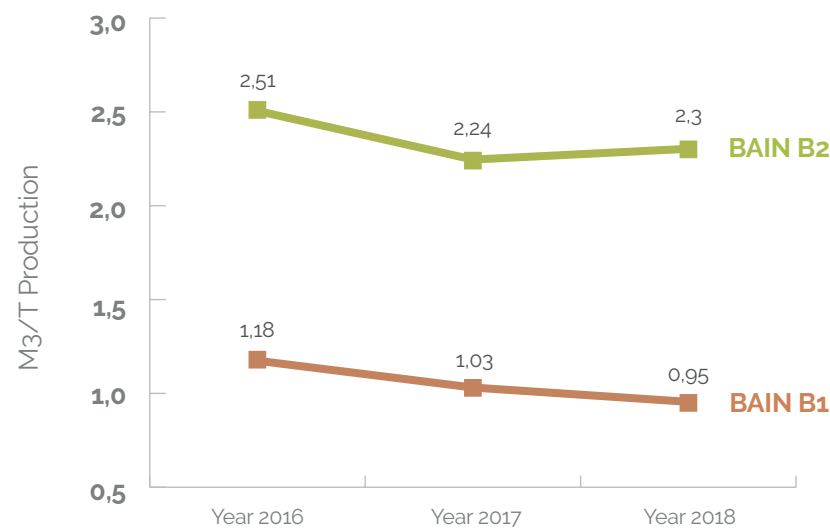
# CARE OF THE ENVIRONMENT IN OUR INDUSTRIAL PROCESSES AND FACILITIES

## ENERGY AND WATER CONSUMPTION

### Water consumption

Water is an important resource for both industrial and agricultural activity. In our Reus 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.

In the agricultural phase, as explained in previous sections, we constantly apply improvements to optimise the consumption of this resource on our farms, using efficient technology and production techniques such as leaf turgor sensors or low-flow drips.



NOTES INDICATE Graphic KPI:  
 TONS OF PRODUCTION BAIN B1: Considering tons of total packed product.  
 TONS OF PRODUCTION BAIN B2: Considering total tons of domestic product sales and exports.

# FOR EFFECTIVE MANAGEMENT OF OUR MATERIALS

## FROM SUPPLIER TO CONSUMER

Almost 1,170,000 cardboard boxes bear the **FSC certificate** and we are also in the process of implementing it in the new cardboard box references of the BAIN B1 production centre in Reus.

## TYPE OF MATERIAL ON THE MARKET

Ecoembes is informed each year of the sales of packaged product and its recycling is contributed to economically, based on the packaging material used and by participating in the Integrated Packaging Management System as an adhered company.

In 2018, 213 tons of equivalent CO2 were saved thanks to the recycling of our containers, 9.86% more than the previous year.

Source: ECOEMBES

### Market materials

Paper / Cardboard	393.342,84kg	66,17%
Plastics	150.973,20kg	25,40%
Glass	47.504,06kg	7,99%
Steel materials	2.648,42kg	0,45%

Source: ECOEMBES

In the offices, the consumed paper has been almost entirely recycled since 2009.







# INVOLVEMENT IN SOCIETY



# SUPPLIERS

Our aim is to extend our commitment and our code of ethics to suppliers, contractors and collaborators to establish stable and lasting business relationships of cooperation, based on honesty, transparency and trust, that mitigate the risk of violation of human and social rights, ensure regulatory compliance, mainly in matters related to ethics and integrity in behaviour, and **reduce the environmental impact on the organisation.**

For this, we have a code of conduct for suppliers where the social and environmental criteria for their selection are defined.

The purchase contracts include clauses related to our employees' operations as part of the ethical management of the supply chain and our quality policy.

When any relationship is started with a supplier or a customer, they must sign our code of ethics and compliance policy, so we thus ensure that our values are known and shared with the rest of our supply chain.

We have a **sustainability self-assessment questionnaire** that serves to improve the knowledge of our suppliers' practices regarding sustainability.

During this year, work was done on the development of a **Supplier Approval platform** to optimise their management throughout the group. This platform will centralise the documentary approval of the suppliers of raw materials, packaging materials and finished products, and will include certifications, food safety, environment, ethical conduct, declarations of conformity, food fraud and food defence. This tool will enhance the traceability of supplier information.

**1.795 current suppliers**  
972 of raw materials

All our raw material suppliers adhere to our Compliance Policy and Code of Ethics.



# SHARING KNOWLEDGE WITH THE FRAMERS AND THE TERRITORY

## PISTACHIO PROJECT

Borges Agricultural & Industrial Nuts collaborates with the **development of the communities** where it carries out its activity and contributes to maximising the historical opportunity offered by the arrival of water on lands that had previously been mostly dry land. One clear example of this is the development of the Pistachio Project.

The company leads this pioneering project in the territory, which aims to contribute to improving and economically developing the area through the technical qualification of the producers and the improvement of the agricultural income, by introducing crops with a higher yield per hectare in relation to the traditional crops of the region.

**BAIN offers free training and advice for pistachio planting and for the processing and commercialisation of fruit.**

The Plan provides benefits for all parties involved:



### The producer

- Free advice on patterns, varieties, plantations, irrigation, harvesting and quality.
- Access to the processing plant a few kilometres away.
- Improvement of profitability per hectare.
- Purchase commitment according to the optimum production standards required.



### The territory

- Investment made and economic recovery of the agricultural sector.
- Investment and generation of jobs that can be derived from the associated industrial activity.



### BAIN

- Control of the entire production process, as it improves traceability and allows scale economies.
- Reduction of its needs to import the product from other countries

# SHARING KNOWLEDGE WITH THE FRAMERS AND THE TERRITORY

## PISTACHIO PROJECT

Borges Agricultural & Industrial Nuts has signed a vertical cooperation agreement with the Ivars Cooperative that it will advise on the management of pistachio plantations in irrigated areas and guarantee crop commercialisation.

This agreement is part of the collaboration agreement between Borges and the Department of Agriculture, Livestock, Fisheries and Food to promote irrigation and agri-industrial activity in the area of the Segarra-Garrigues Canal, where Borges is one of the five main economic engines of the area.

This agreement will also contribute to promoting the agri-industrial activity of the Segarra-Garrigues Canal area and other irrigated areas.





# SHARING KNOWLEDGE WITH THE WORKERS

## DRIED FRUIT MONOGRAPH

With the aim of sharing knowledge with the other departments, this year the initiative was taken for the BAIN purchasing department to offer a series of monographs on dried fruit, aimed at workers of the group itself.

A monograph is an informative, didactic and personalised session on a particular dried fruit, in which its different origins, varieties, national and international markets, historical evolution, physical peculiarities, variations and changes in prices, qualities, trends, commercial applications and future crop developments, among others, are explained.

Since the initiative started, 5 monographs **focused on our main products**, which are almonds, walnuts and pistachios, have been made. Some have even had to be repeated due to the great demand for attendance.

The aim of the initiative is to **share knowledge with the other departments of the group.**

89 PEOPLE  
TOOK PART IN THE  
DRIED FRUIT  
MONOGRAPH



# INTERNATIONAL PRESENCE IN THE SECTOR

WE HAVE BEEN PRESENT AT THE SECTOR'S MOST IMPORTANT SUMMITS



France

## SIAL Paris International Food Exhibition

The global showcase of the agri-food sector that brings together all the professional producers and buyers around the large global stakes and reveals the trends and innovations that will shape the agri-food industry of tomorrow.



United States

## INC World Nut and Dried Fruit Congress

The largest international congress of food professionals, suppliers, traders and buyers dedicated to the walnut and dried fruit business.

## Walnut Research Conference

Organised by the Division of Agriculture and Natural Resources of the University of California, discussing trends in the California walnut industry



Spain

## SNACKEX International Trade Faire & Conference

It is the most important international trade fair outside the United States, dedicated exclusively to the snack industry.

## Walnut Research Conference

Organised by Almenrave (Spanish Almond Board), this prestigious meeting is attended by the most important national operators in the almond and hazelnut sector.

At the 2018 congress in Seville, we received the **Corporate Golden Award** given by International Nut & Dried Fruit.

**The award recognises excellence in the walnut and dried fruit sector and is the most prestigious international award in the industry.**

# MEMBERSHIPS

The involvement of Borges Agricultural & Industrial Nuts with different associations and organisations allows the company to join forces and contribute to the economic and social development of the industry and the territory.

## Almendrave

Almond Board of California

Asociación Agraria - Jóvenes Agricultores

Asociación de Fruticultores de Extremadura

Asociación Extremeña Ganaderos del Reino

California Walnut Board

Capítulo Español del Club de Roma

CEPTA

Descalmendra

DOP Avellana de Reus

FRUCOM

Gremio de Comerciantes y Exportadores de Frutos Secos

International Nut and Dried Fruit Council (INC)

## AECOC

Ainia Instituto Tecnológico Agroalimentario

APD Progreso de la Dirección

Asociación de Marcas Renombradas Españolas

Asociación Española Tesoreros Empresa

Asociación Gerentes de Crédito

Cambra de Comerç de Barcelona

Cambra de Comerç de Reus

C-TPAT - Customs Trade Partnership Against Terrorism

ECOEMBES

FICCI: Cambra de Comerç de Nova Delhi

Fundació Empresa & Clima

Institut de l'Empresa Familiar

Initiatives committed to social and environmental progress:





# PEOPLE MANAGEMENT

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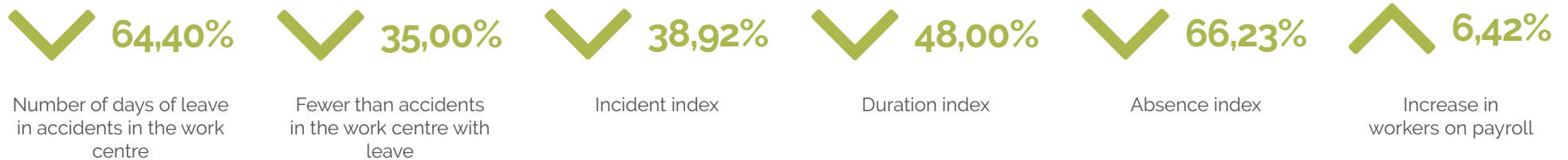
# ADVANCING IN OCCUPATIONAL RISK PREVENTION: ISO 45001

In terms of occupational safety, we highlight the **ISO 45001 certification** that we received this year in the Group's most active production centres. The standard provides a unified set of standardised requirements focused exclusively on achieving adequate and effective implementation in the Occupational Health and Safety management organisations.

We have an established preventive culture and we work constantly in search of continuous improvement in its implementation.

The total number of accidents was 30% less in the last 3 years

Accident rates at Group level have decreased gradually during the last 3 financial years.



# COMMITMENT TO A HEALTHY COMPANY

**Borges Te Cuida** this last year launched new **Healthy Company Programme for the 2019-2020 campaign** with initiatives to promote the health and well-being of the company's workers through various actions. Among them we find:



**Road safety.** A campaign to promote safe driving habits, as well as alternative measures for more sustainable mobility.



**Smoke-free company.** An awareness-raising campaign on smoking, offering support and professional accompaniment for staff who voluntarily choose to give up smoking; information and specific workshops and elimination of internal smokers.



**Promotion of sport as a habit.** Organisation of popular walks, information and specific workshops to promote sport and participation in inter-company recreational tournaments.



**Musculoskeletal disorders.** A campaign with specific ergonomic training in situ, awareness of postural habits and their improvement with specific information and workshops.



**Healthy breakfasts.** Periodic information on healthy eating, workshops and breakfasts on a regular basis.



# COMMITMENT TO A HEALTHY COMPANY

In April, we celebrated the "Red Day" at the Reus facilities, which consists of a blood donation marathon for company's workers. The campaign, proposed by the workers themselves, takes place since 2009.



Other health initiatives we have supported:



# OUR PEOPLE: WORK AND PERSONAL RECONCILIATION

Once more, we have held the 9th Day of the “**Little Borges People**”, where the workers' children were able to take part in a large circuit of wooden games designed for kids. During the morning, the group's facilities were flooded with ping-pong balls, ropes, wooden sticks, circuits and much more.

For nine years, we have held this activity in our centre to transmit values to the young. This day is part of the commitment to reconcile the personal and work life of the workers and also to promote the adhesion of the workforce.

We also want to bring our workers and family to **culture and sport** with tickets to museums, theatres, concerts and raffles of tickets for different sports activities.





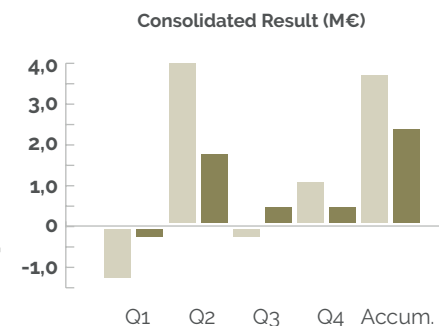
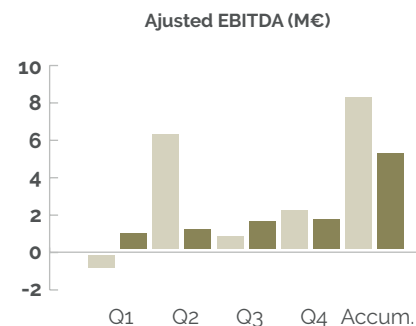
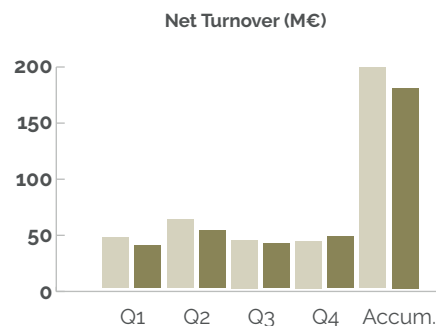


**CREATING VALUE**

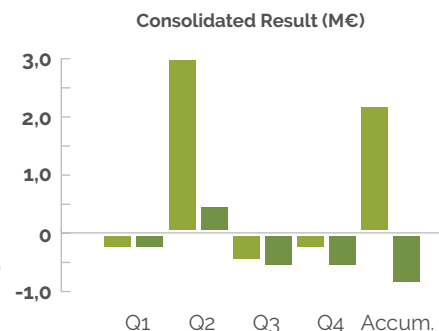
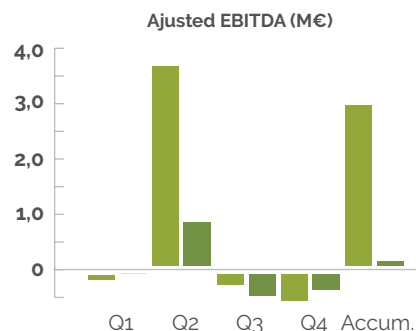
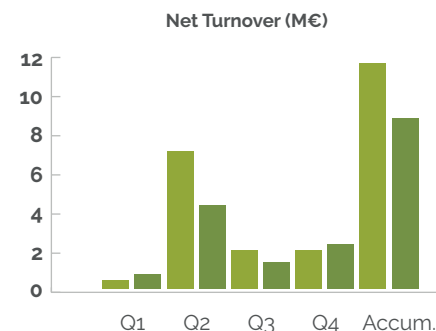
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# ECONOMIC EFFORT

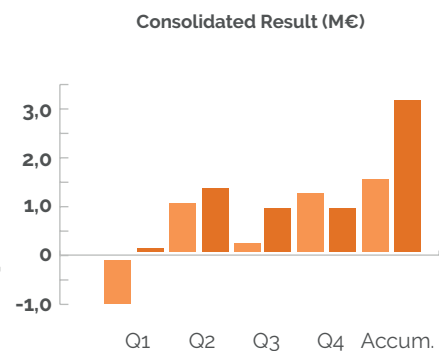
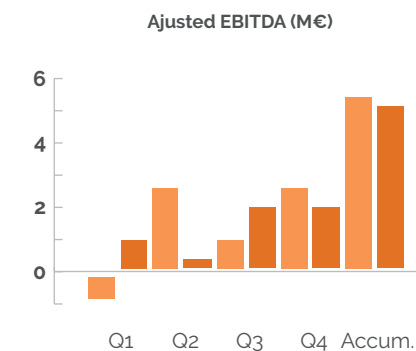
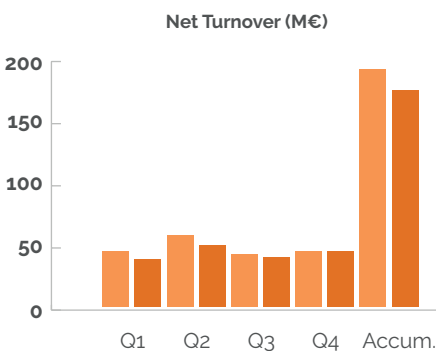
	Consolidated (k€)	
	SEM2 2018 <sup>1</sup>	SEM2 2017 <sup>2</sup>
Tons marketed	46.148 <i>(35.191 without by-products)</i>	47.533 <i>(36.421 without by-products)</i>
Net Turnover	177.808	195.732
Adjusted EBITDA	<b>5.136</b>	<b>8.133</b>
Pre-tax result	3.003	3.952
Net Result	<b>2.348</b>	<b>3.585</b>



	Farming Business (k€)	
	SEM2 2018	SEM2 2017
Tons marketed	2.291	2.409
Net Turnover	8.748	11.546
Adjusted EBITDA	<b>140</b>	<b>2.880</b>
Pre-tax result	-870	2.031
Net Result	<b>-787</b>	<b>2.059</b>



	Comercial and Industrial Business (k€)	
	SEM2 2018	SEM2 2017
Tons marketed	44.281 <i>(33.324 sin subproductos)</i>	45.673 <i>(34.561 sin subproductos)</i>
Net Turnover	173.878	190.718
Adjusted EBITDA	<b>4.996</b>	<b>5.253</b>
Pre-tax result	3.873	1.921
Net Result	<b>3.135</b>	<b>1.526</b>





# ABOUT THIS REPORT

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# ABOUT THIS REPORT

The purpose of this 2018-2019 Corporate Social Responsibility report (1 June 2018 to 31 May 2019) is to inform the stakeholders about the company's non-financial management policies, and the main achievements and initiatives developed in these areas this 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 the previous sustainability reports of Borges Agricultural & Industrial Nuts were 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.

