



# CONTENTS

Our vision 04

"A global mind for local action"

**Rural development** 12

"One of our hallmarks is focusing our productive activity on growers"





# Well-being and prosperity

22

"Azucarera focuses on the people in our supply chain as well as our growers"

## Committed to excellence

33

"An essential part of our commitment is ensuring that the supply chain meets the highest standards in sustainability, ethics and transparency"

# Responsible use of resources

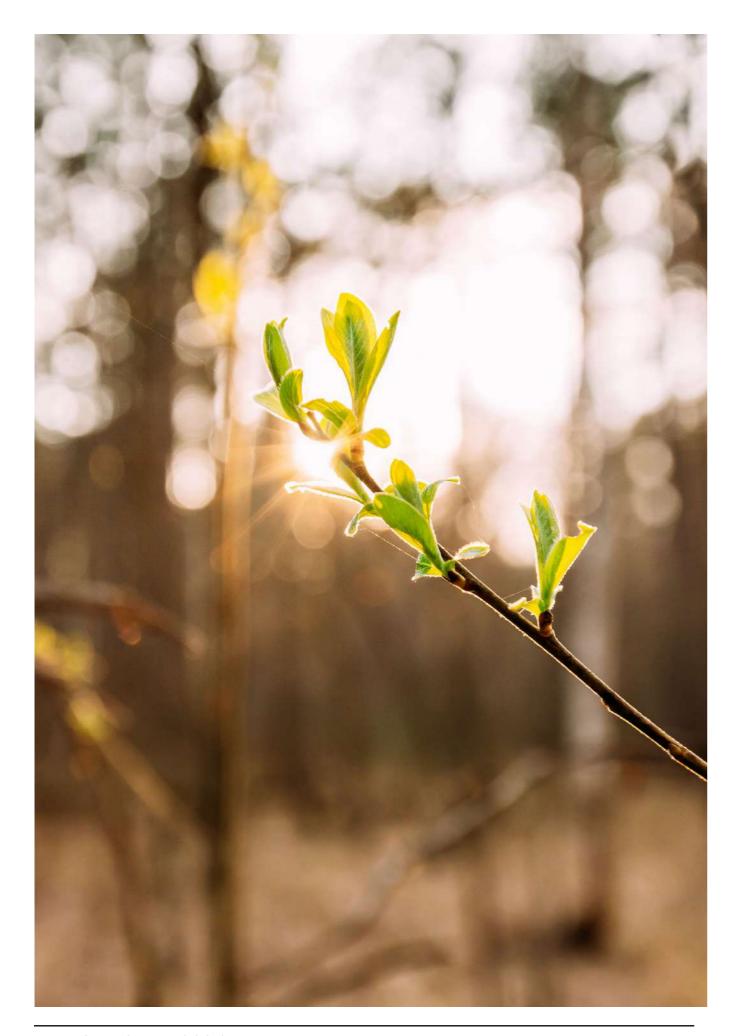
"Our main goal in respect of the environment is to achieve responsible use of our principal raw material"

# Zero waste 42

"In 2018, Azucarera joined the Circular Economy Pact promoted by the Spanish government"



Informe de sostenibilidad 18-19



# AB Sugar's vision of sustainability is at the heart of our commitments and actions



Azucarera is a member of the AB Sugar Group (www.absugar.com). The group's framework for sustainability action is based on the programme "A global mind for local action", which seeks to secure long-term success, not only for the Group and Azucarera, but also for the local communities in which we operate.

The programme "A global mind for local action" establishes the global principles and priorities to face the challenges that lie ahead. It does this from a three-pronged approach of economy, society and the environment, based on three pillars.

Our three pillars of sustainability are:

- 1. Rural development: grower-centric
- 2. Prosperity and well-being of our communities
- 3. Responsible use of resources

Through this adaptation of global to local, we guarantee a single central, shared vision that takes account of the particular situation in each country and territory, each with its own specific economic, social and environmental situations and issues.

AB Sugar has also established a number of global commitments to encourage Group members to continue improving up to 2030, along with all those making up our supply chain. These commitments form the foundation of our ambition and vision for the future with regard to sustainability:

- **Contribute** to the prosperity and diversity of our communities
- Provide access to objective scientific knowledge on sugar, diet and health, reaching over 25 million people around the world
- Reduce water consumption and CO2 emissions by 30% throughout our supply chain and ensure that all our packaging is reusable, recyclable, biodegradable or compostable



# FIRMLY COMMITTED TO SUGAR BEET

to boost economic development and progress in rural areas

# **Juan Luis Rivero**

**Managing Director of Azucarera** 

Over the past year, we have produced 433,200 tonnes of sugar, confirming our commitment to sugar beet as the driving force of economic development and progress in the rural environment, threatened by depopulation and rural exodus. The year was complicated by the historic plummeting of sugar prices. In recent months we have been working to guarantee continuity of the sector, seeking a model adapted to the new market conditions, with which profitability can be maintained throughout the value chain, ensuring that the profits generated as the price gradually picks up are passed on to growers. At the same time, we endeavour to keep abreast of digitalisation and innovation, two cross-cutting areas that are decisive for our future.

I would like to express my gratitude to our customers for their confidence in us, along with our suppliers and the Azucarera team, since without their dedication and enthusiasm for doing things well, none of this would be possible.



# AZUCARERA IN FIGURES



433,200

tonnes of sugar produced



1,266

direct jobs



445,210

tonnes of by-products



2,597

growers



23,773

hectares sown with sugar beet



logistics & packaging centres



sugar production plants



1

R&D and innovation centre



\_

refinery

09

Informe de sostenibilidad 18-19

liquid specialties

plant

# INVESTMENT

During the 2018-2019 crop year we invested €7,932,000 euros in measures to enhance efficiency, plant maintenance, food safety, health and safety of our workers, and the environment, among other areas. Over the past six years, we have invested some

# INVESTMENT PLAN PROPERTY, PLANT & EQUIPMENT (€)

€77,676,000 overall.

TOTAL 6 years	77,676,000
2018/2019	7,932,000
2017/18	11,593,000
2016/17	19,624,000
2015/16	9,873,000
2014/15	12,774,000
2013/14	15,880,000



# KEY FIGURES 2018/19 (€)



278,149,000

turnover



15,939,000

total taxes paid by Azucarera



94%

national suppliers



4,311,000

taxes collected by Azucarera for the State



-44,610,000

operating loss



11.628.000

direct taxes paid to the State

11



# RURAL DEVELOPMENT

Each grower and each farm

is "a world unto itself",

affected by numerous

factors. Consequently,

necessary to work with a

customised approach in

order to obtain the best

agronomic and economic

yields and optimum crop

internal and external

it is increasingly

management.



## PRECISION AGRICULTURE

Using Big Data and remote detection systems, we have made considerable progress in precision agriculture, promoting an ewapproach to agricultural work and the most important aspects of crop management. These tools will be essential to accelerate the process of passing all knowledge on to growers.



# PROMOTION OF SOLAR IRRIGATION

During 2018-2019 we continued promoting solar irrigation through a campaign among growers and visits to demonstration fields.



### "IRRIGATION ROOM"

This initiative was set up to inform on the latest innovations in irrigation and energy, especially with regard to the use of photovoltaic solar energy, energy efficiency, water saving and intelligent irrigation.



## "CULTIVATING PREVENTION"

This programme is designed to promote and spread the culture of prevention in health and safety in the rural environment.



### TRAINING FOR BEET GROWERS

Jointly with AIMCRA and Agroteo, we provide training courses in pursuance of the training requirements established in the Agri-Environment and Climate Aids. Some 2,500 growers received training under this programme during the year.



## III EDITION OF THE AWARD FOR THE BEST BEET GROWER IN ANDALUSIA

To recognise, in different categories, the growers who have followed the best agronomic practices promoted by the company's field technicians.



## **VISITS BY BEET GROWERS**

More than 400 growers visited us this year.



## DURING THE YEAR WE BEGAN OR STEPPED UP OUR ACTIVITY IN SOCIAL NETWORKS AND DIGITAL CHANNELS

New website, WhatsApp groups, Twitter, LinkedIn, YouTube, Instagram, etc. Our aim in all cases is to be closer to and much more accessible and efficient for our beet community.



## FREE ENERGY COUNSELLING

"IRRIGATION ADVICE PLAN"

Through this plan, among other actions,

we have sent our growers weekly

updates through an app, indicating

how much water the beet needs. Other

actions include checking the spray irrigation systems and publishing and

distributing articles and information on

how to reduce water consumption.

Azucarera offers free energy advice to help growers reduce their energy consumption.



# NEW SET OF ACTIVITIES WITH FEMALE BEET GROWERS

Designed to highlight the agricultural work done by these women and their importance in the rural environment.

15

# EACH IS UNIQUE

So we provide assistance adapted to the different profiles



## SHARED CROP

New models of custom contracting to adapt to all growers' needs and particular circumstances



## SPECIAL PROMOTION OF **SEEDS**

Recommended for their high polarisation and good technological quality



## **ZERO-COST FINANCING OF INVESTMENT**

In energy efficiency, solar irrigation, drainage or machinery for our growers



## **ADVANCED PAYMENT OF** THE BEET CROP

Advances of up to €1,000



## **CUSTOM CONTRACTING OPTIONS**

Beet growers in the south can choose whichever of the three contracting options that is best suited to their fields

In the north the option of booking contracting is available with special benefits and advantages



# AIMCRA AND AGROTEO:

exclusive expertise and services for our beet growers

For over 50 years we have been supporting and cofinancing with our growers the work of the Research Association for Improving the Sugar Beet Crop (AIMCRA), with which we cooperate closely, testing and analysing the performance of new beet varieties and products for pest control and plant disease.

Azucarera is also one of over 850 beet growers belonging to Agroteo, which promotes services designed to enhance the yield of the beet crop. Growers come together through this firm to increase their bargaining power and thus obtain better prices for products and services associated with beet growing.

17

# A GREAT TEAM

at the service of beet growers

# Our agricultural team is approachable and dedicated to agriculture

- The Agricultural Management coordinates all the teams in the Agricultural Division to align their actions and boost the agricultural strategy.
- The plant agricultural managers coordinate the field technicians to perform all activities involved in providing direct services for growers.
- The field technicians are the direct link with our beet growers in their everyday activities. The technicians provide growers with information, guidance and recommendations on our commercial offer, giving agronomic advice and ensuring good pulling and delivery to our plants.



- The agronomy team coordinates the provision of agronomic advice, fosters the passing-on of knowledge on the best agronomic practices and incorporates new tools and solutions to help growers reduce their costs and increase their production.
- The Agroteo team develops new services for growers who belong to this association and furthers the incorporation of new growers through contracting models tailored to their individual needs, collaborating with them in the performance of work and purchase of inputs.
- The agricultural administration team is the expert group that manages all administrative tasks related with growers, including the development -jointly with the IT department-of new applications to expedite administrative procedures and direct assistance to growers, answering their administrative queries regarding payments or invoices.
- The supply chain team plans all pulling and transport of beet to all our plants, aligning the milling needs of each plant with the weather restrictions and desires of growers. They optimise sugar production by organising pulling to ensure that the beet is received at our plants with the highest possible sucrose content and as clean and healthy as possible, so that once the beet quality has been analysed in the laboratory, the grower receives a fair price.

19

# DID YOU KNOW...?

We focus most and collaborate with AIMCRA on three agronomic areas:

# FERTILIZATION AND ADJUSTMENT OF THE USE OF FERTILIZERS

Based on annual soil analyses in the fields to be sown. This helps to reduce the use of nitrogen fertilizers, avoiding the negative effects of overuse on the crops and nitrite soil contamination.

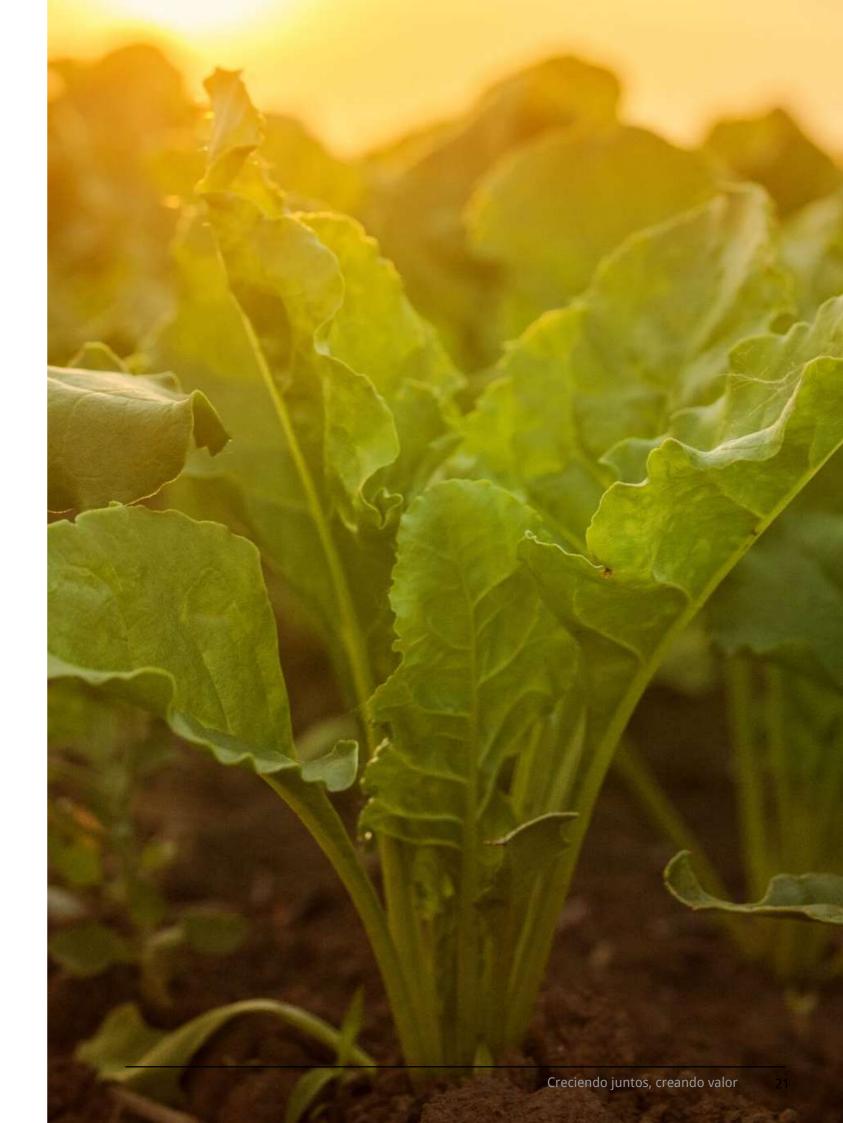
### **DISEASE AND PEST CONTROL**

Dosage has been adjusted to cut back on the use of herbicides, insecticides and fungicides to control weeds, pests and diseases, respectively. This reduces the quantity of product used, the associated costs of production and the exposure to and adverse effects of excessive use on the crops, growers and the environment. Integrated pest control was also stepped up within crop rotation, as well as use of the type of product best suited to the particular conditions of each area to control plant disease.

### **IRRIGATION**

During the summer beet irrigation period (June-September), growers are informed every week how much water the beet needs, based on the weather conditions in the area (temperature and humidity) and the specific stage of development of the crop. Irrigation is thus adjusted strictly to what is really needed by the crops, avoiding excessive water consumption.

On the one hand, these actions, particularly those regarding the use of plant protection products, improve crop yield. On the other, the measures are taken by Azucarera to minimise the impact of our activity on the environment and biodiversity. This is especially important bearing in mind that, owing to their characteristics, beet fields provide a refuge for numerous species of animals, so they are high biodiversity zones.





2 Informe de sostenibilidad 18-19 Creciendo juntos, creando valor

23

# HEALTH AND SAFETY, **ALWAYS FIRST**

do this based on goals such as constant are exposed in their work.

We aim to integrate prevention in all improvement of physical and emotional our daily operations to achieve the well-being, reduction of injuries, forging highest possible level of protection of a prevention culture, continuous and welfare of people. We have a assessment of the working conditions Health, Safety and Welfare Policy that and the implementation of preventive sets out to protect and take care of the plans and procedures to eliminate or company's principal asset: our team. We control the risks to which our employees



Occupational hazard prevention plan and technical and operating procedures developing it

Healthy company plan: physical well-being

**Development plan** for job procedures and digitalisation of critical procedures: digitalisation of work permits

Preventive

Healthy

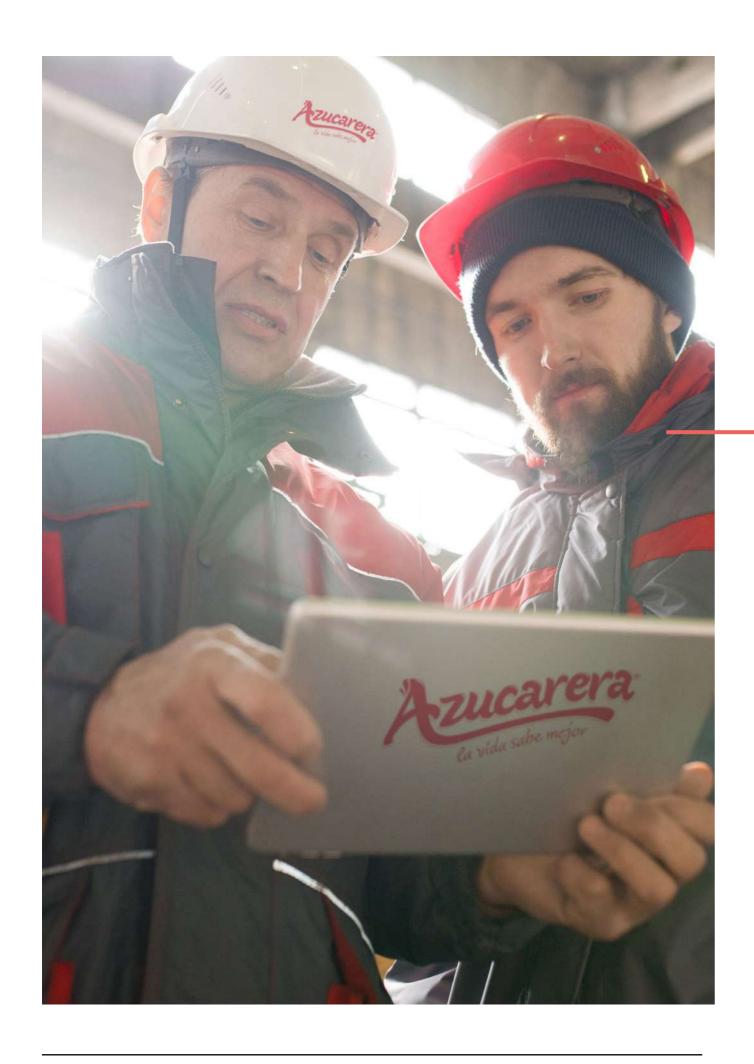
Preventive culture plan: soft skills

Some of the indicators showing this commitment and the positive evolution in our preventive measures are indicated below:

Injuries

	injunes		Culture	Company
Year	Total No. Injuries	Lost days through injury	Hazard notifications per employee	Physiotherapy services provided
15-16	109	184	1.06	-
16-17	88	203	2.16	-
17-18	87	160	2.26	-
18-19	85	159	1.68	+ 1,600





# MANAGEMENT OF PEOPLE:

# SOCIAL BENEFITS, ORGANISATION OF WORKING TIME

Numerous measures are available for our employees, including medical grants, economic disability aids, full salary payment during sick leave due to common or labour contingencies and advances against bonus pay.

Azucarera has a programme to support employees when their children are born

Enhancing flexibility at work, flexitime is in place at the head offices and among certain groups in the company's other workplaces. There are also flexible times for lunch breaks at the head offices, where our employees work straight through to finish early on Fridays, in the Christmas, Easter and summer periods and on days preceding public holidays or long weekends. Straight-through shifts are worked at all our plants throughout the year between campaigns. Employees are also entitled to take a reduction in working hours, under the company's work-life balance plan 2017.

Some 86 employees took up the possibility of teleworking during the year to enhance their work-life balance, under the plan first established in 2015.

We have set up different protocols to enable employees to leave their jobs in the event of a family emergency and economic assistance for employees whose children suffer a serious disease or disability. Other initiatives in this area include summer camps for employees' children. Azucarera also recognises equal rights of its employees in marriage and common-law relationships.

27

# EQUALITY AND DIVERSITY

Equality plan / Code of conduct and personnel policy manual / Protocol for action against sexual and moral harassment / Equality Officer / Accumulation of maternity/paternity leave with breastfeeding time and annual leave / Full salary during maternity and paternity leave and during sick leave for high-risk pregnancy / Possibility of taking shorter working hours under the work-life balance plan 2017 / ABF Women's Business Forum.



**21**% female employment

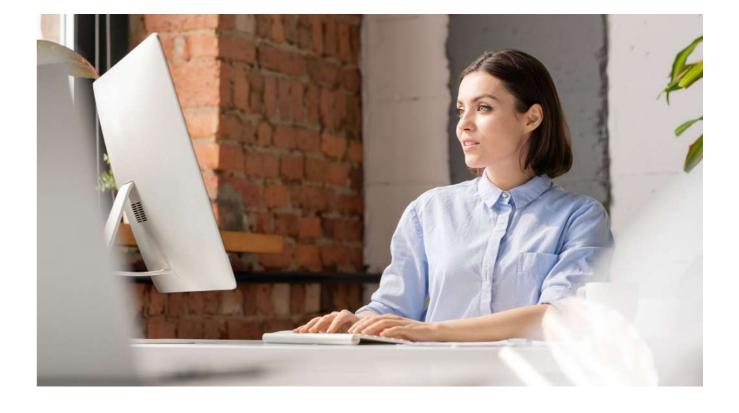
# PERCENTAGE OF WOMEN HIRED

Year	On payroll (permanent contracts)	In executive positions (permanent contracts)
15/16	19	31
16/17	19	34
17/18	22	36
18/19	21	37

## "CROSS-CUTTING DIVERSITY GROUP"

The aim of this group is to retain and promote female talent and increase the participation, contribution and success of women in science, technology, engineering and mathematics (STEM). This is a commitment undertaken by the ABF Group and AB Sugar, which have set up a working group with mixed representatives from plants and head offices. The group meets regularly with a view to changing the business culture in gender equality, diversity and integration.





# ATTRACTION, TRAINING AND DEVELOPMENT OF TALENT

Our employees are the cornerstone in an increasingly more globalised, changing, complex environment from the point of view of production, so it is very important to accompany them throughout their personal and professional careers, offering training schemes and talent management programmes covering all the stages of their careers. We have annual training schemes for this purpose.

In order to determine the training required within the organisation, the Human Resources department picks up the needs identified in the performance assessments made through CMC, a quarterly assessment tool that facilitates communication between employees and their bosses. After this analysis, the department studies the courses and trainers available and proposes training tailored to the needs of each employee. Overall, some 7,104 hours of training were provided during the year.



29

# SOCIAL ACTION:

# food aid and support for local action

Every year, Azucarera collaborates with NGOs, food banks and soup kitchens that distribute food among the needy. During the reporting year, the company donated 13,900 kg of sugar, valued at 13,372 euros. Our employees also contributed with individual donations of the sugar they receive under the collective agreement. In addition:

- continues working with ASPROSUB, problems. They package 4.6 tonnes of product for us.
- Roncalli Foundation, a benchmark establishments, suitable, sustainable, quality jobs for other social partners and groups.
- Our Packaging Centre in Benavente
   We also participate in solidarity races, such as that held for cancer research in a firm that manages housing and La Bañeza and the Inter-Cultural races employment for people with mental in Madrid, Castile-Leon and Andalusia, and we continue sponsoring the La Bañeza football team.
- In the same way, we also continued Once again, our plants were visited our collaboration with the Juan XXIII by schools and other educational technological centre for the socio-occupational institutes, beet growers and integration of people with intellectual representatives from different local disabilities, through the creation of and regional authorities, as well as



13,900 kg of sugar were donated, valued at €13,372



# 94% LOCAL SIIPPI IFRS

According to a Study by WIFOR in 2019, for every euro generated in the sugar production sector, a further 3.90 euros was obtained indirectly or induced throughout the supply chain. According to the same study, for each direct job in the industry, more than ten are created in other sectors. When applied to employment figures in Azucarera, this means that against our headcount of 1,266 (permanent, permanent seasonal and temporary workers in the year) more than 12,000 jobs outside the company are dependent on our business.

During the year, 94% of the company's total suppliers were local.



For every direct job, ten indirect jobs are created

31

# SUPPLY CHAIN

An essential part of our commitment to the communities in which we operate -whether to obtain or distribute products- is ensuring that the supply chain complies with the highest standards of sustainability, ethics and transparency.

In this regard, ABF has a supplier code of conduct that must be adopted by all those who supply to Group companies. Moreover, the "Modern Slavery 2018" declaration of responsibility establishes that all the Group companies must play a major role in the eradication of all practices that might entail modern slavery -such as forced labour, child labour or human trafficking- within their own activities, if such practices exist, or in their supply chains.

With regard to the beet sugar produced in Spain, Azucarera participates in the SAI Platform (Sustainable Agriculture Initiative Platform), an initiative within the food industry to support the sustainable development of agriculture worldwide. At present, Azucarera's beet sugar production in Andalusia and La Rioja has been awarded a silver rating ("SAI SILVER").

Since 2014, the company has had a CSR plan for raw cane sugar sourcing. This plan includes a procurement policy that sets down the company's red lines and stipulates that all suppliers must pass a "Due Diligence" process before any agreement is signed. That due diligence examines their ethical behaviour, antibribery and anti-corruption policies and their identification and compliance with

the ABF Code of Conduct. Azucarera is a member of Bonsucro and during the past year it started working towards obtaining certification under the chain of custody standard, which it had obtained by the date of this report. Azucarera has also been a member of Fair Trade since 2014, selling bulk sugar under this seal for authorised processors and other packaged products for end consumers, including brown sugar and agave.

In 2013, Azucarerajoined the ECOVADIS ratings platform for collaboration by suppliers and customers, that rates the sustainability of the entire supply chain. In 2020, the company obtained a silver rating and every year it has an assessment made through this tool with a view to ensuring continuous improvement.



A sustainable, ethical and transparent supply chain







33



# COMMITTED TO EXCELLENCE

and tailored to our customers' processes

Guaranteeing the quality and safety of our products is a priority. We have a Food Safety and Quality Policy included in our Food Safety and Quality Manual. This policy defines, develops and implements a system compliant with the requirements of the standards UNE-EN ISO 9001:2015 and UNE-EN ISO 22000:2005, as certified by a body accredited by ENAC. We also have IFS certification for our two packaging plants and the Guadalete plant...



## In food safety:

- The company's R&D and innovation centre has a physicochemical and microbiological laboratory for testing products.
- Moreover, all our workplaces have laboratories for physicochemical analysis certified under the quality standard ISO 9001, environmental standard ISO 14001 and the food safety standard FSSC 22000 (within GFSI) for production plants and IFS for packaging centres, along with other certifications.
- Parallel to this, in the 15/16 crop year Azucarera began an internal process of actions intended to produce a cultural change in these areas and raise awareness of all the aspects pertaining to food safety and quality.
- This policy also expresses the commitment by Azucarera management to manufacture harmless products, complying with current laws, regulations and any other requirements agreed with our customers, as well as the prerequisites established in ISO/TS 22000-1 for the latest version of FSSC 22000 certification at our sugar plants and the liquid specialties plant.



Policies are developed that guarantee the quality of all our products





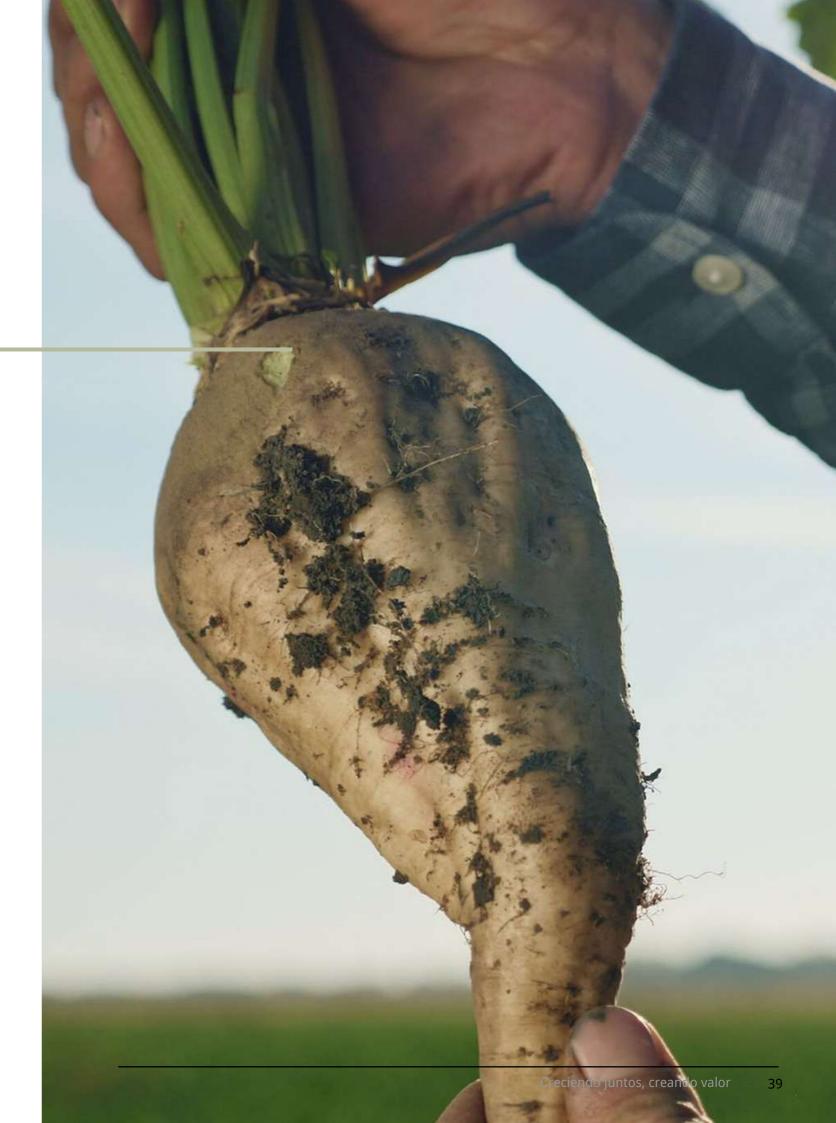
# ENVIRONMENTAL MANAGEMENT POLICY

# To do all this, we have an Environmental Management Policy, which contemplates the following:

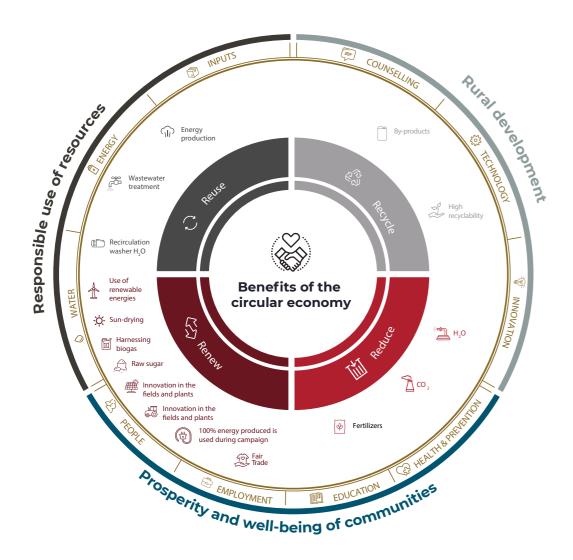
- Promotion of a responsible use of natural resources, both in our own operations and throughout the supply chain, based on the principles of sustainability and circular economy
- Integrated, permanent, constant global action by all Azucarera employees
- Aligned with the environmental policies of the ABF Group, based on principles that are reviewed and updated regularly
- Establish and pursue environmental goals that enable us to improve constantly, setting aside the necessary financial and operational resources for this

- We have remedial actions to meet our environmental goals
- We have defined and implemented an Environmental Management System that complies with the requirements of the standard UNE-EN-ISO 14001:2015, with a view to reducing environmental hazards
- We also conduct environmental assessments and draw up mitigation plans for material changes in plant and processes, assessing their possible environmental effects
- All the Azucarera workplaces have been certified under ISO 14001:2015 since 2001 and this certification has been renewed for all of them, the last time in 2018





# CIRCULAR AZUCARERA



"The Spanish Strategy for Circular Economy (España Circular 2030) lays the foundations to boost a new model of production and consumption, in which the value of products, materials and resources is maintained in the economy for the longest possible time, minimising waste generation and using it as far as possible when it cannot be avoided."

Over the years, we have increased the number of by-products leaving our plants along with our flagship product, sugar, as we consider it essential to make maximum use of the raw materials that enter our plants.

BETALIA is our brand for products intended for animal feed, plant applications and industrial use that the company obtains from the sugar beet or during the sugar production process.

### ANIMAL FEED, BETALIA FEED

■ The products sold by Betalia Feed (animal feed) include fresh products, silage and dehydrated products obtained from the beet pump and enriched molasses to form part of cattle feed, alongside the classical pressed and dried pulp, Betamel and Betafos..

# PLANT NUTRIENTS AND FERTILIZERS, BETALIA AGRO

• We aim to offer more natural alternatives to conventional fertilizers, by using and enriching the products obtained from beet in order to achieve greater strength and enhanced growth of plants and crops. The products in this range include Carbocal, Stimel and Topsoil.

# RAW MATERIALS FOR INDUSTRY, BETALIA INDUSTRIA

- Geared towards the raw materials segment for the fermentation industry, although the expansion focuses on the development of products that can be used as ingredients in sectors related with cosmetics, the pharmaceutical industry, energy and construction, among others. The products in this category are molasses for industrial use and stones, gravel and shives.
- In 2017, Azucarera launched its range of products based on fructo-oligosaccharides (FOS) with FIBRACTIVE FOS 60, a syrup rich in oligosaccharides and natural sugars obtained from the beet, that can act as a substitute for fats and as a moisturiser, and is an important source of fibre.
- In 2018/2019, we have launched beet pulp sticks in BigBag, Apibet, Stimel for gardening, Prebionat Nacimiento, Prebionat Lactancia and Prebionat Gestación.

### OTHER PRODUCTS:

At our high-efficiency cogeneration plants we also produce energy in the form of steam and electricity, and during the treatment of process water, we produce biogas. This is all used in our plants, making us less dependent on external sources of energy.



# THE LIVESTOCK SECTOR AND ANIMAL WELFARE

**ALSO A PRIORITY** 

Prebionatistheanimalfeedproductlaunched during the year by Betalia, developed jointly with the AGM sheep farm in Olmedo (Valladolid) and backed by ITACYL (Castile-Leon Agriculture Technology Institute).

Through this collaboration -which began in 2018-major progress has been made in getting to know the positive effects of an intake of natural prebiotics obtained from beet, such as fructo-oligosaccharides (FOS). The Prebionat product range (Gestación, Nacimiento y Lactancia) improves, modifies and develops the intestinal flora of monogastric animals and ruminants by nourishing the beneficial bacteria and expelling the pathogens. The clinical trials run on lambs and pregnant ewes have proved that Prebionat substantially improves the animals' immunity, providing a healthy, nutritional intake while increasing their medium/long-term yield. Moreover:

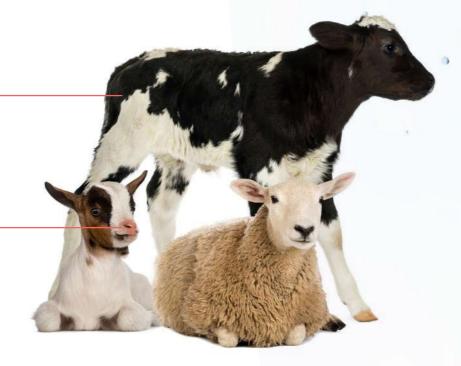
The animals receiving Prebionat grew and were fattened 10% faster, consumed less milk and required a smaller use of antibiotics for the intestinal tract.

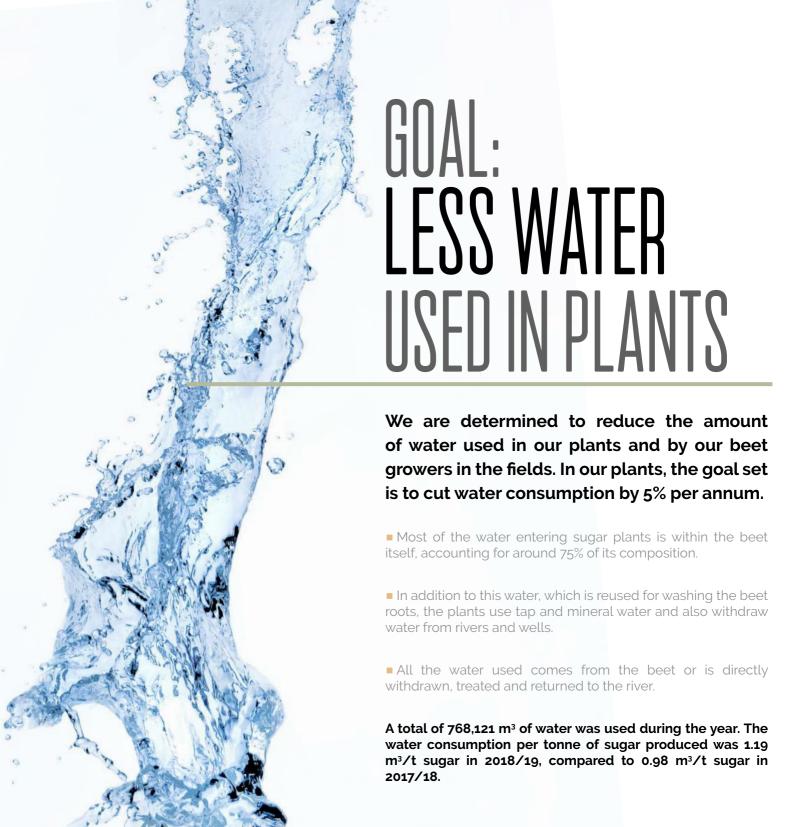
■ The milk production of the sheep fed with pressed beet pulp and Prebionat increased by up to 18%, extending the lactation period and improving their fertility.

This enables us to exploit sugar beet, which is important in Castile-Leon, also in the livestock sector, while underpinning our support for the values of the circular economy.

+10% growth and fattening

+18% milk production





# SEEKING MORE EFFICIENT IRRIGATION IN THE FIELDS

• Our growers manage their own irrigation water for the beet crop. The mission of the field technicians of Azucarera and AIMCRA (www.aimcra.es) is to help them to be more efficient and enhance the time and manner of consuming water in order to achieve optimum development of the crop and avoid unnecessary consumption (and, consequently, reduce the cost of production of the beet).

### (t) of waste produced 2018/19

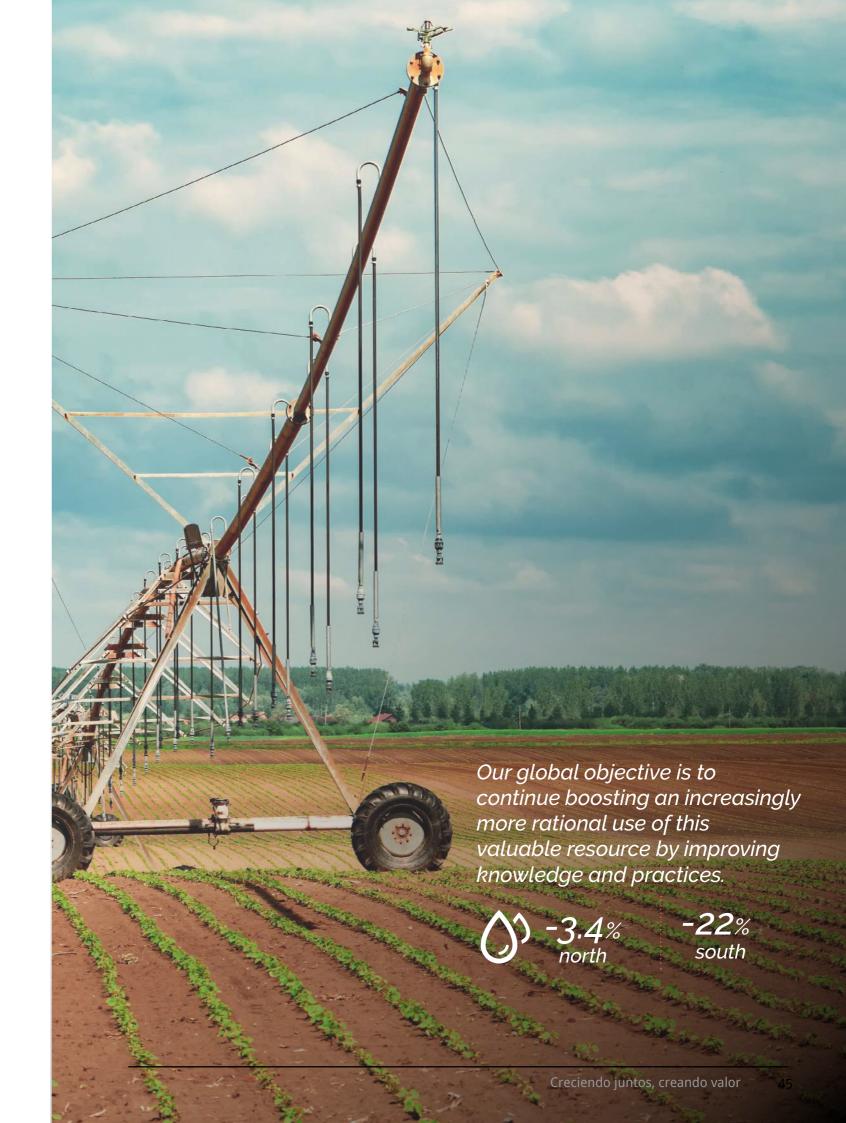
Non-hazardous waste sent to landfill	773
Hazardous waste sent to landfill	24
Recovered hazardous and non-hazardous waste	105.026

# These are the main actions taken in respect of water management in the field:

we have implemented techniques such as remote detection by satellite. This, together with studying the data histories of our beet growers, has enabled us to counsel them better on the crop, maximising the crop yield and quality of the beet obtained while helping them to reduce consumption.

## ■ We continue to promote "solar irrigation":

- Since 2014, more than five thousand beet growers have, through AIMCRA, discovered the environmental and economic benefits of the solar irrigation system.
- This initiative received an award from Nestlé in the "Nestlé Award for Sustainable Supplier"
- Around five hundred farmers now produce 90% less CO2 emissions by not using fuel oil and have reduced the cost of irrigation by 50-70% and achieved a 20% reduction in irrigation water.
- As a result of all these actions, along with those taken in agronomic training and dissemination, water consumption for irrigation was reduced by an estimated 3.4% in the north and 22% in the south in the crop year 2017/2018.





In 2018, Azucarera joined the Circular Economy Pact promoted by the Spanish government. We thus undertook to:



Reduce the use of non-renewable natural resources



Promote analysis of the life cycle of our products



Incorporate eco-design, recycling and innovation criteria in our products



99.2% has been recovered



Focus on a new model of responsible consumption based on transparent reporting

# LESS PACKAGING, LESS PLASTIC

This is a priority for Azucarera because it is for the entire planet. Accordingly, in 2012 we joined the packaging reduction plans of ECOEMBES and since 2018 we have focused on reducing plastic with a specific action plan. The actions taken during the year in this regard include:



Only 1% of our containers are not recyclable



Reduction of the plastic caps on rigid packaging (PPCs)



Reduction of the thickness of shrink wrap on packs (-35%) and pallets (-17%)

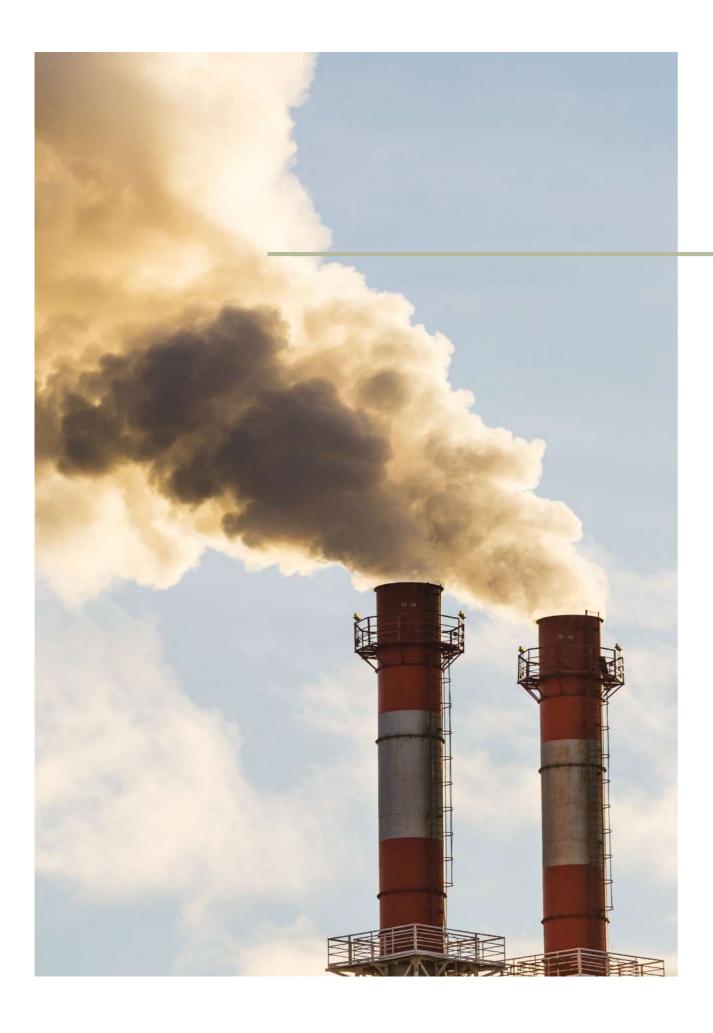


Discontinuation of the 2 kg plastic bags



Reduction of the weight of the icing sugar container (by 12% since March 2019)





# OUR PLANTS TO REDUCE CO<sub>2</sub>

Greenhouse gas emissions are closely linked with energy consumption and energy efficiency. These are some of the actions implemented in this regard:

- We have begun our "Factory of the Future" project, which aims, among other things, to reduce the energy consumption of our plants and seek the best operating practices.
- We have installed technologies to improve cleaning and wetting in our processes in order to reduce the quantity of particles emitted into the air.
- We have taken measures in noise management to prevent, remedy and improve the impacts of noise at the Miranda sugar factory.
- In Jerez, Toro and Miranda, the lights have been replaced with led lighting.
- We make energy audits of our workplaces to detect areas for improvement.
- Other actions to reduce energy consumption.

- We generate sustainable energy in the high efficiency cogeneration plants established in our four production plants, using natural gas as the main energy source.
- We use biogas as well as natural gas to produce steam. That biogas is obtained from anaerobic digestion in wastewater treatment plants.
- Very little use is made of coal, diesel and wood and such use is limited to specific stages of the process.
- No fuel oil was used in our factories in 2018.
- During the campaigns, the Azucarera production plants generate their own electricity.
- Any surplus energy not consumed in our plants is sold to the grid. The surplus electricity sold during the reporting year was 82,505,225 kWh, equivalent to 112% of the energy consumed by the company.

## Sources of energy consumed 2018/19

Natural gas	690,271,209
Biogás	21,589,627
Electricity	73,685,437
	157 t
Steam	646,555 t
Coal	5,871 t
Wood	23 t

# RESULT:

# FEWER EMISSIONS IN THE YEAR, BOTH DIRECT AND INDIRECT

The carbon footprint is an environmental indicator that reflects "the total greenhouse gas emitted as a direct or indirect result of the activities of a particular individual, organization, event or product". Three types of emissions are distinguished to calculate the carbon footprint:

### **EMISSIONS GENERATED IN TONNES OF CO2 EQUIVALENT**

Scope	2017/2018	2018/2019
Scope 1 (emissions produced through the combustion of fuels consumed)	147,231	141,425
Scope 2 (indirect emissions generated by imported electricity)	5,914	3,701
Scope 3 (generated in transport and the ponds process)	88,811	41.357
Total	241,953	186,483

# A FEW FIGURES:

We have reduced total greenhouse gas emissions from 241,953 tonnes of CO2 equivalent in 2017/2018 to 186,483 tonnes of CO2 equivalent in the reporting year.

 0.29 tonnes of CO2 were emitted per tonne of sugar, counting only the fuel consumed in our factories. In the previous year emissions were 0.30 tonnes of CO2 per tonne of sugar.

We have set a five-year target for reducing our greenhouse gas emissions per tonne of sugar obtained, aiming to reach emissions of 0.226 tonnes of CO2 equivalent per tonne or sugar sold by 2022/2023





# SUSTAINABILITY OF BEET TRANSPORT

# TO THE PRODUCTION PLANT...

Around 150 lorries enter our plants to deliver beet during the sugar campaign, which means approximately 80,000 trips a year. This is what we have done to minimise the impact: En torno a 150 camiones entran en las fábricas para entregar la remolacha durante la campaña azucarera, lo que suponen unos 80.000 desplazamientos anualmente. Esto es lo que hemos hecho para minimizar su impacto:



Continue implementing **GPS geolocation systems** to 2018/2019 campaign of **15**% optimise routes and waiting times.



Set the target for the of the total fleet of lorries registered in 2014 or later.



Set a target of an annual increase of 10% in that proportion.

Through these measures, we aim to reduce the estimated emissions in beet transport by 17% by 2022 in respect of 2018/2019.

# ... AND ALSO FROM THE PLANTS TO **OUR CUSTOMERS**

In December 2018, we embarked on a new model of transport management, with which we have achieved significant operating benefits, enhanced collaborative management with the company's suppliers and environmental improvements:

- Introduction of management systems and route optimisation through geolocation and efficient driving indicators
- Increase inter-modality by combining road and rail transport for deliveries to customers
- Incorporation of high-efficiency lorries, use of ECO tyres and undertaking to reduce the average weight of vehicles in order to lower consumption and transport-related emissions
- Delivery digitalisation project to improve speed and cut delivery times

53



# SUSTAINABLE DEVELOPMENT GOALS

In its 2030 Agenda for sustainable development, the United Nations have set 17 Sustainable Development Goals (SDGs) to achieve and guarantee sustainable economic, social and environmental growth. Azucarera has identified the SDGs aligned with our strategy.



	Responsible use of resources	Rural development	Prosperity & well-being of communities	Ethics and responsibility
ODS1 No poverty		1 factory job = 10 external     €1 generated internal = €3.90 external		Support for Fair Trade (Fairtrade mark)
ODS2 Zero hunger			■ 13,900 kg sugar donated	
ODS3 Good health and well-being		"Cultivating Prevention" Programme	Occupational hazard prevention plan and technical and operating procedures     'Healthy company' plan     Plan for development of task procedures and digitalisation of critical procedures     Burn risk reduction plan     Prebionat (animal welfare)	"The health and safety of our workers is priority
ODS4 Quality education		Training of 2500 growers (Agroteo and Aimcra) Cultivating Prevention' Programme Informing on efficient use of inputs	7.104 hours training of employees     Apprentice and graduate programme     International work experience programme     Arrangements with education establishments	Agronomic training and education     Support for education
ODS5 Gender equality		Female beet growers group	21% headcount are women     Equality plans     Cross-cutting diversity group     Women's business forum     Measures to enhance work-life balance: teleworking, flexibility & support for families     Equality officer	Azucarera Code of Conduct     Protocol for action     against sexual and moral     harassment
ODS6 Clean water and sanitation	Fostering reduction of water consumption in plants and fields     Wastewater treatment and reuse of water     Checking of spray irrigation systems	Irrigation Room     Irrigation counselling for growers     Remote sensing to control water needs		Environmental management policy and integrated, permanent, constant global action by Azucarera team
	In plants:  Energy audits  High efficiency cogeneration at plants  Installation led lighting  Factory of the future* project Infelds:  Precision agriculture  Boosting of solar irrigation  Irrigation room*	Informing on energy efficiency     Counselling on energy for irrigation     Promotion of solar irrigation and financing of investments in energy efficiency		Plans for efficient use of energy and reduction of emissions in fields and plants
ODS8 Decent work and economic growth	AIMCRA     Agroteo	■ AIMCRA ■ Agroteo	Employee training and development     Apprentice and graduate programme     International experience programme     Arrangements with education establishments     Development of talent	■ €15.9m (tax) ■ Azucarera Code of Conduct ■ Supplier code of conduct
ODSg Industry, innovation and infrastructure	Full exploitation of raw materials through by-products     Use and promotion of renewable energies     Energy efficiency plans     Precision agriculture, remote sensing and Big Data	Precision agriculture, remote sensing and big data	Cooperation with AIMCRA Agroteo, serving growers By-products for livestock, fields and industrial use	Investment of €7.9m during the year     €7.76m in past 6 years     Circular economy model
ODS10 Reduced inequalities	Raw cane sugar. EPA-EBA countries     Fair Trade     Bonsucro	For beet: custom contracting, promotion seeds, advance payment for crops, shared crop, zero-cost financing (machinery, etc.)     Agroteo services, counselling and information     AIMCRA to improve crop and yield	Social actions with local communities (visits, solidarity races, education establishments, etc.)	Anti-corruption and anti- bribery policies     Fair trade
ODS11 Sustainable cities and communities	Wastewater treatment Recycling and reuse of waste Energy efficiency plans Compliance with environmental criteria in beet crop		Ill Award Best Beet Grower Andalusia     Cooperation with local NGOs and associations     Factory visits by beet growers (over 400) and other groups     94% local suppliers     Livestock sector	Communication and social networks
ODS12 Responsible consumption and production	Precision agriculture Reduction of water consumption in plants Use and promotion of renewable energies Optimisation of packaging More than 99% of waste is recycled 99% recyclable plastic	True Potential* good agricultural practices programme Remote sensing for use of nitrogen	Food safety High quality standards	Publication of CSR Report and Non-financial reporting statement Covadis Platform SAI Silver certificate Bonsucro: supply chain certification
ODS13 Climate action	Reduction of CO <sub>2</sub> emissions in processing and growing 'Factory of the future' project Techniques to reduce particles emitted in plants Sun-drying of pulp Efficient waste management Recycling of packaging Target to improve emissions reduction in transport	<ul> <li>Energy efficiency plans</li> <li>Reduction of CO<sub>2</sub> emissions</li> </ul>		Environmental management policy and integrated, permanent, constant global action by Azucarera team     Environmental assessments and mitigation plans     Ervironmental management system     Circular Economy Pact
ODS14 Life below water				
ODS15 Life on lands				
ODS16 Peace, justice and strong institutions				Azucarera Code of Conduct     Anti-corruption and anti- bribery policies     Anti-harassment policies     Declaration on Modern Slavery
ODS17 Partnerships for the goals			Cooperation with local NGOs and associations     Factory visits by stakeholders	AIMCRA     Agroteo     Alliances and arrangements with scientific institutions and universities

55

Creciendo juntos, creando valor











