



## Sustainability report 2019

## CONTENTS

EXECUTIVE SUMMARY: SUSTAINABILITY	1
SUSTAINABILITY REPORT	3
Stakeholders	4
Focusing in what is relevant	4
ABOUT ALIMENTOS ESPAÑOLES ALSAT	6
Mission and vision	6
Transformation in history	7
Organisation	9
Products	11
Markets	15
Production capacity, infraestructura and supply chain	16
FOCUSED ON SUSTAINABLE MANAGEMENT	21
Ethics and integrity	21
Sustainable agricultural supply	23
Quality and Food safety	32
Respect for the environment	35
Decent and secure employment	43
Commitment to society	46
Respect for human rights	47
Sustainable economic management	48
APPENDIX	52
GRI content index	52

## EXECUTIVE SUMMARY: SUSTAINABILITY

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In this third consecutive year we present our sustainability report. With it, we are very proud to be able to comply with an exercise in transparency as well as we did in previous years. This report, however, has been closed in a context of difficulties and uncertainty due to



the Covid-19 crisis, and, although it should have been published earlier, as usual, it has had to be delayed.

The health emergency experienced worldwide has been a challenge that all of us have been forced to face, and it has been a great satisfaction to continue producing industrial derivatives with tomato as a fundamental ingredient and to advance in our responsible management model, fulfilling our objectives without putting our supply system at risk and promoting among our suppliers those aspects related to sustainability that we believe are essential for the fulfillment of our business.

However, this crisis has ratified the need to put our stakeholders, the most important part of our system, at the center and to make an effort to respond to their needs even in the most difficult moments. Now more than ever, we have to be close to people and strengthen the relationship of trust with all those who make ALSAT possible. Employees, suppliers and customers are, without any doubt, our fundamental pillars and we have a commitment and a responsibility towards them. The inclusion of new standards such as Halal in our business model, have served us not only to expand the consumer market of our products but also to reinforce all the aspects that we consider basic in human treatment and that already have been developing in our company in the last years, especially through our Code of Conduct and our commitment as active members of Sedex: respect for people, regardless of race, sex or religion, the safety and health of workers, integrity in our businesses. In addition, through this document we reaffirm one more year our commitment to the 10 Principles of the United Nations Global Compact.

We have an uncertain future: the global emergency created by the pandemic, together with the temperature increases that have been taking place in recent years make us think that there will be many difficulties that will arise but we are sure that with dedication and

compliance, working hand in hand with our suppliers and clients, we will be able to overcome adversity and continue to meet our objectives. In this context of economic difficulty, it is more necessary than ever that this commitment to the local provider continues to grow.

In this year, we can highlight a considerable increase in production as well as in sales, which has led us to increase the supply of national/local suppliers. Our commitment to local development continues to become even more evident, since the percentage of total investment continues to grow.

Betting on responsible business models is now more important than ever. Throughout this report, you will find the results in those areas on which we generate the most impact.

*Miguel Ángel Martín Antequera*

*CEO and Managing director of Alimentos Españoles, ALSAT, S.L.*

## SUSTAINABILITY REPORT

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This Sustainability Report constitutes the second sustainability report published by Alimentos Españoles ALSAT S.L. and its purpose is to communicate reliable and accurate information on the company's economic, environmental and social impacts, as well as its contributions (positive or negative) to the objective of sustainable development.

Alimentos Españoles ALSAT wishes to show its different stakeholders its sound commitment to minimising the impacts of its actions and to share the commitments assumed with regard to Corporate Social Responsibility; that is, the manner in which the company contributes to achieving the aim of sustainable development.

In the same way that we did last year, the contents of the report have been defined considering the most relevant matters for ALSAT and its stakeholders. The report has been prepared according to the criteria and contents established in the Global Reporting Initiative (GRI) guide for the Preparation of Sustainability Reports in its latest version "Consolidated Set of GRI Sustainability Reporting Standards 2016".

General and specific contents are included according to the GRI guide, applying the indicators it establishes, which can easily be located by consulting the Appendix GRI content index.

The highest governing body of Alimentos Españoles ALSAT S.L., in the figure of its CEO, is ultimately responsible for approving this sustainability report, thus verifying that the details are a correct and accurate reflection of company policy.

This report has not been submitted for external verification. The Sustainability Report is planned to be presented on an annual basis.

For any matters relative to this Sustainability Report 2019 please contact:

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## Stakeholders

Alimentos Españoles ALSAT S.L. has identified its stakeholders, as well as the interests they share with the company.

- |              |                    |                   |
|--------------|--------------------|-------------------|
| 1. Employees | 2. Suppliers       | 3. Sector         |
| 4. Customers | 5. Locas community | 6. Administration |

A continuous dialogue is held with the stakeholders, based on transparency and good governance. The aim of the dialogue with the different groups is to ascertain their expectations, so that these can be interiorised, and to analyse their viability and opportunism and to assimilate them in the strategic management of the company. This implies a continuous and close relationship with all stakeholders through the different communication channels of the company, including:

Employees	Suppliers	Customers
<ul style="list-style-type: none"> <li>Web page</li> <li>Noticeboard</li> <li>Informative circulars</li> <li>Workers' committee</li> <li>Health and Safety Committee</li> <li>Personal interviews</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Field visits</li> <li>Field book</li> <li>Audits</li> <li>Training sessions</li> <li>"Mesa del Tomate" (tomato bureau) association</li> <li>Web page</li> <li>Fairs, congresses and forums</li> <li>Working meetings</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Web page</li> <li>Working meetings during visits</li> <li>Email</li> <li>Fairs, congresses and forums</li> <li>Satisfaction surveys</li> </ul>
Local Community	Sector	Administration
<ul style="list-style-type: none"> <li>Web page</li> <li>Local fairs</li> <li>Social group visits</li> </ul>	<ul style="list-style-type: none"> <li>Web page</li> <li>Fairs, congresses and forums</li> <li>Working meetings</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Official documentation</li> </ul>

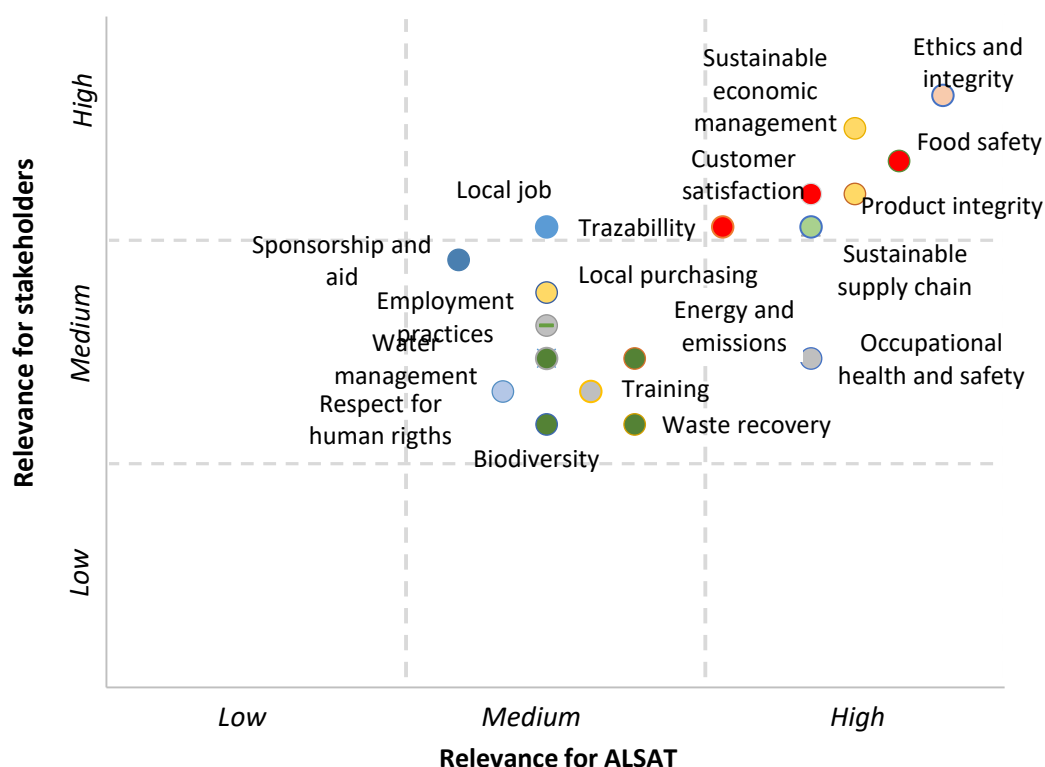
## Focusing on what is relevant

The contents of the report have been defined considering the most relevant matters for ALSAT, which are the aspects that have been identified as generating the most concern

among our stakeholders, and especially those that bear the greatest influence on the activity of ALSAT.

Employees	Suppliers	Customers
<ul style="list-style-type: none"> <li>Local employment</li> <li>Ethics and integrity</li> <li>Working conditions</li> <li>Health and safety</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Ethics and integrity</li> <li>Contract conditions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance and service capacity</li> <li>Quality assurance</li> <li>Food safety</li> <li>Traceability</li> <li>Sustainable supply chain</li> <li>Environmental sustainability</li> <li>Requirements of consumers with special needs (Coeliac, Ecological, Baby-food, Kosher, Halal).</li> <li>Innovation</li> <li>Customer satisfaction</li> <li>Local employment</li> </ul>
Local Community	Administration	
<ul style="list-style-type: none"> <li>Social cooperation</li> <li>Local employment</li> </ul>	<ul style="list-style-type: none"> <li>Legal compliance</li> </ul>	

To this end, a materiality analysis has been performed, establishing and evaluating the most relevant aspects relating to the activity of ALSAT and which are shown in the materiality matrix below.



## ABOUT ALIMENTOS ESPAÑOLES, ALSAT

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### ***Mision and vision***

We are Alimentos Españoles, ALSAT S.L., a company in the processed vegetable sector that produces high-quality aseptically packaged tomato paste, diced tomato and tomato pulp. Our head office and factory are located on the Isaac Peral Industrial Estate in the town of Don Benito, in Badajoz, Spain



**Our mission is to produce industrial products adapted to the specific needs of the manufacturers of products in which tomato is the main ingredient**

Our vision is to be a benchmark company with regard to quality, our way of doing business and the behavioural guidelines we offer to all the company's stakeholders: employees, customers, suppliers, public institutions, the sector, the local community and society in general.

Our values constitute our philosophy as a company. The principles that regulate management in ALSAT are:

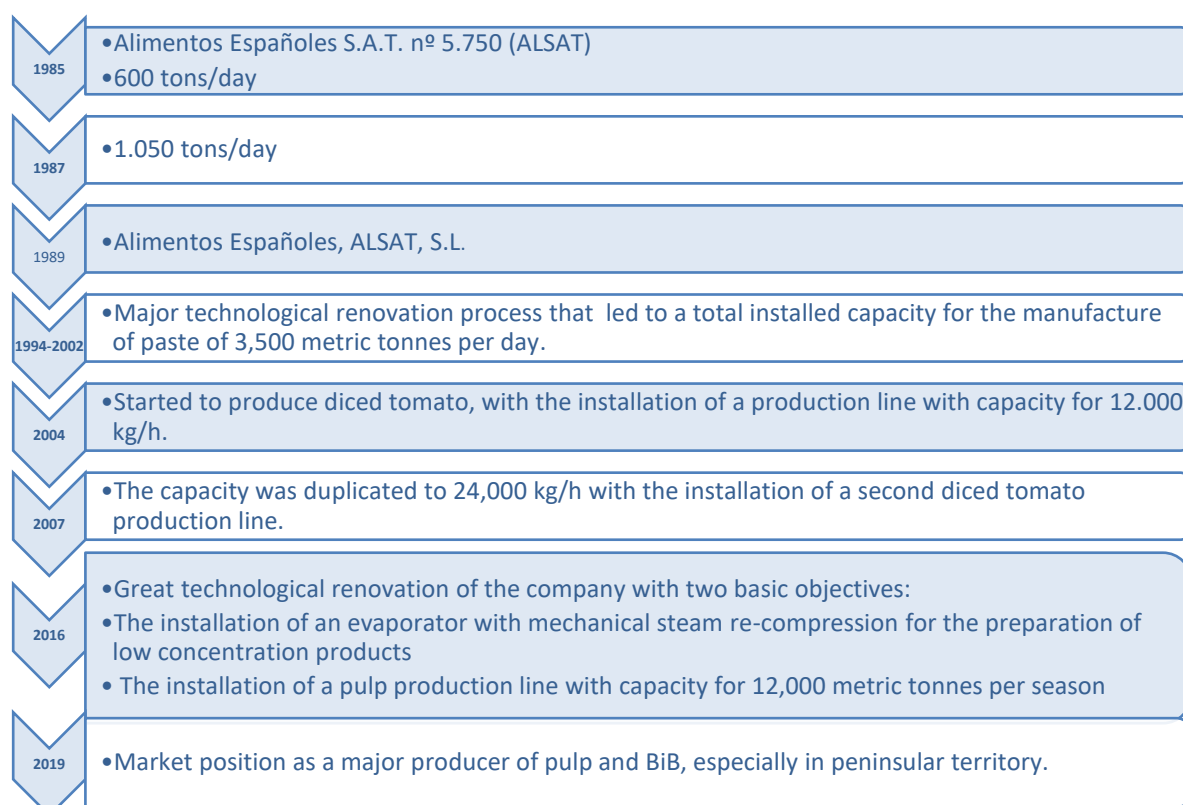
- ~ The capacity and willingness to adapt technically and technologically to the specific requirements of our customers.
- ~ Rigor, discipline and effort in the products we make and the services we provide.
- ~ Product quality and safety.
- ~ Honesty in our business relationships with customers and suppliers.
- ~ Integrity and respect in all our business activities.
- ~ The prioritising of personal development, collaboration and teamwork.



**We are committed** to satisfying the requirements of our customers, to producing safe and legally compliant foods, to the obtaining of positive economic results, to the training and skill development of the company's staff and to maintaining the best working conditions, to compliance with environmental legislation and with society. In short, to **sustainability**, which we describe in the section Focused on Sustainable Management which sets out not only the aims of our Management Policy but also the results and management indicators.

### **Transformation in history**

Alimentos Españoles ALSAT S.L. was founded in 1985 under the legal form of agricultural processing company (Sociedad Agraria de Transformación, or S.A.T.) with the name of ALIMENTOS ESPAÑOLES S.A.T. No. 5.750 (ALSAT). When the CENTUNION Group entered the shareholding structure of the Company in 1987 the company was transformed into a limited liability company, a process that was completed in 1989 giving rise to the current name of ALIMENTOS ESPAÑOLES ALSAT, S.L. The name of ALSAT was maintained as a brand and in reference to its origins although with no reference to its new legal form



ALSAT was the first Spanish company in the industrial tomato sector to package 100% of its products aseptically when the traditional “Hot-pack” system was still very common and aseptic processing and filling processes were struggling to replace the traditional system.

To begin with, the modern facilities of ALSAT were 100 % dedicated to the manufacture of tomato paste with an installed capacity of 600 metric tonnes per day of fresh tomato.

In 1987 a second production line was installed for paste, increasing the total capacity to 1,050 metric tonnes per day of fresh tomato.

1994 saw the commencement of a major technological renovation process, aimed at both increasing capacity and specialising in the manufacture of high-viscosity Hot Break pastes, in great demand on the market, with the installation of different production lines (1994, 1998 and 2002) which led to a total installed capacity for the manufacture of paste of 3,500 metric tonnes per day.

In 2004 ALSAT also started to produce diced tomato, with the installation of a production line with capacity for 12,000 kg/h of diced tomato, once again undertaking during that year a widescale modernisation and automation process. Just 3 years later the capacity was duplicated to 24,000 kg/h with the installation of a second diced tomato production line.

2016 saw the latest “great technological renovation” of the Company, with an ambitious investment project that had two basic objectives:

~ The installation of an evaporator with mechanical steam re-compression for the preparation of low concentration products as well as increasing the efficiency of the existing concentration equipment, reducing energy consumption and reducing CO2 emissions to the atmosphere.

~ The installation of a pulp production line with capacity for 12,000 metric tonnes per season of these products.

In 2.109 there has been a record production in the history of Alsat for diced tomatoes and tomato pulp with 33.375 Tm.

Turnover 2019: 33.328.493,76€  
Tonnes of raw material processed 2019: 173.875.740  
Employee: 88 workers  
(expressed as equivalent number of workers/year).

## Organisation

Alimentos Españoles ALSAT S.L. belongs to the group headed by CENTUNION, Española de Coordinación Técnica y Financiera, S.A., an engineering company that uses the most advanced processing techniques, coordinating and undertaking the various technical, economic and financial stages of industrial facilities, from the project stage up to commissioning. The activities of CENTUNION began in the nineteen-sixties, coinciding with a period of strong industrial development in Spain, when the company collaborated on important projects by Spanish and foreign companies that participated in the massive industrial investment that was being made in Spain at that time. The sound prestige obtained owing to its achievements in the domestic market, and its in-depth knowledge of the Spanish capital goods manufacturing industry led to a natural opening to the export market, in which CENTUNION participated, finally becoming an extremely relevant company within the export sector for major capital goods and complete industrial plants. In recognition of its work, for several years CENTUNION has obtained the Export Awards



presented by the Chamber of Commerce and Industry of Madrid, with which this institution distinguishes the most outstanding company with regard to export.

The CENTUNION Group comprises the following companies:

- ~ CENTUNION, Española de Coordinación Técnica y Financiera SA, an engineering company and contractor dedicated to the design and construction of industrial plants.

- ~ ALCALAGRES, S.A. is a company that manufactures and markets high quality Integral Porcelain Tiles, for use in paving and flooring with high technical requirements.
- ~ CENTRADE S.A., a company specialised in overseas trade.
- ~ ALIMENTOS ESPAÑOLES, ALSAT S.L.

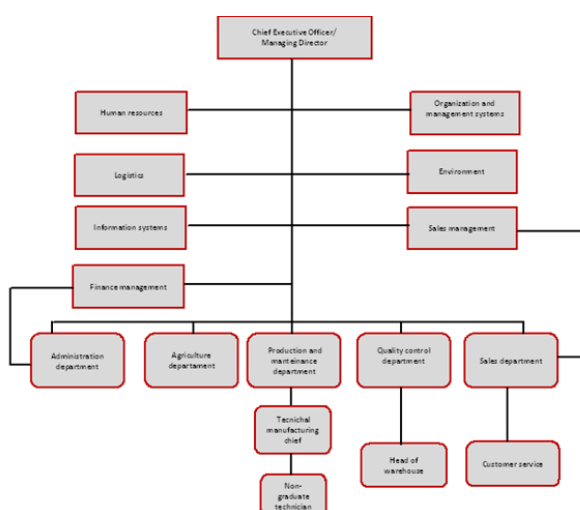
## Governance

The maximum governing body of Alimentos Españoles ALSAT is the Board of Directors, which establishes the aims and strategic lines of action. The Board of Directors determines, identifies and manages the impacts, risks and opportunities relative to economic, environmental and social matters, delegating the general management, organisation and strategic coordination of the company to the Chief Executive Officer.

## Human team

The total number of employees in 2018 was 80, of which 33 are permanent and the rest correspond to temporary hires (permanent discontinuous and temporary) taken on mainly during the production period, which runs from the end of July until the end of September (2 months), depending on the year.

The total number of employees was 88, corresponding to 22 women and 66 men. And the number of days worked was 32.019.



*Organisation chart of ALSAT which represents the relevant Departments and positions*

## Associations

Alimentos Españoles ALSAT belongs to the AGRUPACIÓN ESPAÑOLA DE FABRICANTES DE CONSERVAS VEGETALES (AGRUCON, Spanish Processed Vegetable Manufacturers' Association) an organisation that sets out to group together companies that manufacture

processed vegetable products and to represent, promote and defend their common interests.

The company also belongs to the Centro Tecnológico Agroalimentario Extremadura (CTAEX, Extremadura Agricultural and Food Technological Centre), a non-profit business association, the aim of which is to offer common services of research, development, innovation, analysis, training and information to contribute to the competitive development of companies of the agri-food sector and to consumer safety.

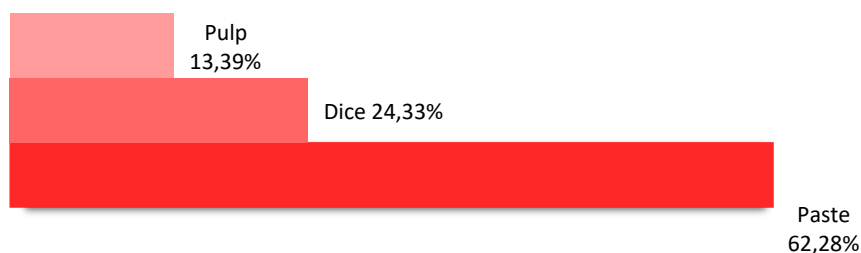
CTAEX acts in the South and West of the Iberian Peninsula as a technological benchmark, participating in advisory services for projects and in the consolidation of competitiveness in the agri-food sector by means of innovation, technological development, training and the provision of services to agricultural and agri-food companies. ALSAT has been a member of SEDEX since 2009, assessing its competences in the 4 pillars. These audits take into account all the relevant aspects with regard to health and safety, human rights, the environment and business ethics (4 pillars).

### **Products**

ALSAT, within the processed vegetable sector, has specialised in the processing of fresh tomatoes, offering a wide variety of aseptically packed products originating from concentration and transformation processes applied to a high-quality raw material from plantations that are permanently controlled by our technical services.

All of our products are suitable for coeliac, vegetarian/vegan diets and for those with lactose intolerance, as well as for Halal and Kosher diets.

Product Type	Revenue %
<i>Paste</i>	62,28
<i>Dice</i>	24,33
<i>Pulp</i>	13,39



## Paste

In the range of paste products, we apply HOT and COLD Break procedures for their processing. In these processes, the product is obtained via the concentration of fresh tomato after the elimination of skins and seeds and a sieving process. ALSAT has different production lines to prepare the following products:

The tomato paste obtained with Cold Break technology is a product with excellent organoleptic properties (good flavour,

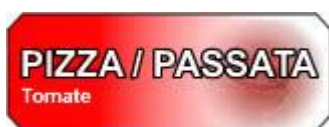


colour and a sweet aroma) with a certain degree of serum separation and a medium level of consistency in a product suitable for direct consumption, juices and low viscosity sauces. The inspected and selected tomato is pulped and heated to a temperature of between 55 °C and 70 °C, a temperature that does not cause the complete

inactivation of the pectic enzymes but guarantees appropriate performance in the subsequent processing stages. In the case of this product, both of lower concentration (28/30) and higher concentration (36/38), the product presents less consistency than in the case of Hot Break, but it has a fresher flavour and more colour.



The tomato paste obtained using Hot Break technology is a high-fibre product, with a high consistency and little serum separation, making it ideal for high viscosity products, such as certain types of sauces, ketchup and similar products. In the processing with this technology the tomato selected is finely pulped and heated to the required temperatures (close to 100 °C) for the inactivation of the pectic enzymes, obtaining an ideal paste for processing. Of the products prepared with this technology, apart from the 28/30 (which presents a high consistency with little separation between its phases) the S-23 is the product with the



highest fibre content. ALSAT is one of the few companies of the sector that currently has the appropriate technology for the manufacture of products of this type, where the tomato juice undergoes a centrifugation process prior to concentration. Both products are of low concentration and may be presented with seeds (as in the case of passata) or without seeds (as in the



case of pizza or pasta sauce, where the product presents a lower concentration than that of passata). They are used as a base for the preparation of sauces (such as, for example, pizza sauce which, as its name indicates, is used for the preparation of pizzas).

### ***Dices***



A product presented with pieces of tomato in their own juice. In the production process for diced tomatoes, the inspection and selection of the tomato is followed by a first stage named thermo-physical peeling, after which it is diced and mixed with low-concentration tomato juice. It may be prepared with the addition of calcium (which helps to maintain the integrity of the pieces, obtaining a product with firmer pieces) or without (fresher flavour but with a more fluid appearance). This diced tomato in juice is used to make all kinds of sauces for dishes and condiments.



### ***Pulp***

This type of product is also presented in its own juice. The



previously inspected tomato is heated with steam and cut into slices which are extruded and partially drained before being blended with their own juice. Tomato Pulp is used in the preparation of sauces and condiments.





## Packaging

These products are marketed in different types of packaging according to the needs of our customers:

### Bag In Box

This type of format is used to pack all kinds of products manufactured by ALSAT with a weight of 10 or 20 kg.



### Drums



This is the most usual format, which is used to pack all kinds of products. Depending on the product to be packed, the weight of the different formats ranges from 215 kg (in the case of diced tomato, pulp or passata) to 240 kg (in the case of 36/38 Cold break).

### IBCs

This format is also used to pack all types of products. The weight is 1.350 kg.



### Big bags

The weight of this format is 850 Kg is used to pack all kinds of products too.



Type of packaging	% tons packaged product
BIB	11,91
Drums	65,14
IBCs	22,94



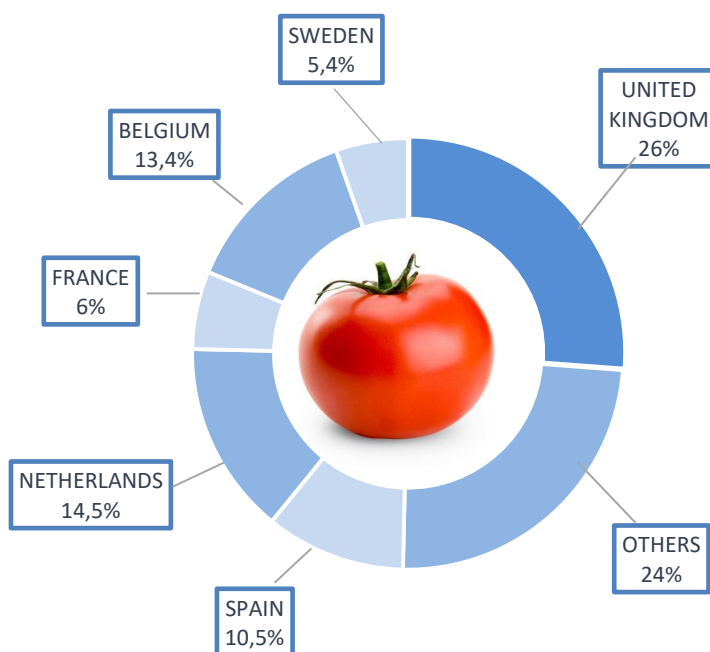
Our brand Natureza, is a registered trademark in some countries of the EU (such as the Benelux, France, Germany, Spain and Italy) and protected by means of an international trademark (IR) in other European countries (such as Denmark and Sweden). Furthermore, the ALSAT brand is registered as a community trademark throughout the EU. The company is considering registering a new trademark, “Natureza by Alsat”, at European Community level.



Committed to the region of Extremadura in Spain, ALSAT has joined the initiative set up by the regional government for the promotion of products cultivated, processed and packaged in Extremadura via the seal of identity “Alimentos de Extremadura”, which is publicised in our communications and on our corporate website.

### Markets

In ALSAT almost 90% of our production is destined for export:



### ***Production capacity, infrastructure and supply chain***

The site is located in Don Benito, and has an area of more than 80.000 m<sup>2</sup>, with 38.000 m<sup>2</sup> of outside storage and 14.525 m<sup>2</sup> indoor.



38.000 m<sup>2</sup> of outside storage space



80.000 m<sup>2</sup> of facilities



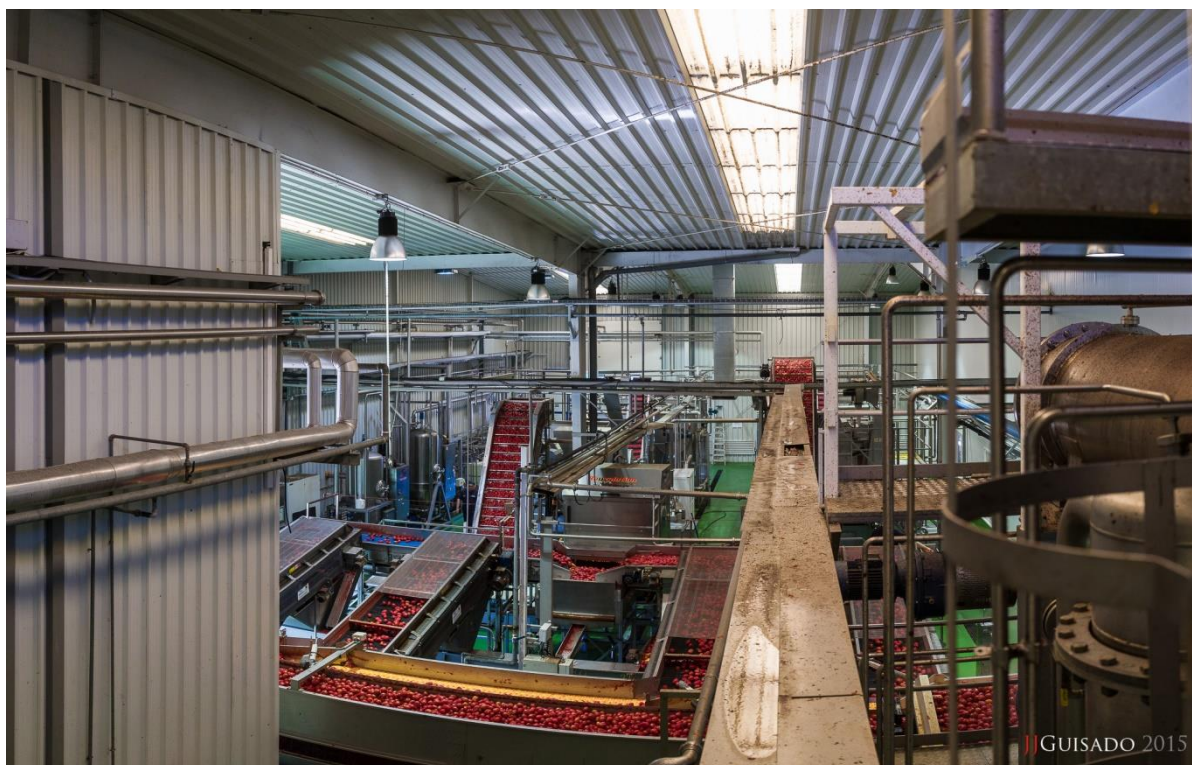
Location: Polígono industrial Isaac Peral (Don Benito) SPAIN



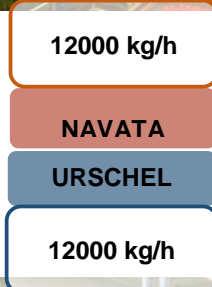
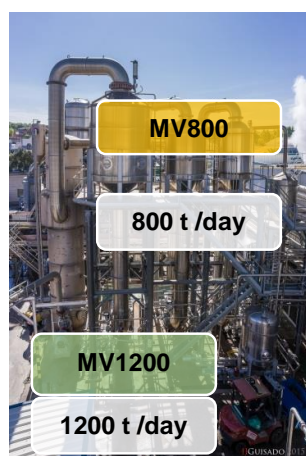
14.525 m<sup>2</sup> of indoor area

Focused on acquiring the latest technology, the fresh tomato processing facilities were expanded and improved in 2016, introducing a tomato pulp production line. In the last 3 years, and with the aim of continue with the modernization process, the extraction equipment have been renewed successively, to complete this process with the installation of the last new turboextractor in 2018. This equipment have been installed not only to minimize the electric consum per tons of raw material but to increase the efficiency during extraction too and, as a consequence, decrease the quantity of byproducts. In addition, a boxing line has been installed in order to automatize the filling process. This will not only help to the workers but increase the efficiency of the process too.

Since its creation, ALSAT has continued to increase its production capacity, having now reached an input capacity of more than 200.000 tonnes of fresh tomatoes per season, with production lines for paste, diced tomato and pulp.







**Concentrate line**  
3500 t /day



**Pre-concentrator**  
**THOR**

**M2-14-MVR**

13000 kg/h  
Evaporated

## Supply chain

Our main suppliers are local producers of fresh tomato, farmers advised by our Technical Department in the achievement of sustainable agriculture .



We have a total of 112 farmers grouped into 11 OPFH (Organisations and Associations of Producers of Fruits and Vegetables) most of which operate with a high level of technology .

Our farmer suppliers are located in a close geographical area, within an average radius of 20 km.

All the tomatoes processed at ALSAT are obtained via mechanised harvesting.



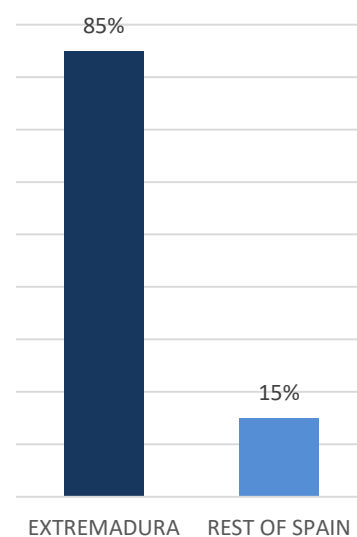
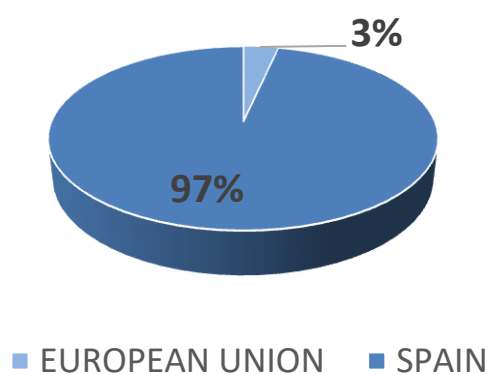
Our other service providers are mainly of national origin:

- ~ Transport companies.
- ~ Accredited laboratories.
- ~ Technical consultation (engineering, quality and food safety standards).

- ~ Waste collection.
- ~ Mutual occupational accident insurance companies (External Prevention Service).
- ~ Water and energy utilities Empresas de transporte.

The suppliers of materials, ancillary raw materials, containers and packaging are mainly of European origin.

### ***Distribution of purchases***



## FOCUSED ON SUSTAINABLE MANAGEMENT

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At Alimentos Españoles ALSAT S.L., our mission is to process industrial products for the manufacturers of products in which the main ingredient is tomato, and we are focused on doing this by means of sustainable management.

Sustainable management is the aim in all our operations, forming part of the sustainability of our business strategy which, in turn, leads us to seek positive economic results and sustainable development.

ALSAT undertakes its management according to a management system with policies and procedures to identify impacts and to manage the risks and opportunities inherent to its activity.

The risks identified and the opportunities detected have led us to commit ourselves and to concentrate on a series of areas for action, the aims and results of which are as follows:

- ~ Ethics and integrity
- ~ Sustainable agricultural supply
- ~ Food quality and safety
- ~ Respect for the environment
- ~ Decent and secure employment
- ~ Commitment to society
- ~ Respect for human rights
- ~ Sustainable economic management

### ***Ethics and integrity***

#### ***Code of conduct***

Our Code of Conduct is a guide that governs the actions and working relationships of everybody in ALSAT (employees and managers) with colleagues, customers, suppliers, institutions and all the people with whom ALSAT has contact.

We ensure that our actions can be “published”

The ALSAT Code of Conduct is applicable to all employees, workers and managers, whether they are permanent or temporary. It is also applicable to anybody with a direct

employment relationship or a collaboration agreement with ALSAT, with responsibility for the reputation of ALSAT and for the perception that other people may have of its image.

The Pillars of our Code of Conduct:

~ Conduct in the company with integrity and respect

*To act with honesty and integrity is to safeguard the image and reputation of ALSAT, to keep it a place where we are all proud to work.*

*Respect for the law and human rights, for people and the environment.*

~ Conflicts of interest

*Correct action with regard to external investments, external employment or families and relations, gifts and favours.*

~ Honest business relationships

*Rejection of practices of corruption, fraud or abusive trading.*

*Business relationships with customers and suppliers based on trust, mutual loyalty, compliance with agreements and fair and equitable practices.*

### ***Code of conduct for suppliers***

At Alimentos Españoles ALSAT, S.L. we have prepared a Code of Conduct for Suppliers as a guide to ensure that our suppliers carry out their professional activities, to the extent possible, according to the standards of social responsibility to which ALSAT is committed. This code includes, therefore, the non-negotiable requirements expected of any supplier who wishes to do business with ALSAT.

ALSAT's suppliers must carry out their activities pursuant to all the legal requirements applicable in all the countries in which they work, including all the laws and codes applicable to the working environment, as well as laws on immigration, civil rights and discrimination due to race, gender or religion.

Furthermore, and as members of SEDEX, we hope, and we encourage this to the extent of our possibilities, that our suppliers will not only accept our code of conduct but also comply with the four pillars that define responsible supply: Human Rights, Health and Safety, the Environment and Commercial Practices (Ethics).

The Codes of Conduct establish systems for reporting behaviours that may involve the perpetration of some irregularity or some act contrary to the law or the rules for action defined in the Code of Conduct or other internal rules or procedures. ALSAT undertakes to



handle and investigate all accusations confidentially. Furthermore, the company undertakes to inform of the results of the investigations and the corrective measures adopted if applicable.

## ***Sustainability agricultural supply***

### ***Local and close farmers***

At ALSAT we maintain a close relationship with our suppliers, especially those of fresh tomato, since this is the basic raw material in our production process. Therefore, we are firmly committed to encouraging sustainable production by our farmers.

The farms of our suppliers are located within an average radius of 20 km. around our facilities.

The technicians of the Agriculture Department of ALSAT pay frequent visits to the tomato farms during the whole cultivation and harvesting period, during which they provide technical advice and guidance in achieving sustainable agriculture, having achieved a high degree of trust and cooperation with our farmer suppliers.

En ALSAT mantenemos una estrecha relación con nuestros proveedores, especialmente con los de tomate fresco, por ser la materia prima fundamental en nuestro proceso productivo, por ello estamos firmemente comprometidos con el fomento entre nuestros agricultores de una producción sostenible.

Furthermore, regular technical training are done with our farmers to reinforce all that is relative to good agricultural practices, and during which the opportunity is also taken to transmit our Code of Conduct. As of the 2018 season, compliance with the Code of Conduct of ALSAT forms part of the contractual documentation signed with our tomato suppliers.



Every year, the Agriculture Department of ALSAT proposes to our farmers the implementation of new measures in order to be able to progress towards a form of agriculture that is more respectful towards natural resources and the social environment.

In 2019 the personnel of the Technical Department of ALSAT paid 1.937 visits to the farms of our suppliers.



### ***Irrigation water as a scarce asset***



As we said last year, the adoption of the most efficient irrigation method possible for each crop will be the road to follow and, in the case of industrial tomato, that method is without doubt drip irrigation, which may make it possible to save between 20 % and 50 % of water compared to furrow irrigation. Furthermore, by using drip irrigation the farmer is able to

achieve a more efficient use of nutrients by the plant, reducing spending on fertilizers and reducing the pollution of aquifers.

Specifically, in the use of the most polluting nutrient from the point of view of the environment, which is nitrogen, a reduction of between 7 % and 31 % has been achieved.

In 2019 drip irrigation techniques were used on 74% of the cultivation area of our tomatoes.

Aware of these advantages, the Agriculture Department of ALSAT has encouraged our farmers to turn over an increasing percentage of their land area to drip irrigation. In the 2018 season, drip irrigation techniques were used on 58 % of the cultivation area of our

tomatoes, and our challenge for the future will be to increase this percentage every year until drip irrigation is used on 100 % of the land.

	2016	2017	2018	2019
% has. Surface drip	55	54	58	58
% has. Subsurface drip	18	14	12	16
% has. Furrow irrigation	27	32	30	26
% farms with drip	82	86	89	93
% farms with drip only	40	49	56	50

> Water saving > Productivity < Fertilizers < Diseases

While subsurface drip is for us the most efficient way to save water (20% more saving than surface drip), in the last years there was a decrease of the percentage of farms but an increase in the number of hectares as well as in the number of farms. This makes us think that we are in the right way.

In 2019 the 50 % of the farms of our farmers use only drip irrigation methods..

Some aspects relating to irrigation water in the Supplier Assessment performed by ALSAT are:

- ✓ Verification of the existence of a system for collection of the drip lines.
- ✓ Verification that the water catchment by our farmers is performed legally.
- ✓ Analysis of the irrigation water. We perform a microbiological analysis of the water in the irrigation channels, rivers and wells.

### ***Responsible use of plant health products***

Management of the tomato crop in integrated production is fundamental for sustainable control of pests and diseases. The farmers of ALSAT belong to Plant Health Advisory Groups, in each of which Integrated Pest Management Technicians advise them at all times regarding the most appropriate control method to fight against any pest or disease. The

control method does not always involve the use of chemical products, and on many occasions one or more methods will be integrated, which may be mechanical, cultural, biological etc. When pesticides are ultimately necessary, a rational use helps to reduce their negative effects with regard to both environmental and economic costs.

Integrated Pest Management Technicians advise our farmers at all times.

Food safety is a critical point in any product offered by companies in the agri-food sector to the final consumer. In this respect, a strict control of the pesticides used on the raw material is essential. In the case of ALSAT, this control begins every season with the preparation of our authorised list of plant health products, which is the result of a detailed study of the legislation in force at European level and the particular restrictions imposed by our customers. Every year, this list forms part of the contractual documents signed with the representatives of the farmers, and furthermore it is delivered individually to each farmer and to all the distribution companies of the area.

At ALSAT we perform an exhaustive control of the plant health products used, providing farmers with our **list of authorised products**

In the field book prepared by ALSAT, the farmers record the plant health products they use throughout the season. Only farmers who have received the appropriate training on the application of pesticides and who therefore have the handler certificate issued by the Regional Authorities are authorised to apply such products to the tomato crops of ALSAT. The books are inspected by the team of our Agriculture Department, to verify that all the pesticides are authorised and that the doses, safety periods and maximum number of treatments per season are complied with.

Only farmers with accredited training are authorised to apply pesticides to the tomato crops of ALSAT

It is also essential to control the machinery used for the application of pesticides. At ALSAT we check every year that our farmers comply with the official inspections performed by the Authorities on equipment of this type, and that every machine used on our crops has been adequately inspected and maintained. This ensures greater precision in the doses applied in

the field, which in turn enables greater economic savings and less harm to the environment.

At ALSAT we are also concerned for the safety of those who apply pesticides. Although they have all received the appropriate training in this subject, on any field visit during which any application is being carried out our technicians verify that all the necessary safety measures are being taken, including the use of personal protective equipment.

Every year we carry out numerous analyses of pesticide residues during harvesting, both on the raw material and on the finished product. In 2018 a total of 169 multiresidue analyses were performed on samples of fresh tomato from plots of land that have been assigned a traceability code, a code that is assigned to each farm and plot with different crop characteristics prior to harvesting.

The process for determining the analyses is as follows:

- ✓ At least 50 % of traceability codes of farms newly incorporated during the season and of farms with any type of incident with regard to pesticide residues the previous season.
- ✓ At least one traceability code of the other farms.

More than 400 pesticide residues are analysed for each sample of raw material.

The analyses check that any concentrations of residues detected are below the maximum limits established each year in ALSAT on the basis of that permitted by the legislation in force and considering the restrictions imposed by our customers. The study of the evolution of the results of the analyses over recent seasons clearly indicates a reduction in the level of residues detected which is without doubt thanks to the joint efforts of the farmers and the technicians of ALSAT.

### ***Huerta ecoánime***

Since 2018, ALSAT collaborates with the sponsorship of an ecological garden through the Ecoánime Foundation.

"Soy ecoánime" is the first project of the Foundation, which consists of the transformation of vacant municipal lands into ecological gardens, promoting entrepreneurship and job



creation, with an economically profitable, sustainable and equitable model, integrating agriculture and ecological food in the local community

### ***Soil policy***

Good soil health is an essential condition in order to maintain good yields in the long term. In the case of industrial tomato, it all begins with the choice of the field in which the crop will be cultivated. Land with a steep slope should not be used for the cultivation of tomatoes, since it increases the risk of loss due to erosion. It is also necessary for the soil to have a good structure, and to achieve this it is fundamental that, on the one hand, ploughing is performed appropriately and at the right time and, on the other hand, its content in organic matter should not be neglected.

We advise our farmers to carry out a regular analysis of the soil with the aim of monitoring the nutrient balance and to apply only the fertilizers required by the crop, thus preventing the contamination of aquifers and the increase in running costs.



It is particularly important to monitor fertilisation with nitrogen, taking extreme care in areas declared vulnerable to contamination by nitrates, where the law requires that the limit of 200 units of fertilizer should not be exceeded in tomatoes

In 2019, 36 % of farms carried out at least one soil and/or leaf.

### ***Crop rotation***

Crop rotation is essential to ensure sustainability, since when soil is not rotated it will eventually become totally unproductive. In the light of the monoculture that is traditional in the area, ALSAT encourages crop rotation, with maize being the most usual crop and crops such as sunflower, rice and some cereals such as wheat or barley being included to a lesser extent in these rotations.

The farmers of ALSAT are advised by the technicians of our Agriculture Department in taking decisions to maintain healthy soils in the long term in which to cultivate their tomatoes.

A minimum crop rotation is considered to be a requirement in our Supplier Assessment.

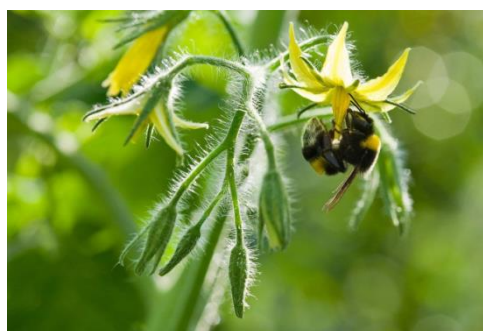
#### **NEW CHALLENGE**

One of the innovative practices that we have been recommending in recent years and which ALSAT wishes to introduce is the “Cover Crop”. This is an autumn crop that is sown after each tomato harvest, whether it be a cereal or a legume, which will be ploughed under before planting the new tomato crop the following year. This system helps prevent soil loss owing to erosion, fix excess nutrients from the previous crop and increase the content of organic matter in the soil.

There are more than 100 hectares now

### ***Seeds***

ALSAT recommends and encourages the cultivation of approximately 20 different varieties of tomato, distributed by 6 seed marketing companies which each year certify that all their varieties are obtained by traditional methods and are therefore not genetically modified. For the farmers who supply ALSAT the use of genetically modified varieties is not permitted.



### ***Favouring biodiversity***

The development of agriculture has led to a significant deterioration of the native flora and fauna in the majority of agricultural areas. Any human activity, including agriculture, should not cause any additional loss of biodiversity, rather, it should strengthen it wherever possible. Each farm contains unproductive spaces such as borders, the edges of lanes and

ditches that could be managed by the farmer as a natural habitat. This is the basis for the development by the company Syngenta of an international biodiversity project named “Operation Pollinator”, which sets out to boost the populations of pollinating insects in the agricultural sector, via the creation of habitats adapted to local insect species and conditions.

One of our most important suppliers of raw material has been participating in this project for several years, and we at ALSAT are monitoring it very closely.

### ***Assessment of tomato suppliers***



Alimentos Españoles ALSAT uses a methodology to determine the risk level of producers who supply fresh tomato and every year audits are performed on all the farms. Some of these are “internal”, carried out by the personnel of the Agriculture Department, and others are

external, performed by an independent body.

A risk factor is deemed to be any circumstance or situation likely to cause a breach of the requirements established in the “ALSAT Producers Good Practices Protocol”, and a risk profile is understood to be the classification according to the assessment of a series of risk factors, in relationship with the possibility of breach of the requirements established in the “ALSAT Producers Good Practices Protocol”.

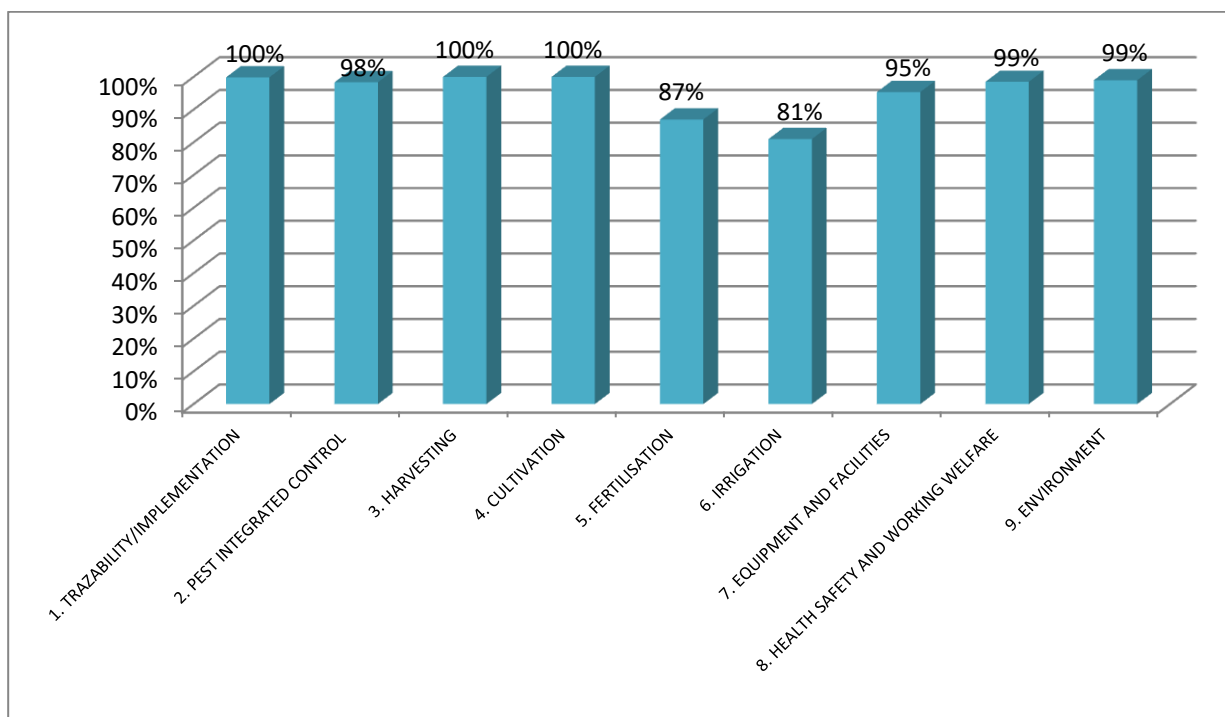
A series of aspects or requirements has been established as risk criteria which influence compliance with the requirements established by ALSAT. The requirements are divided into K.O., Critical, Non-Critical and Recommendations, according to their importance.

During 2019 the following audits have been carried out:

- Audits by an external body (Ingeniería Consultoría Mejora S.L.): 20
- Agriculture Department of ALSAT: 47
- % of farms audited: 100%

Below is a summary of the results for the year 2019, showing the percentage of overall compliance for each control aspect:





### **Quality and Food safety**

At Alimentos Españoles ALSAT, S.L. our aim is to achieve the entire satisfaction of our customers by supplying products and services with maximum levels of quality, food safety and legality, incorporating differentiating elements that enable us to reach a position of leadership in the manufacture and marketing of our products around the world.

With this in mind, Alimentos Españoles ALSAT, S.L. has implemented and certified a Management System based on the contractual standard UNE-EN ISO 9001:2015 and on the Food Protocol of the British Retail Consortium (BRC) Global Standard for Food Safety, with Grade A in the latest.

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#### **Objectives defined in our Management Policy:**

- ~ *To understand, identify and satisfy the requirements of our customers as well as their needs and expectations, in addition to the legal and regulatory requirements applicable in each case.*
- ~ *To assume our obligation and responsibility for producing safe and legal products, establishing to this end the necessary technical and management measures to improve Food Safety in all our products and processes.*

- ~ *To obtain the level of quality required for each product, performing the different control activities established in the applicable procedures and instructions.*
- ~ *To provide our customers with the best possible information on the presence of potentially allergenic ingredients in our products.*
- ~ *To have the necessary level of flexibility to adapt to the requirements of our customers in a changing and increasingly competitive global market.*
- ~ *To seek the constant improvement and technological innovation of our facilities, making them the most advanced in the sector, to produce the best quality foods and improve their health and hygiene conditions, always considering the environmental variable in the planning and development of our activities.*

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In view of the high level of awareness of Alimentos Españoles ALSAT, S.L. with regard to the safety of its products, the necessary control and management elements have been established to assure our customers that the ingredients used in the manufacture of our products originate from raw materials that have not been genetically modified.

### ***Customer satisfaction***

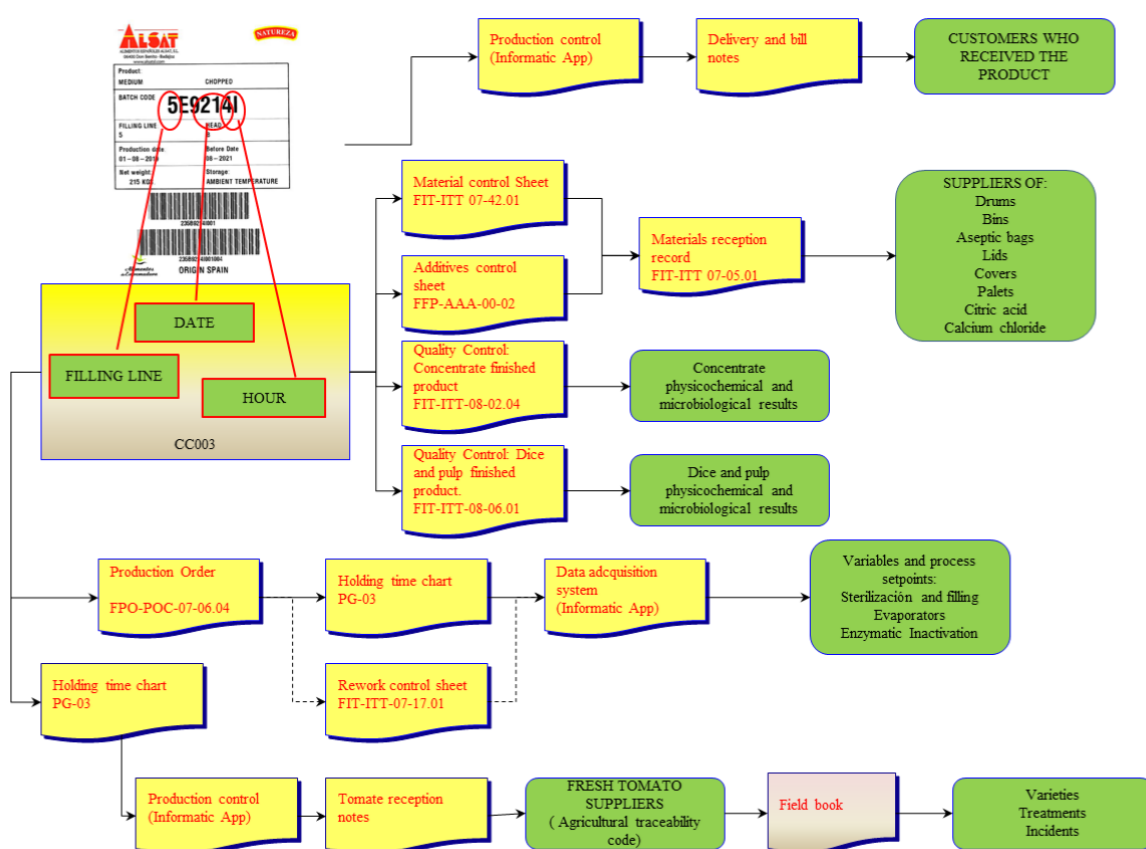
To assess the satisfaction of our customers, we evaluate certain aspects by means of questionnaires:

- ~ commercial (approachability of sales team, manner, response)
  - ~ regarding the product (complies with expectations, agreed specifications, quality-price),
  - ~ food safety (it is safe, the packaging is appropriate and safe, health and hygiene conditions)
  - ~ delivery (lead time, response capacity)
  - ~ regarding the documents delivered (they are understandable, arrive on time).
- general assessment

## Trazability

The monitoring of traceability at ALSAT is completed for all the elements that comprise the prepared product, including not only the raw material (tomato) and the additives or ancillary raw materials but also the elements that comprise the container and packaging.

An identification system is used based on a traceability code of the end product, which allows us to follow up the product both forwards and backwards, by referring to all the records described in the different Process Datasheets or in the technical instructions. Thus, and based on a traceability code, it is possible to determine the date, time and filling line of the product:



ALSAT has carried out a thorough study to determine the time required by the raw material to travel from its unloading to each filling line, depending on the type of product manufactured and the process used.

For the traceability system in the field we have established a series of codes for each one of the plots of the farms of our supplier farmers, in order to distinguish between the different activities performed in them. It is essential to establish different traceability codes for all the plots in which different operations are likely to take place.

With the implementation of an ERP system, all the data of every plot will be available instantly, automatically and faster. In addition, this system will allow to integrate the whole process since crop to sale (from the farm to the table) in a clear and simple way, including the information about the stage of the tomato production in every moment, as well as the plot where tomat has been planted.

The verification of this system at origin is carried out annually by personnel of the Agriculture Department of ALSAT, as well as by the external company that performs audits of the suppliers, the result being recorded in the corresponding assessment of tomato suppliers.

### ***Respect for the environment***



At ALSAT we are aware of the importance of minimising the impacts on the environment caused both by our own activities and by those of our suppliers. Therefore, we use best practices to optimise the consumption of resources and we manage our waste appropriately.

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#### **Objective defined in our Management Policy :**

*To consolidate our commitment to the Environment, seeking at all times to prevent pollution and to minimise, to the extent possible, the environmental impact of our activities*

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We require our suppliers to have the same attitude, and we acquire, via the acceptance of our Code of Conduct (suppliers), their commitment to compliance with the applicable environmental legislation.

This concern with respect for the environment has led us to constitute, together with other companies of the sector in Extremadura, a regional operational group with the purpose of intensifying the identification and management of the environmental impact caused by our activity.



TomPrint focuses on the identification and management of the environmental impact of the industrial tomato, from its sowing in greenhouses until the end product, the processed tomato, is obtained. This evaluation of the life cycle will allow an exhaustive analysis to be made of all the inputs/outputs of each one of the stages of the process, from the greenhouse, via the field, and up to the obtaining of the final product in the processing company. To achieve this, we use what are known as the Water Footprint and the Carbon Footprint, sustainability indicators to establish the impacts of the production processes on environmental assets.

The main aim of TomPrint is to mitigate the environmental impact caused by the industrial tomato in Extremadura, detecting the stages of the production cycle in which it is possible to act to reduce the water and carbon footprints of the growing of the plant, the development of the crop in the field and the processing of the tomatoes as a processed product in the industry. To achieve this aim, a series of specific technical objectives has been established:

- ~ To develop a computer application that reflects all the stages of the production cycle of the tomato, and which will provide at the end of the season the water and carbon footprints of the industrial tomato.
- ~ To create a versatile application, adapted to each one of the main tomato processing companies of Extremadura that belong to the Operational Group.
- ~ To achieve independence in data management, allowing confidentiality of the specific stages of each processing company.
- ~ To manage the environmental impact quantified via the computer application, paying special attention in subsequent seasons to the stages of the production process that generate the greatest impact.
- ~ To enable replication to other companies and in other agri-food sectors, via the dissemination of the results.
- ~ To achieve continuity of the application in the processing companies after completion of the project

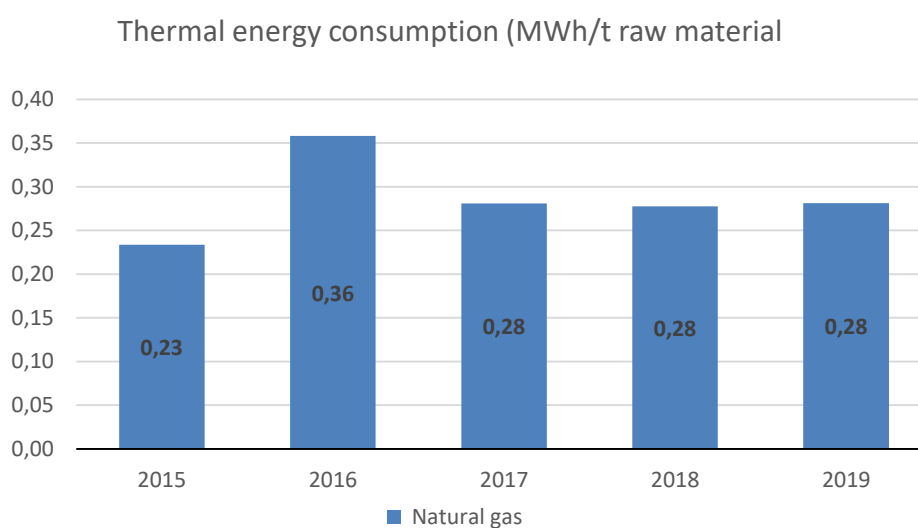
This project has managed to collect very valuable data such as the identification of the main source of carbon emissions into the atmosphere in agricultural work: the burning of stubble. With this information, ALSAT has encouraged workers to use the plant in the area that manages this type of vegetable waste, which degrades this stubble at no cost to the farmer, producing a double benefit: on the one hand, avoiding carbon emissions as far as possible due to this cause, and on the other hand, using this stubble as an energy source when generating biomass.

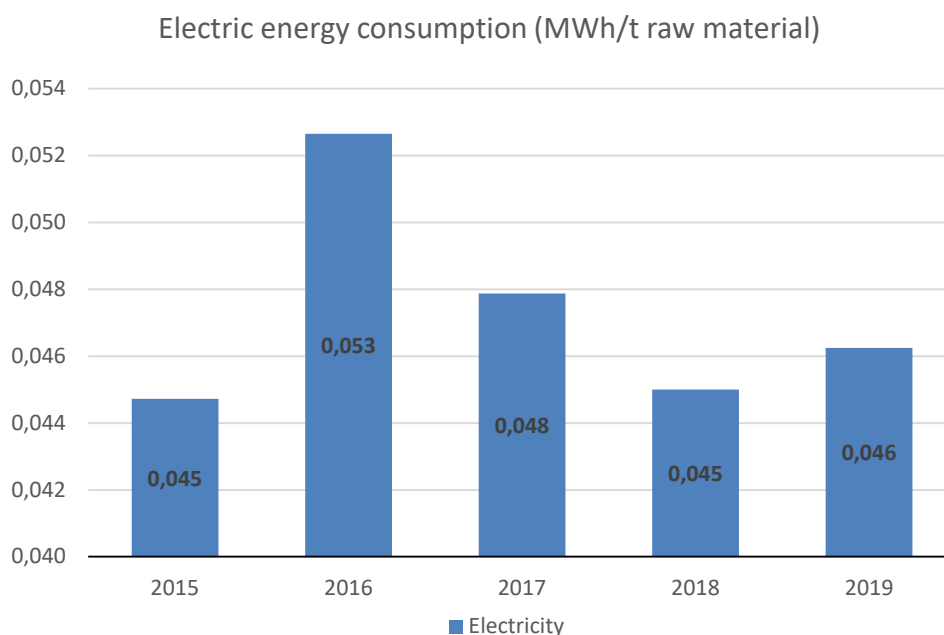
### **Materials**

Below is a list of materials related to the manufacturing processes, apart from the main raw material used, the tomato, which is described in detail in other sections.

MATERIAL	Unit	Nº units	% reutilization
Drums	Unit	173.128	10,33
BIB (boxes)	Unit	176.804	-
IBC	Unit	10.216	-
Pallets	Unit	43.282	9,3
Aseptic bags	Unit	360.148	-
Calcium chloride	Liter	43.813	-
Citric acid	Kg.	47.850	-

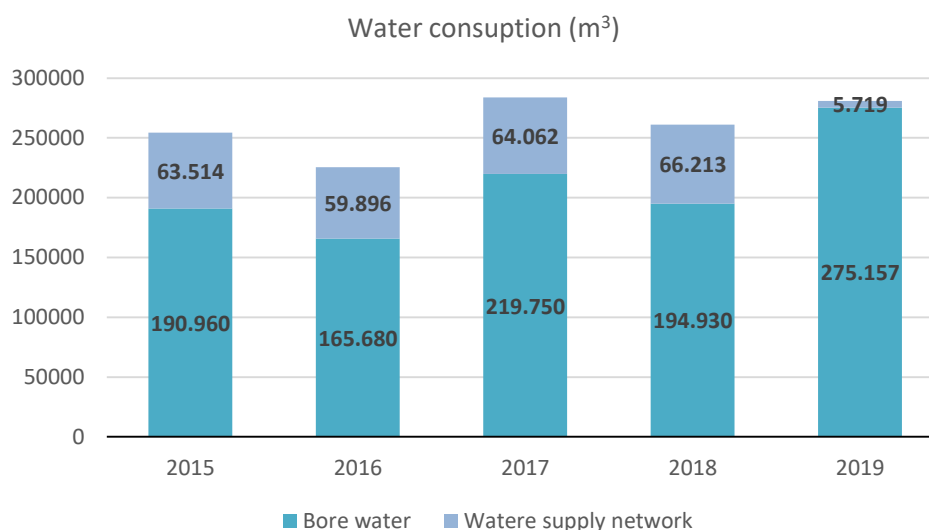
### **Energy consumed in the organisation**





\*2016: a lower volume of raw material compared to that considered initially owing to adverse climatic conditions led to the equipment not working at maximum capacity, causing the “wasting” of some resources such as water.

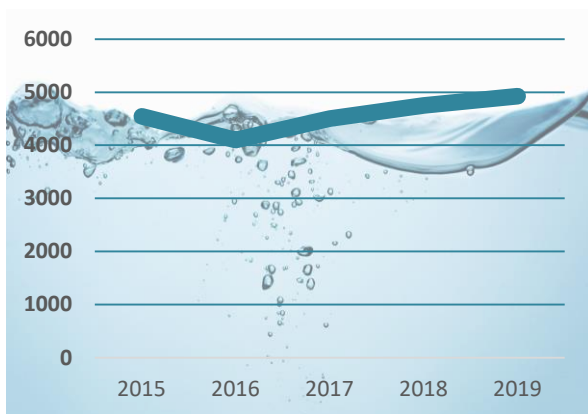
### Water and extraction per source



We have increased the amount of water from wells and considerably reduced the amount of water from the supply network by having our own water treatment plant, which makes the process more efficient by reducing the energy used both for extra transport and for water treatment, since it comes from the public network; furthermore, the cost of water treatment is lower.



450-550 m<sup>3</sup>/h to transport the tomato pass through the treatment plant and return to the transport channel.



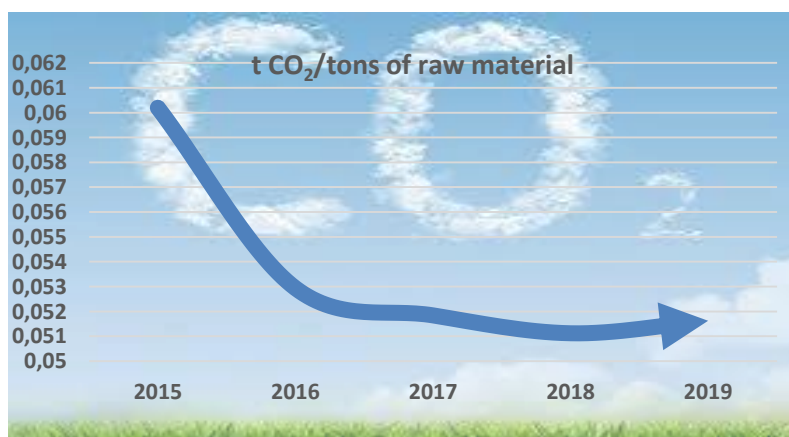
*m<sup>3</sup> consumed /day of the season*

### **Biodiversity**

The facilities of ALSAT are located in an urban area and no area with biodiversity is affected. Regarding the encouragement of biodiversity on the farms of our tomato suppliers, this has already been amply explained in the section “Sustainable agricultural supply”.

### **Direct GHG emissions**

As in the previous year, the decrease in our emissions has been considerable and is now constant at lower levels.



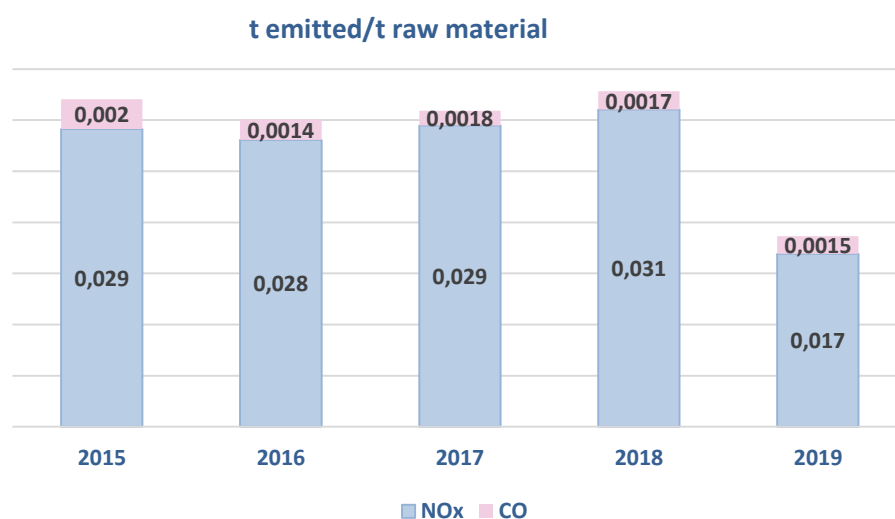


Tear	Tomato (tons raw material)	CO2 EMISSIONS(t)
2014	165.469	9.805
2015	152.515	9.182
2016	124.294	6.580
2017	158.432	8.214
2018	156.653	8.009
2019	173.876	8.977

### Other polluting emissions

We regularly control the emission of other contaminants such as the following:

	2014	2015	2016	2017	2018	2019
CO t/year	0,481	0,302	0,18	0,283	0,263	0,264
NOx t/year	5,137	4,445	3,49	4,668	4,716	2,943



## ***Effluents and waste***

<b>NON HAZARDOUS WASTE</b>	<b>Tons</b>
Scrap and drums	0
Plastics	6,3
Card	11,6
Wood waste	101,847
Urban solid waste	18
Municipal waste not specified in another category	195,6
Sludge from in-situ treatment of effluents*	2.344,3
Stones, sand, plant pieces	1.043,98
Materials not suitable for consumption or processing	4.307,38

All the waste that we generate is removed by authorised managers. With the sludge generated by the treatment plant (and pursuant to the regulations in force on the use and application of treatment sludge for agricultural use, Annex IA of Royal Decree 1310 /1990 and Order AAA/1072/2013), ALSAT annually carries out the operations described below so that this sludge can be allocated to agricultural use:

- Analysis of the soil receiving the treatment sludge generated during the season.
- Analysis of at least three samples of treatment sludge.
- Communication to the competent Authority, “Information from the Waste Water Treatment Plant”, of the quantity of sludge obtained and the use to which it is allocated.

The “municipal waste” corresponds to non-conforming product waste and packaging material waste that contains waste from such product (mainly aseptic bags). The hazardous waste generated in the production process of ALSAT is limited to that deriving from maintenance and cleaning operations and the activity of the analysis laboratory; all of this waste is handed to authorised managers.

HAZARDOUS WASTE	Tons
Used oils	0,329
Cleaning cloths impregnated or contaminated with hazardous substances	0
Batteries and oil filters	0,125
Other solvents and mixture of non-halogenated solvents	0,035
Laboratory waste	1,56
Containers with hazardous substances or contaminated by them	0,615
Fuel oil and diesel	0
Waste that contains hydrocarbons	0
Aerosol sprays	0,157

### **Water discharge**

	Median	Maximum	Minimum
Suspended solids (mg/l)	20,09	34,80	4,23
DBO5 (mg/l)	17,62	24,97	5,88
DQO (mg/l)	67,27	96,67	22,67
Total nitrogen (mg/l)	3,18	12,30	0,05
Total phosphorus (mg/l)	0,74	1,90	0,03
Chlorides (mg/l)	144,66	176,39	86,15
Total coliforms (U.F.C. / 100 ml)	10,38	600	0
Faecal coliforms (U.F.C. / 100 ml)	181,97	5900	0
Escherichia coli (U.F.C. / 100 ml)	0,07	3	0
Faecal enterococci (U.F.C. / 100 ml)	3,61	100	0
Effluent flow m/day	5437,50	6973	838
Total effluent flow m <sup>3</sup>	292.753		

### ***Environmental assessment of suppliers***

As has been explained in the section “Sustainable agricultural supply”, ALSAT has implemented a methodology for the assessment of its suppliers in which one of the control points is the Environment and where aspects such as the following are assessed:

- ✓ Keep the farm free from dumping and rubbish.
- ✓ Have the delivery notes for management of non-hazardous waste.
- ✓ Manage the containers of plant health products correctly via SIGFITO.
- ✓ Store the empty containers of plant health products correctly.
- ✓ Have evidence of the management of oil waste and filters.

In 2019 the level of compliance reached in the point corresponding to “environment” was 99 %. In relation to environmental compliance, during 2019 no incidents were recorded in ALSAT relating to the environment that has led to fines or sanctions.

#### **NEW CHALLENGE**

Implementation and certification of an environmental management system pursuant to the UNE-EN ISO 14001:201 standard

### ***Decent and secure employment***

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#### **Objective defined in our Management Policy:**

*To guarantee a level of training, skill development and motivation of all the personnel of the company appropriate for the performance of the activities, clearly oriented to the satisfaction of our customers and environmental awareness, and to involve them, with their contributions and participation, in achieving Continuous Improvement.*

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The total number of employees is 88, of which 33 are permanent, and the rest correspond to temporary contracts (fixed discontinuous and temporary) taken on mainly during the production period, which runs from the end of July to the end of September (2 months), depending on the year.

The total number of employees in 2019 was 88, of which 22 were women and 66 men. The number of days worked was 32.019

In ALSAT we respect our employees and all people regardless of their differences or similarities, and we are committed to maintaining a workplace with no situations of discrimination or harassment.



### ***Collective bargaining agreement***

All the workers of ALSAT are covered by the Collective Bargaining Agreement in force for the Processed Vegetable sector.

### ***Occupational health and safety***

ALSAT has an external prevention service, which is responsible for providing annual training to those workers who need it. A risk assessment report is prepared (falls, overexposure to heat, handling of loads, electrical hazards) as well as a report on noise

and the planning of preventive actions. According to this assessment, in the last years there has been an improvement in aspects such as:

- ~ Reduction of exposure to noise owing to the increased use of individual acoustic protective equipment.
- ~ Reduction in the number of symptoms (dizziness, etc.) due to dehydration or overexposure to heat: increased cooling of areas with greater risk/time.
- ~ Work in confined spaces: increased training of personnel.
- ~ Work at height: anchor points have been increased as has the awareness of the personnel: No accidents have occurred in the last 3 years with falls to a different height of over 2 metres. Increased use of elevator platforms that make the task safer.
- ~ Unloading and handling of chemical products: improvement in the control of the activity due to advice from the safety coordinator: no accidents in the last 3 years.
- ~ Increased lighting in the offices, as well as in the necessary points.
- ~ Better signing of evacuation routes.

~ There is increased awareness and training of the personnel in the use of PPE (personal protective equipment).

~ Once per month, the job positions and risks are reviewed in case risks should arise in such jobs. These are inspection visits. Disminución de la exposición al ruido por el aumento del uso de las medidas individuales de protección acústica.

At ALSAT the workers are represented on the Health and Safety Committee with 2 Delegates for the workers and 2 Delegates for the company.

In the table below, we can see types of accidents and accident frequency rates, occupational diseases, days lost, absenteeism and number of deaths per occupational accident or occupational disease:

ACCIDENT RATE OF OWN PERSONNEL	2016	2017	2018	2019
	13	15	20	23
Number of accidents	12	12	15	20
Men	1	3	5	3
Women	5	6	11	11
With sick leave	4	6	9	8
Men	1	-	2	3
Women	8	9	9	12
Without sick leave	8	6	6	12
Men	-	3	3	-
Women	128	220	439	394
Number of days lost	73	220	300	317
	55	-	139	77

### **Training**

ALSAT provides all its workers with annual training; this training is especially aimed at both food safety and occupational safety, which prepares us for the preparation of safe foods and in an environment that is in turn safe for the workers.



- ~ Training in food safety for all personnel, whether permanent or temporary. In the case of permanent staff, training is provided not only on the basic principles of hygiene but also on the most relevant aspects (CCPs and on HACCP in general).
- ~ Training on the prevention of occupational risks, for all personnel, whether permanent or temporary.
- ~ Specific training, for qualified/technical personnel (permanent personnel), especially on the handling of newly installed machinery, such as the evaporator, new sterilizer-filler, new pulper and training on the handling of certain parameters of the metal detectors.
- ~ Specific training for technicians: English courses, auditor of systems such as BRC and IFS, and ISO 9001

Number of hours of training/no. employees in 2019

On the other hand, ALSAT is committed to training in all areas of education, welcoming students from all educational levels into its company for internships, highlighting those students who come from both professional training and university. ALSAT has signed agreements with both the University of Extremadura and with high schools in the region

### ***Committed to society***

At ALSAT we believe that it is important to contribute to the development and progress of the area surrounding our facilities. Therefore, we are committed to our town, Don Benito, our district, the Vegas Altas del Guadiana, and the region where our suppliers grow their produce, Extremadura




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#### ***Objective defined in our Management Policy :***

*To consolidate our commitment to Society by cooperating in social, cultural and sports activities.*

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ALSAT has collaborated in recent years with various initiatives mainly connected to sport and culture, including football and basketball teams, padel tennis, cycling and marathons.

The company also cooperates with cultural associations and popular events and especially with not-for-profit organisations dedicated to responding to the social needs and demands of the area. In this respect, ALSAT continues with its constant and unconditional support for local sport, which is reflected in the sponsorship of renowned competitions, such as the Guadiana Cycling Circuit, and by being the official sponsor of Club Deportivo Don Benito (the town's football team) and collaborating objectively with the majority of the sports activities in our town specially helping to Basketball Nursery Schools, as well as Women's Football, Féminas Don Benito F.C. (volleyball, athletics and swimming, among others).

During 2019 the amount of ALSAT's social contribution was 18.962 euros.

### **Respect for human rights**

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#### **Objective defined in our Management Policy :**

*To maintain the best working conditions to obtain the satisfaction and security of the workers, favouring respect for all of our employees and all people regardless of their differences or similarities with regard to race, ethnicity, gender or religion, and considering any intimidating or threatening behaviour to be unacceptable.*

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ALSAT rejects all forms of forced or child labour, as well as other breaches of the most fundamental rights, as set forth in its Codes of Conduct, both internal and for suppliers, being guided by the fundamental principles included in the Universal Declaration of Human



Rights and the Fundamental Conventions of the International Labour Organization.

Since 2009, ALSAT has been a member of Sedex, an international non-profit organisation that aims to enable improvements in trade practices and supply chain ethics, and the company regularly submits to audits, the results of which are available to our customers.

Both external audits and self-audits of questionnaires are carried out to meet Sedex requirements, where all the relevant aspects with regard to health and safety, human rights, the environment and business ethics (4 pillars) are taken into account. Furthermore, by adhering first to the UN Global Compact, as well as reaffirming our commitment to the

10 Principles of the UN Global Compact, we feel even more committed to its principles, highlighting the first two which literally state that "business should support and respect the protection of internationally proclaimed human rights within its sphere of influence and ensure that it is not complicit in human rights abuses.

### ***Sustainable economic management***

Alimentos Españoles ALSAT favours sustainable economic management and its commitments include that of obtaining positive economic results for an appropriate development of the company and that of its workers, favouring sustainable economic management above and beyond compliance with the applicable regulations

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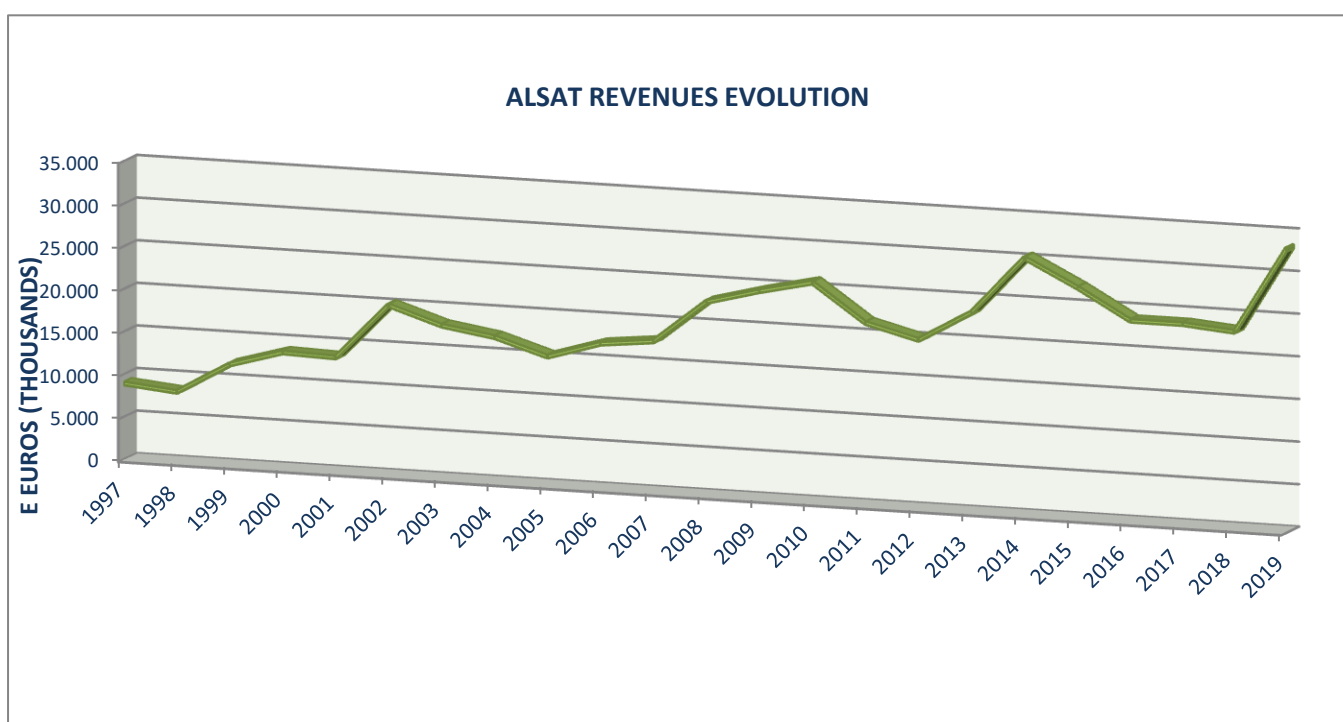
#### ***Objective defined in our Management Policy:***

*To obtain positive results during the manufacturing seasons for an appropriate development of the company, and that of its workers*

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Alimentos Españoles ALSAT is a 100% privately owned (CENTUNION group) Limited Liability Company with a share capital of €8,005,320.

Its annual turnover varies since it depends to a certain extent on the primary sector and the agricultural harvests, having a clear trend for growth over time.



### *Direct economic value generated and distributed*

	2015	2016	2017	2018	2019
<b>Revenues (Net sales)</b>	27.214.779	23.706.293	23.722.843	23.193.068	33.328.494
<b>Raw Material Costs</b>	10.214.571	9.021.474	11.014.515	10.300.507	11.790.528
<b>Raw Material Transport Costs</b>	809.874	662.040	822.955	796.280	920.295
<b>Finished Product Transport Costs</b>	2.439.894	1.864.845	2.355.473	2.693.895	3.614.326
<b>Employee Remuneration</b>	1.962.335	2.112.364	2.189.034	2.116.872	2.334.784
<b>Donations to the Benefit of the Community (**)</b>	15.940	18.696	17.107	15.050	18.962

(\*\*)Value returned to the community

### *Financial implications and other risks and opportunities due to climate change*

	2015	2016	2017	2018	2019
<b>Expenses for control and monitoring of emissions</b>	200	176	183	231	230
<b>Expenses for waste management</b>	4.226	8.050	8.953	12.148	9.372
<b>Expenses for effluent control</b>	8.490	8.490	8.490	8.481	8.481
<b>Environmental liability insurance</b>	3.278	3.328	3.378	2.784	2.826

### *Market presence*

The collective bargaining agreement in force at ALSAT guarantees equality of starting salaries for men and women. The salary is higher than the minimum established, as expressed in the Smeta (SEDEX) audits in which this fact is corroborated and highlighted.

ALSAT adopts the criterion of promoting and favouring the hiring of employees in the geographical area in which the company performs its activity, also encouraging local people

to reach positions of management and responsibility in the company. Currently, 86% of positions of responsibility are held by local personnel from the region of Extremadura.

### ***Local suppliers***

Alimentos Españoles ALSAT maintains a strategy for the creation of value in the region in which it operates. The purchase volume, especially of raw material, the tomato, as well as supplies from auxiliary industries and service provision companies during the year leads to indirect employment. The following table shows the percentage of purchase volume, highlighting that with local suppliers:

	<b>Extremadura</b>	<b>Rest of Spain</b>	<b>European Union</b>
<b>Raw material (inc. transport)</b>	13.722.020	-	-
<b>Drums</b>	758.755	838.598	217.643
<b>Bags/boxes</b>	157.673	1.320.366	228.884
<b>Spare parts</b>	177.459	206.413	64.444
<b>Pallets</b>	277.891	-	125.812
<b>Fuel-oil/diesel</b>	-	-	-
<b>Other 6025</b>	95.948	322.381	-
<b>Total</b>	15.189.746	2.687.758	636.783
<b>%</b>	82,04	14,52	3,44

ALSAT is committed to the fight against corruption and, for internal regulation and incentivisation of ethical behaviour, the company has a Code of Conduct for all its employees and trading partners. The document sets out ethical lines that serve as guidance in the taking of decisions in order to act with integrity in the market and to guarantee ethics in our trading relationships. Alimentos Españoles ALSAT has never received complaints of unfair competition, fraud, or anti-competitive behaviour.

## APPENDIX: GRI CONTENT INDEX

Contents		Page
Topic	GRI Standard	
ORGANIZATIONAL PROFILE		
Name of the organization	102-1	3
Activities, brands, products and services	102-2	11
Location of headquarters	102-3	6
Location of operations	102-4	6
Ownership and legal form	102-5	7
Markets served	102-6	15
Scale of the organization	102-7	9
Information on employees and other workers	102-8	10
Supply chain	102-9	19 and 23
Significant changes to the organization and its supply chain	102-10	16
Precautionary principle or approach	102-11	21
External initiatives	102-12	10
Membership of associations	102-13	10
Statement from senior decision-maker	102-14	1
Key impacts, risks, and opportunities	102-15	21
Values, principles, standards, and norms of behavior	102-16	6 and 21
Mechanisms for advice and concerns about ethics	102-17	21
Governance structure	102-18	10
Delegating authority	102-19	10
Chair of the highest governance body	102-23	10
Identifying and managing economic, environmental, and social impacts	102-29	21
Highest governance body’s role in sustainability reporting	102-32	3
List of stakeholder groups	102-40	4-5
Collective bargaining agreements	102-41	43
Identifying and selecting stakeholders	102-42	4
Approach to stakeholder engagement	102-43	4
Key topics and concerns raised	102-44	5
Entities included in the consolidated financial statements and in the parameter of this report	102-45	N/A
Defining report content and topic boundaries	102-46	3
List of material topics	102-47	5
Restatements of information	102-48	N/A
Changes in reporting	102-49	N/A
Reporting period	102-50	3



Date of most recent report	102-51	N/A
Reporting cycle	102-52	3
Contact point for questions regarding the report	102-53	3
Claims of reporting in accordance with the GRI Standards	102-54	3
GRI content index	102-55	50
External assurance	102-56	3
<b>ECONOMICAL PERFORMANCE</b>		
Direct economic value generated and distributed	201-1	48
Financial implications and other risks and opportunities due to climate change.	201-2	48
MARKET PRESENCE	202	48
Proportion of senior management hired from the local community	202-2	49
INDIRECT ECONOMIC IMPACTS	203	49
PROCUREMENT PRACTICES	204	49
Proportion of spending on local suppliers	204-1	49
ANTI-CORRUPTION	205	49
UNFAIR COMPETITION	206	49
<b>ENVIRONMENTAL PERFORMANCE</b>		
MATERIALS	301	36
ENERGY	302	36
Energy consumption within the organization	302-1	36
WATER AND EFFLUENTS	303	37
Interactions with water as a shared resource	303-1	29
BIODIVERSITY	304	29 and 38
EMISSIONS	305	39
Direct GHG emissions	305-1	38
Other significant air emissions	305-7	39
EFFLUENTS AND WASTE	306	40
Water discharge	306-1	41
Waste by type and disposal method	306-2	41
ENVIRONMENTAL COMPLIANCE	307	42
SUPPLIER ENVIRONMENTAL ASSESSMENT	308	40 and 42
<b>SOCIAL PERFORMANCE</b>		
EMPLOYMENT	401	42
LABOR/MANAGEMENT RELATIONS	402	42
OCCUPATIONAL HEALTH AND SAFETY	403	43 and 44
Workers' representation in formal joint management-worker health and safety committees	403-1	43
Types of injury and rate of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	403-2	44

TRAINING AND EDUCATION	404	44
Average hours of training per year per employee	404-1	45
Programs for upgrading employee skills and transition assistance programs	404-2	45
DIVERSITY AND EQUAL OPPORTUNITY	405	46
NON-DISCRIMINATION	406	46
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407	43
CHILD LABOR	408	46
FORCED OR COMPULSORY LABOR	409	46
SECURITY PRACTICES	410	43
RIGHTS OF INDIGENOUS PEOPLES	411	N/A
HUMAN RIGHTS ASSESSMENT	412	47

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