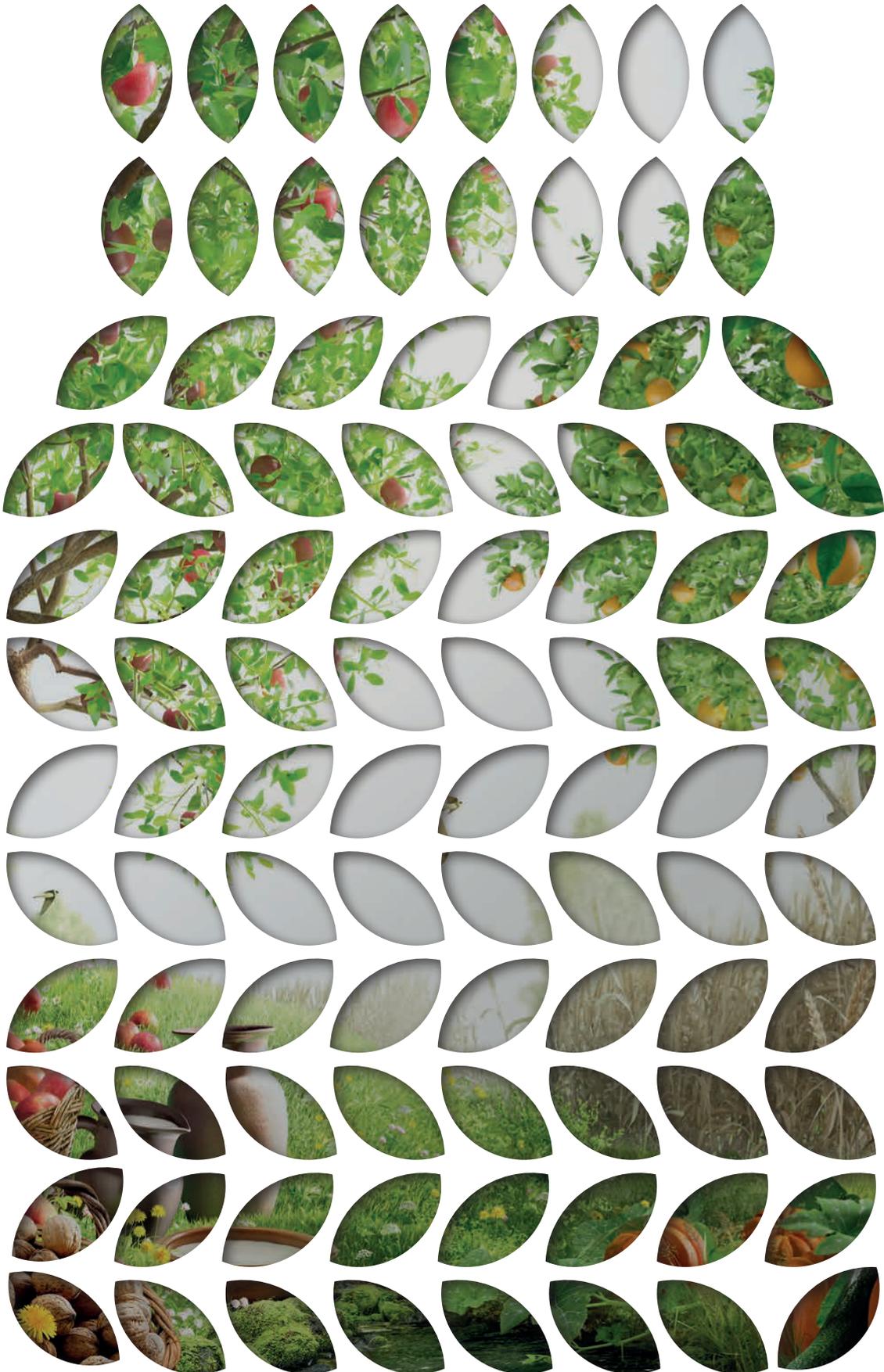


Only what you see

Sustainability Report 2020





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Mission, vision and values

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01.

Management commitment

Climate Positive 2030



Letter from the General Manager

"Our journey to being climate positive 2030 starts, let's make it happen".



The covid-19 pandemic globally has greatly changed the way we perceive things as a society, including sustainability. In the case of Hero Spain, it has made us aware that we must promote our commitments to contribute to the sustainable development of our society and future generations. As a leading company in infant food, and therefore part of the essential services, we are aware that the food industry plays a key role on the road to a more sustainable society. **That is why in 2020 all the subsidiaries of the Hero Group committed to be Climate Positive by 2030.**

If our commitment to sustainability accompanies us from our origins, inspiring our values and our performance throughout these almost 100 years of history, from now on **we will further strengthen our efforts to be able to fulfill our mission of to "delight consumers by conserving the goodness of nature".**

This means that we will eliminate more greenhouse gas emissions from the atmosphere than we emit from "Farm to Fork." We will not only count our own activity, but also those of our suppliers and our customers.

To achieve this, we have defined three pillars on which to focus: Sustainable Sourcing, Net Neutral Production and Naturally Healthy Foods.

Throughout 2020, we have made every effort to make this ambitious project not a mere commitment but become a reality. The commitment of our people that they demonstrate every day guarantees respect for the environment in which we operate, and the compliance of the objectives set.

Goals are also perfectly aligned with the Sustainable Development Goals (SDGs) and the 2030 Agenda of the United Nations. Therefore, we present our Sustainability Report

in reference to the activity of the year 2020 in accordance with the GRI standards, Law 11/2018 for the disclosure of non-financial information, the principles of the Global Compact and the SDGs.

This report reflects our commitment to a responsible business model that allows us to maintain close relationships, respect and transparency with our stakeholders, where collaboration is the key.

Javier Uruñuela Fernández
General Manager Southern
European Cluster





02.

Milestones in 2020



"Make it happen"



Naturally healthy food

product of the year 2021 Award



to four of our innovations in 2020

NAOS Strategy Award for the project "More wholegrain, less sugar: Reformulation strategy for infant cereals in Spain"



None of our complementary feeding products contain palm oil

New Hero Baby Infant Formulas

experts in taking care of what matters most to us, with a fat profile closer to mother's milk



we are committed to using organic ingredients

+ 23% of our jars

We do not use starch



We are committed to including plant-based ingredients in our jars

+ 83% of our jars are free of concentrates



Net neutral production

100% of the energy we consume is of

renewable origin

Reduction of electricity consumption by **80,000** Kwh

Reduction of water consumption by **3,680** m3

Replacement of plastic straws with pressed cardboard in our food



We are committed to creating more sustainable packagings with biobased material (70% plant-based packaging)



+ **4,000** trees planted in Sierra Espuña since 2012



Sustainable sourcing



99% of our suppliers meet the sustainability criteria set by **SEDEX**



68% of our suppliers are national and/or local



+ **50** audits with respect to **Quality, Food Safety and Prevention** were successfully carried out throughout 2020

Hero **españa**

Los niños necesitan
la naturaleza tal y como es

Hero
Solo

03.

• SOLO lo que ves
• SIN aditivos
• SIN azúcar/sal añadidos
• SIN aceite de palma

Hero
Baby

Conservando lo bueno
de la naturaleza

About us

Hero Spain at a glance



03.1
Mission, vision
and values



03.2
Main figures,
ranges, products
and markets



03.3
History
and awards

03.1

Mission, vision and values



Mission

“Delight consumers by conserving the goodness of nature.”

That is our mission. In order to achieve it, we work every day addressing the needs and desires of today’s consumers for **real and honest food**. At Hero, we believe in going back to the basics, **giving back to Earth what it offers and adopting the principles of purity, honesty and simplicity.**

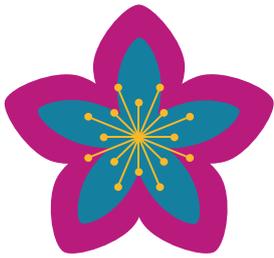


Our vision is the Power of One. It consists in harmonising our ways of working to collaborate and harness the company’s collective wisdom to make better decisions.

We achieve this by becoming more integrated and standardising our core processes and systems, so that we can **share and work more collaboratively.**

Values

Our values to start our journey towards 2030:



Create wow

We dare to do **things differently**, seek to always win with consumer and customers and endeavour to be forever **relevant and vital to our world**.

- It's about:
- Curiosity
 - Innovation
 - Consumer/customer focus



Everyone Hero

We **work together** in pursuit of our **common mission and strategy**, strengthening our local businesses and **leveraging the power of the collective**.

- It's about:
- Purpose
 - Performance
 - Teamwork



Nourish others

We treat everyone with **honesty, care and respect** and provide our people, customers, and consumers with what they need to thrive.

- It's about:
- Honesty
 - Empowerment
 - Respect
 - Diversity



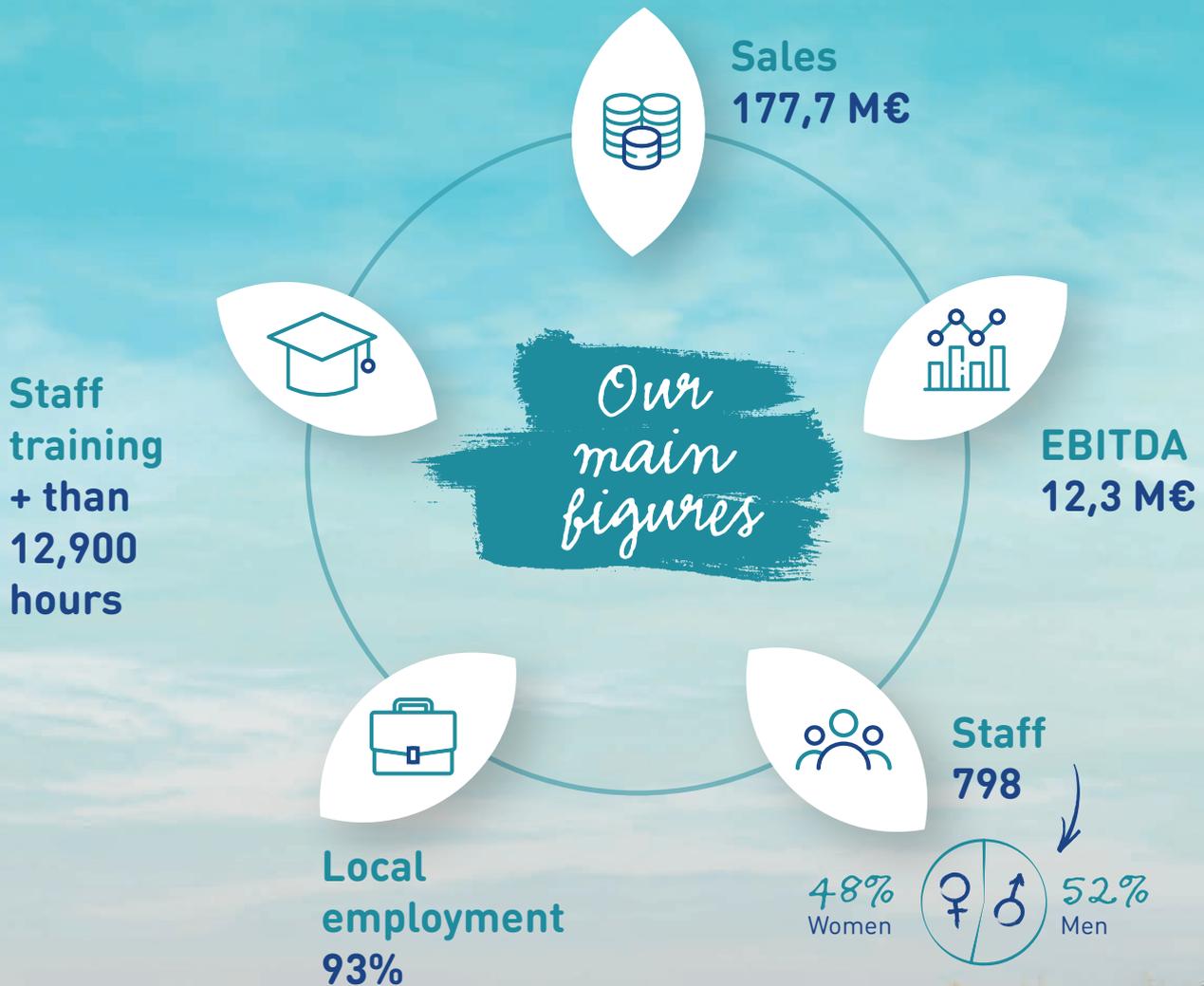
Take responsibility

We make good choices today to build a **more sustainable business and environment** fit for the needs of tomorrow.

- It's about:
- Sustainability
 - Ownership
 - Heritage
 - Quality

03.2

Main figures, ranges, products and markets



Categories and products

Hero Spain produces naturally healthy food that are grouped into the following families:

1

Infant food



Infant formulas



Pouches



Organic

- Cereal baby foods
- Complete meals
- Fruits
- Dairy
- Snacks



Cereal baby food



Baby jars

- Complete meals
- Fruits
- Dairy
- Jars with chunks

2

Snacks



Pouches



Cereal bars

3

Jams and marmalades



Traditional

- All natural



Healthy

- Hero 0%
- Temporada -30%kcal



Premium

- Temporada
- 1886



Cooking

- Ideal Pairing

4

Traditional



Sauces



Syrups



Ready-made meals

5

Food Service



- Juices
- Jams
- Sauces
- Fruit desserts
- Toppings
- Condensed milk

Markets

We are there for you to find us



Sales by channel 2020

Consumer goods (Retail) 50%



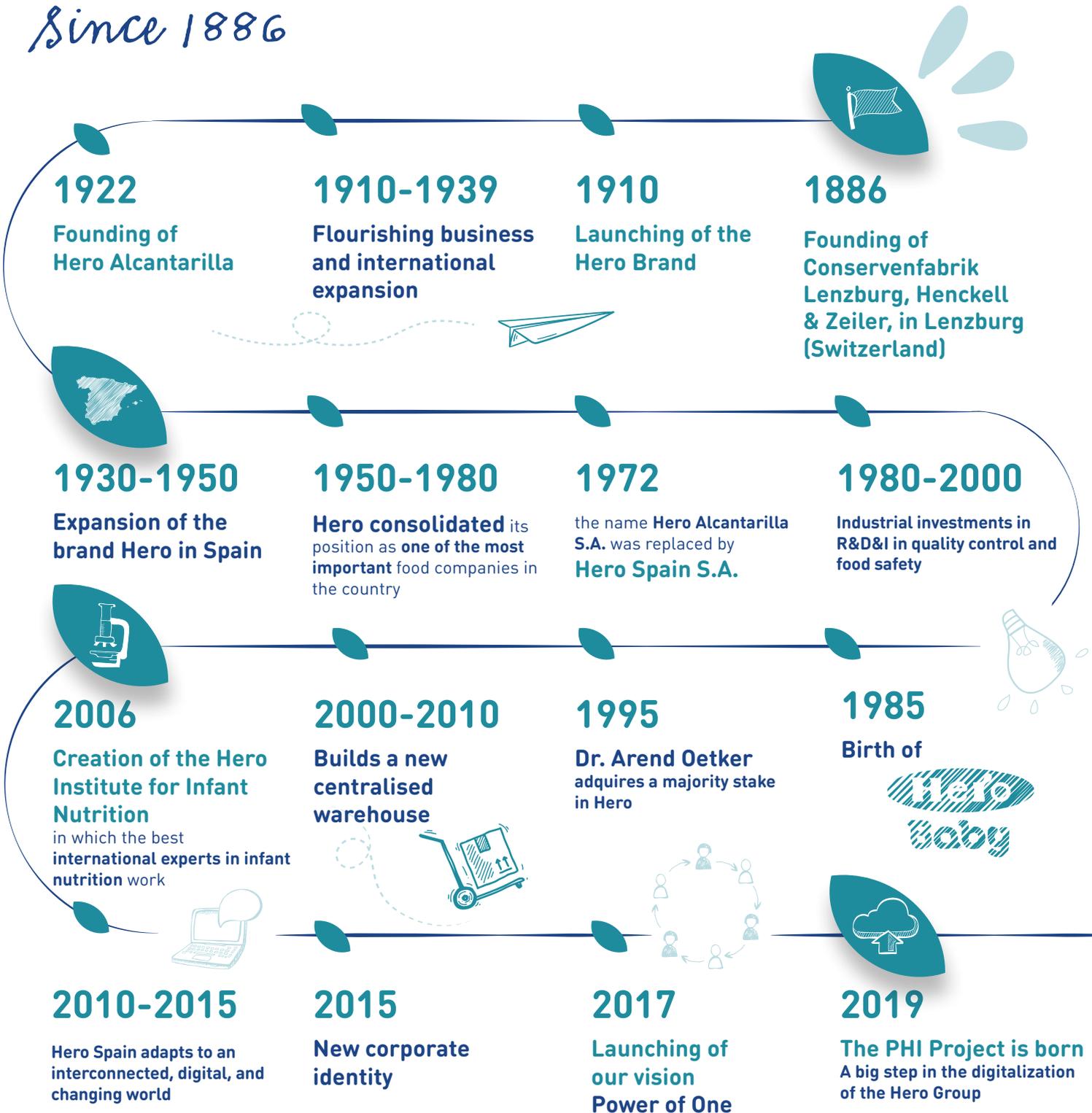
Food Service, Pharma, Export & Others 23%

Hero Group 27%



03.3 History and awards

Since 1886



Our recognitions support us

Hero Spain has received more than **70 awards** throughout its history. Some of the most recent are:

2020



Estrategia NAOS Award to Entrepreneurial Initiative
given by the Spanish Agency for Food Safety and Nutrition (AESAN) to our Hero Baby Infant Cereals with 0% added or produced sugar



Innobankia Award to Sustainability
for our remarkable sustainability strategies



Gama Consumers' GICA Awards
in the product positioning category for our Bee Careful Honey



Carrefour Innovation Award 2020
to our Hero Baby jars with chunks



Product of the Year 2020 Award:

- Mermelada 1886
- Cremas Ecológicas Hero
- Snacks Hero Solo
- Fórmulas Infantiles Hero Baby Nutrasense Premium



2019



Agro Award given by La Verdad
to Hero Baby Solo, chosen as ECO product of the year

Todo Papás Award
to our Hero Solo baby jars



Matrona of Murcia Award
given by the Food Bank of Murcia (Basmur)

AENOR Recognition
for maintaining the ISO 9001 Certificate for 25 years

Recognition for the Promotion of Employability
given by the University of Murcia



04.

Hero Spain during the pandemic



Taking care of People, Society and Business



Since the beginning of the health emergency caused by Covid-19, at Hero Spain we have been:



Taking care of our workers



Maintaining the supply of our products



Staying as close as possible to society

Committed to our people

In recognition of the effort and commitment shown by our employees during these difficult times, Hero Spain wanted to thank those professionals who continued going to work every day to guarantee the production and supply of essential food products to Spanish families with an extraordinary bonus of up to 600 euros.

During the first stage of the health emergency, the food company had to intensify its production and distribution activity to be able to satisfy a demand that reached peaks of around 150% in comparison with normal periods.



Committed to safety

With regard to our internal commitment to maintaining the safety of our employees and collaborators and ensuring the continuity of the business activity, our Pandemic Contingency Plan was activated at Hero Spain, in accordance with the Health and Safety Policy of the Hero Group and our ISO 45001 Certification.

Among the main actions and measures we have implemented, we highlight:



Temperature control.



Teleworking modality.



Reinforcement and increase of cleaning tasks in all areas by means of specific protocols.



Coronavirus risk assessment of all workstations in the company.



Offering COVID screening **tests to all employees** after holiday periods and continuous **collaboration with the regional and local health authorities.**



Active communication with our stakeholders, especially with our staff.



Unification of access points to the facilities.



Adaptation of on-site workstations without the possibility of teleworking (distances, room dividers, etc.)



A high investment in resources and time has been made in favour of the **health and safety of our employees**, as well as of the business continuity, including psychosocial and ergonomic aspects.



Provision of **safety masks at all workstations.**



Carrying out **special cleaning and disinfection treatments** in common areas.

Thanks to the commitment and responsibility of our people, we have succeeded in creating a safe working environment and have achieved



zero cases of internal transmission of Covid-19 within the company.

Boosting our society

Hero Spain has carried out intense social work with the aim of helping the most vulnerable groups both in the Region of Murcia and at national level:



+ than 100 tonnes of products donated

Mainly donated to:



Federation of Food Banks



Red Cross



Cáritas



Collaborations with different local and regional entities:



Hospital 12 de Octubre



Mensajeros de la Paz



Médicos del mundo



Aldeas Infantiles



3,700€ donated to the Red Cross by Hero volunteers for the benefit of children hospitalised

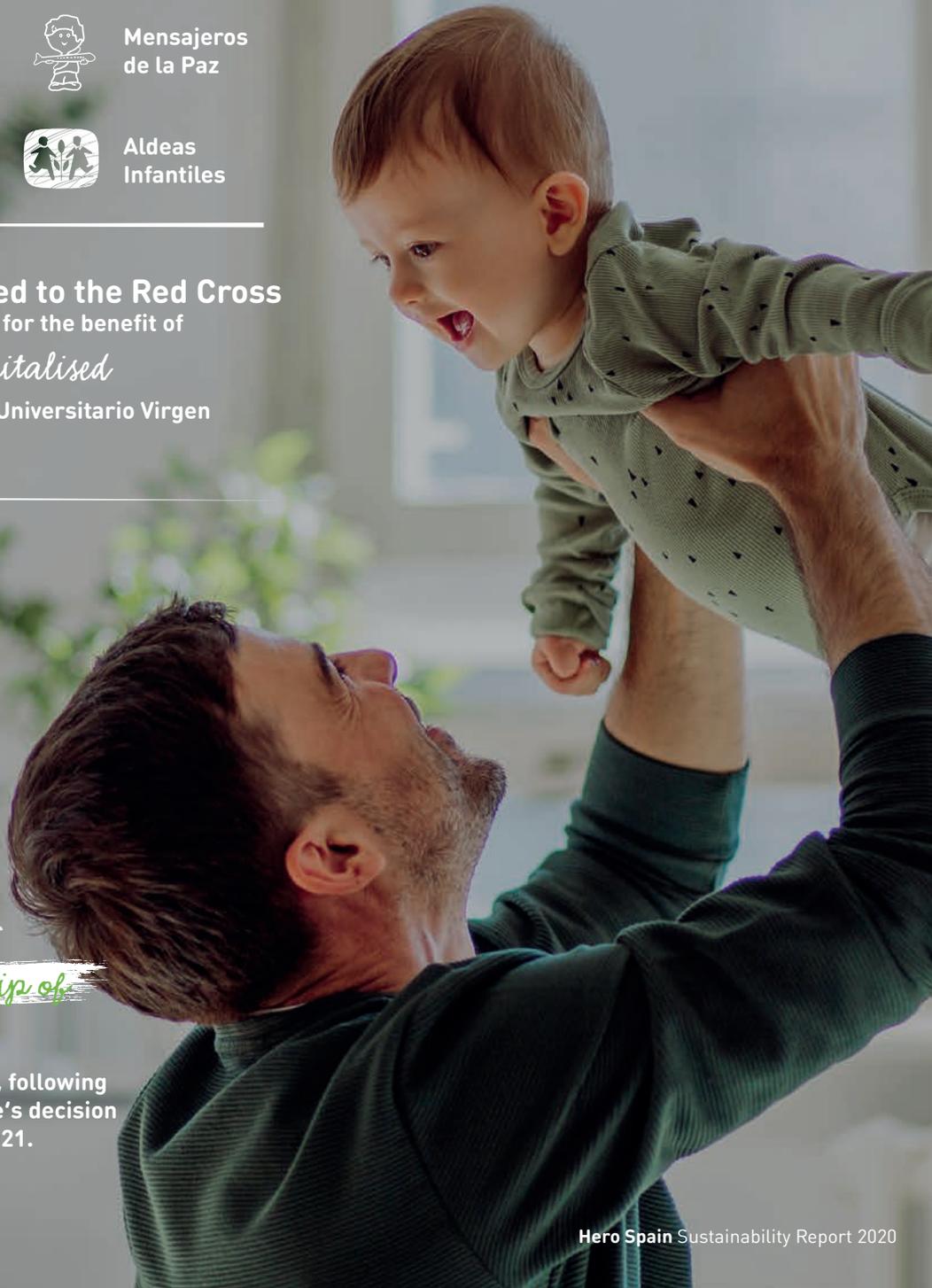
at Hospital Clínico Universitario Virgen de la Arrixaca.

In the field of sport, the company ratified its commitment to the sector...



by extending its sponsorship of Blanca Manchón

six-time world champion windsurfer, following the International Olympic Committee's decision to postpone the Tokyo Olympics to 2021.





05. Our commitment to corporate responsibility



05.1
Our materiality matrix



05.2
Our commitment

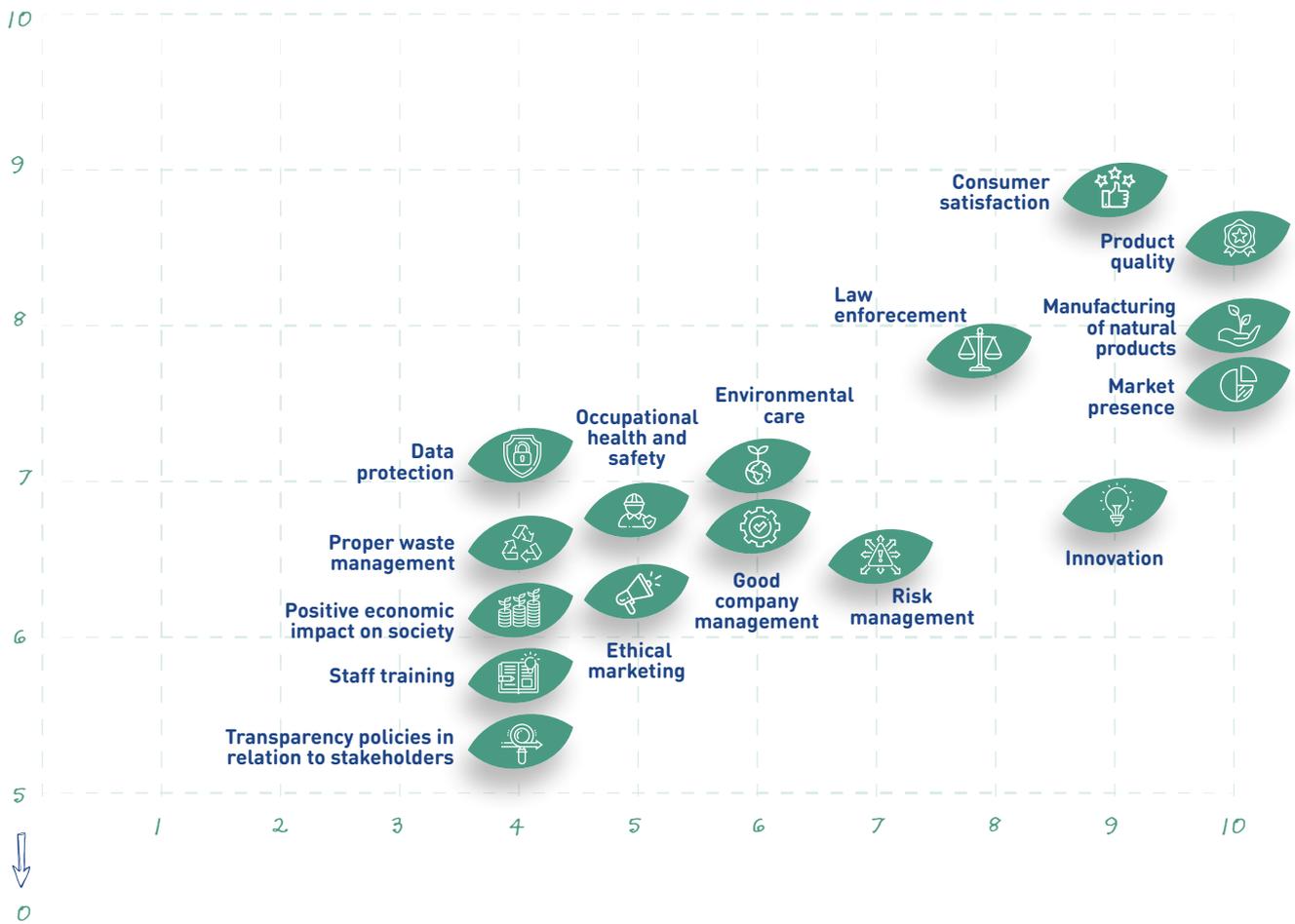


05.3
Our climate pillars

05.1

Our materiality matrix

The beginning of our journey



Our commitment to sustainability is a core principle of our mission to “delight consumers by conserving the goodness of nature”.

This materiality matrix is our starting point on our sustainable journey during this decade to materialise our commitment to be climate positive by 2030.

05.2

Our commitment

Climate Positive 2030

Responsible business models are now more important than ever.



Being aware of this situation, at Hero we want to go a step further in our commitment as a responsible business.

We are convinced that we must increase our efforts to be able to drive the change towards a more sustainable world.



Our purpose is to become climate positive 2030.

This means that we will prevent more greenhouse gas emissions from occurring than those we emit in the process "from Farm to the Fork".



Our climate pillars

Conserving the goodness of nature

Not only will we take into account our own actions, but also those of our suppliers and our customers. To achieve this and to continue to fulfil our mission, we have defined three main pillars to focus on:



Sustainable Supply

Working closely with our farmers and suppliers to ensure the protection of our soil and ecosystem



Neutral Net Production

Preserving natural resources, reducing water consumption, Co2 neutral, and having no food waste



Naturally Healthy Food

Promoting and offering products that are healthy for people and the planet

We back all SGD, but mainly:



06. NFS

Non-Financial Statement

*Taking care of people,
society and business*



06.1
**Objectives, scope
and methodology**



06.2
**Responsible and
sustainable business**



06.3
**Sustainability
strategy**



06.4
**Naturally
Healthy Food**



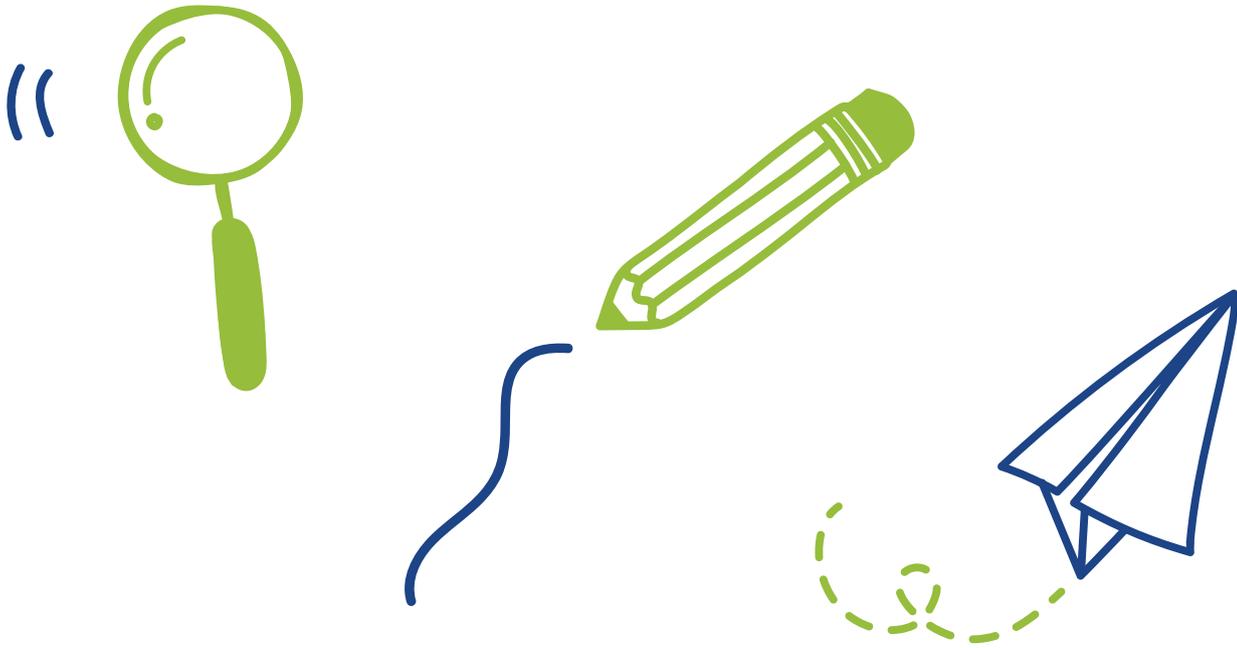
06.5
**Sustainable
sourcing**



06.6
**Protecting our
natural resources**



06.7
**Commitment to
our people**



06.1

Objectives, scope and methodology

This Non-Financial Statement (NFS) of Hero Spain S.A. relating to the financial year 2020 shows the performance of the company in the economic, social, labour, and environmental fields. It is a document regarding the financial year 2020, although information from previous years is also provided so that the readers can observe the evolution of the indicators in the medium term.

Some of the international reference parameters in this field have been considered to elaborate this report, such as the **standards** of the sustainability reporting guide of the **Global Reporting Initiative (GRI)**, the 10 principles of the **UN Global Compact and the Sustainable Development Goals (SDGs)** of the **UN**.

Through this report, Hero Spain fulfils the requirements of the **Non-Financial Information Act** (Act 11/2018 of 28 December, by which the Commercial Code is modified, the recast text of Corporations endorsed by Royal Law Decree 1/2010 of 2 July, and the Act 22/2015 of 20 July on Account Audit, relating to non-financial information and diversity).

The data from the financial year 2020 present in this report have been **verified by AENOR**.

For any further doubts or queries, please contact the organisation by means of e-mail: comunicacion@hero.es



06.2

Responsible and sustainable business

Our business model

Our business model is focused on satisfying consumer needs, with naturally, healthy and sustainable foods.

As aforementioned, **Hero was founded in 1886 in Lenzburg, Switzerland**, as a fruit and vegetable processing company. In **1922, Hero Alcantarilla**, which in **1972** would be renamed **Hero Spain, S. A. U.**, was set up. Given the **quality and wealth** of the **raw materials** from eastern Spain upon which Hero bases its business, fruit and vegetables, this company is born with a **focus on the preparation of pulps and syrups for export**.

Nowadays, Hero Spain is completely connected to the **business model of the Hero Group**, meeting consumers' needs with **simple, natural food with the greatest quality and the least processing**.

Hero Group is made up of more than **4,000 employees in 18 countries**, each one with its different culture and professional

experience, but all of them **joined together by a set of common values when it comes to implementing their business model**.

These values have allowed Hero Group to **grow and adapt** over the years, **maintaining its competitiveness without losing the essence of its existence as a Group**.

Since 2017, the global strategy of the Group has been focused on its strategic categories of business, aligned with the common goal which is **accomplishing its mission towards consumers, reaching profitable and sustainable growth over time and preserving nature**.

Us: Hero Spain

Hero has had its **Spanish seat in Alcantarilla (Murcia) since 1922**. Hero Spain is one of the greatest companies in the food and infant nutrition sector of the country. **We innovate, elaborate and trade a wide range of foods**, using the best products offered by **nature** and implementing the **most careful processes of elaboration** in order to offer consumers the **highest quality and natural condition of products**.

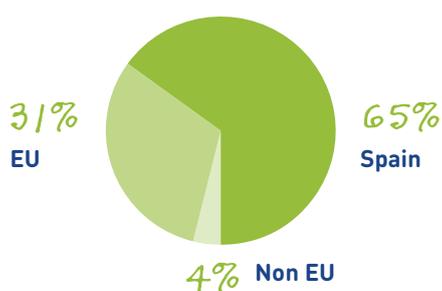
Hero has integrated **Social Responsibility in its value chain and applies sustainability criteria to all its processes**.

Our food products take up a clear **leading position** within their respective fields, having **great prestige** in the market and standing out for their **innovation, quality and food safety**.

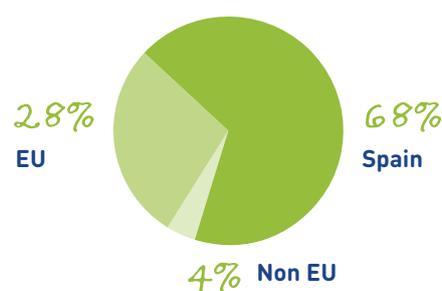
"Delight consumers by conserving the goodness of nature".

That is the way in which we define the strategy that has led and leads Hero to be a company committed to society, involved in searching for quality and safety in all the processes of elaboration and with the main objective of offering clients healthy and natural products.

Sales by market 2020



Sales by market 2019



The main financial data of the Company in Spain are shown in the table below:

<i>In euros</i>	2018	2019	2020
Sales	171,672,886	183,516,955	177,719,930
Gross operating profit (EBITDA)	10,936,135	12,951,525	12,384,981
Operating income (EBIT)	5,095,023	7,250,194	6,890,616
Net Income	20,243,589	15,533,967	3,182,243
Total assets	282,597,081	290,444,478	300,437,017
Own resources	184,731,529	199,162,536	201,245,092
Capex (Capital expenditure)	3,658,589	4,966,378	3,299,343
Net financial debt to third parties	721,501	(247,021)	(767,617)
Financial debt to companies of the Group	52,272,607	32,004,709	30,016,452

The year **2020** has not been an easy year for any economic sector due to the severity of the **crisis** caused by **COVID-19**. **Spain** has been the country with the **greatest fall in GDP in the Eurozone (-10.8%)**, strongly affected by the high weight of the **tourism sector and the services sector** linked to it in our economy.



Spain's per capita income

has fallen by

-10.6%

+



unemployment

has risen to

+16.2%

with a particular impact on **young people and women**.

+



Birth rate

in Spain of over

4%



Decrease in turnover of

-3.2%

compared to 2019 placing it in

177,7 million euros

However, the evolution of the business has differed by market:



Exports

mainly to **Europe**, have grown by

+7.6%

+



crecimiento del E-commerce

which has more than **tripled the turnover**,

has helped

cushion the negative evolution of the domestic market

which has been very affected in the **Retail and Horeca channels** by the economic context of the year.

Despite the slowdown in 2020, the average cumulative annual growth rate over the last three years stands at 1.1%.

The year **2021** continues to be highly conditioned by the high uncertainty in the evolution of the pandemic and the return to a "new normality".

At Hero Spain we are **confident that 2021 will be the first step towards full recovery**: we hope to close with a stable year in comparison with 2020, with a commitment to boosting the channel, growing in the foreign market, and with a gradual recovery of the HORECA channel as the vaccination processes accelerate.

The company's financial position remains solid and stable.

The gross operating profit (EBITDA) in 2020 was:

12,4 million €

Remaining at the same level as last year's sales and improving by 1 percentage point compared to 2018.

EBIT was:

6,9 million €

Again stable at 4% of sales and trending positive.

high level of financial autonomy at:

67%

During the financial year 2020, operating cash flow was:

6,8 million €

3,3 million €

were invested mainly in the production facilities.

In addition, the debt to the Group's parent company was reduced by :

2 million €

Additionally, operating subsidies have been received with a value of

72,513 €

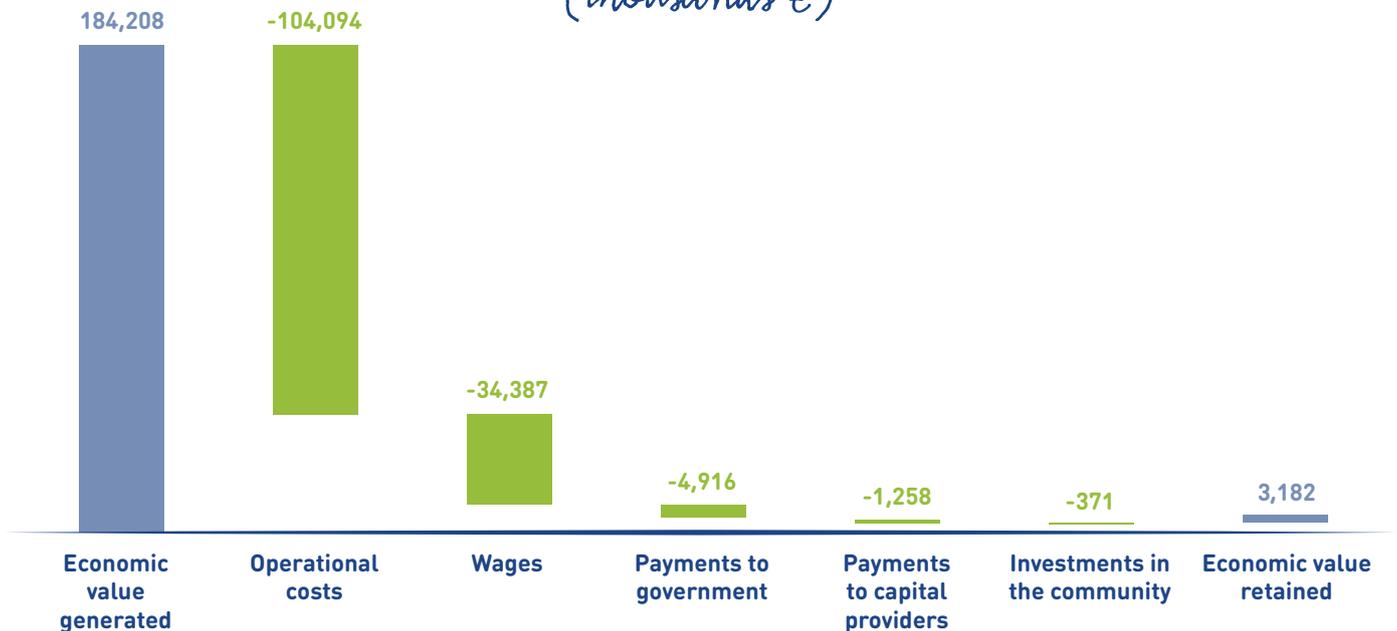
No official capital subsidies have been received since 2012.

On 31 December 2020, the total gross amount of official capital subsidies received is

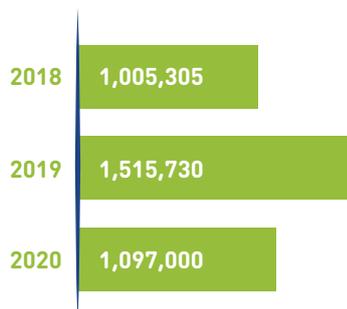
1,950,280 €

14% of which is to be amortised.

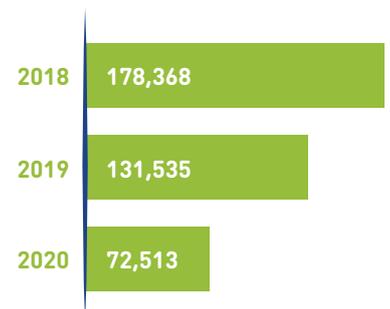
Direct economic value generated and distributed (thousands €)



Corporation tax paid (€)



Operating subsidy received (€)



A model for profitable growth

Hero Spain aims to maintain profitable and sustainable growth over time by using the following strategic categories as a growth lever jams, infant nutrition and healthy snacks, supported by other specialties for adults.

Its objective and portfolio management is focused on increasing sales of those categories.

All this is based on a profitable growth model that seeks operational excellence with financial return and profitability, which shall be invested in the development of the brand as well as in innovation, which, in turn, is translated into a greater growth that reaches economies of scale that contribute to the improvement of operational excellence.

By means of this strategy, Hero Spain pursues a virtuous circle, which is the essential basis in order to reach the objective of profitable and sustainable growth.



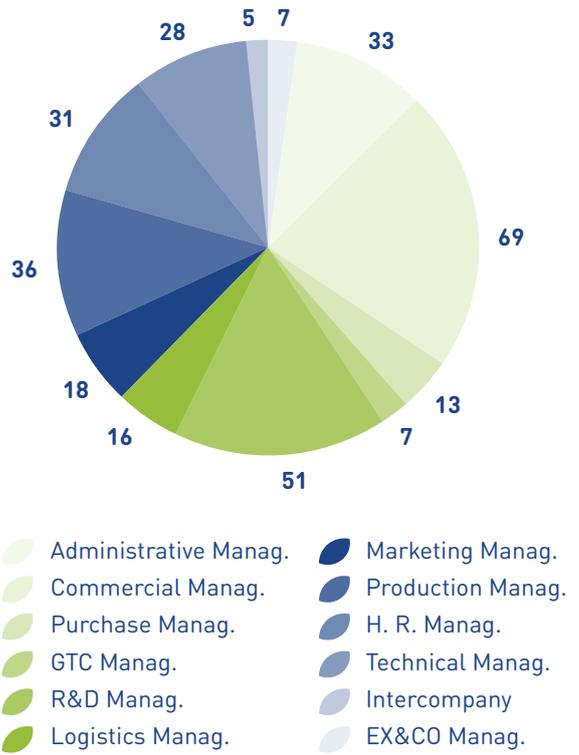
Regulatory Compliance

Hero Spain provides training on the following fields of compliance:

- **CLLP:** Criminal Liability of Legal Persons
- **GDPR:** European General Data Protection Regulation
- **Competition:** Preservation of Fair Competition
- **Cadena Alimentaria**
- **Food Defense**
- **ORP:** Occupational Risk Prevention

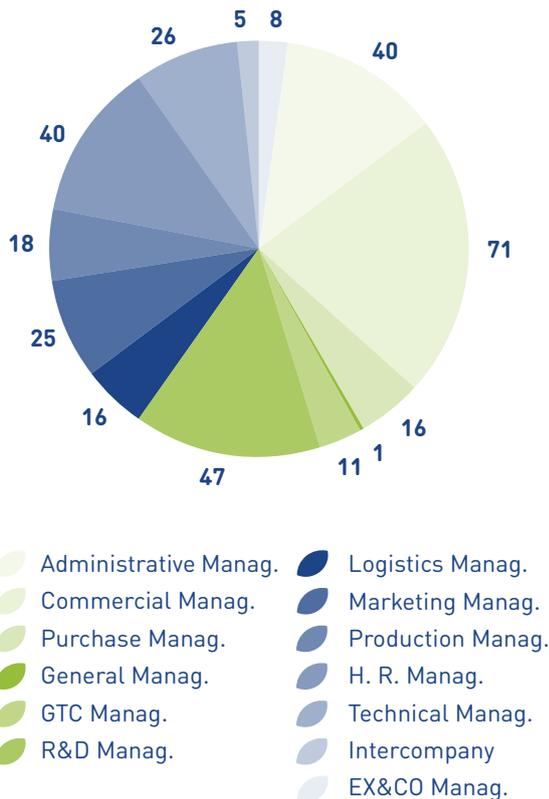
Criminal liability (2015-2020)

Trained staff



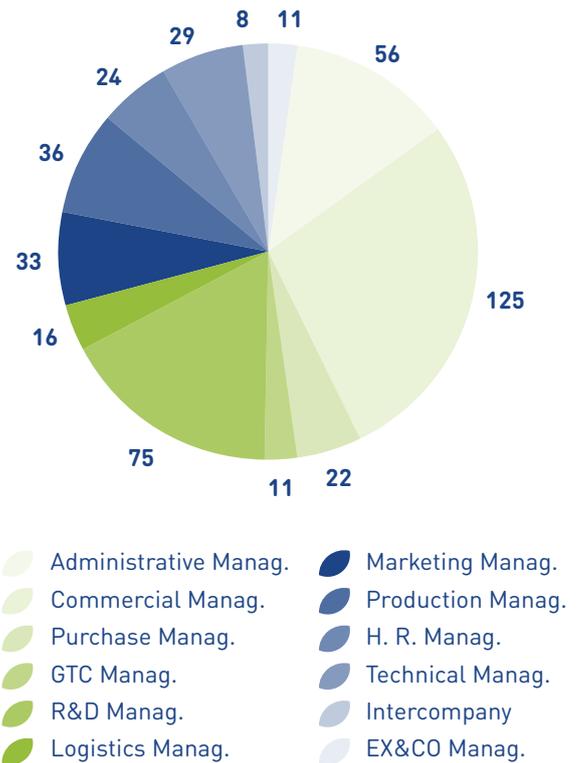
Organic Law for the protection of Personal Data (2015-2019)

Trained staff



Competition (2015-2019)

Trained staff



In the hiring processes carried out in the company in 2020, 18 employees were trained in criminal liability and competition and 20 in data protection regulations.

Binding contractual clauses on Criminal Liability of Legal Entities have been established for all staff, stating that failure to comply with these clauses will lead to the termination of the employment relationship between the parties.

The signing of this document implies the acceptance by the employee that they have been informed of the clauses, and that they are therefore aware of their content, undertaking to comply with them in all their terms.

Hero Spain has a **Management System with computer tools** to support the Company's Regulatory Compliance Management System.

We address these six areas as a management system, by developing and implementing a **model of organisation and management for the prevention and control of the risk of crime,**

which is **coordinated by HR**, together with the participation of different departments in the company, mainly **Department of Finance**.

Our objective is to create an appropriate corporate culture so that it can be understood as a behaviour paradigm for all employees.

Within the evaluation carried out in our Compliance System, a total of 28 criminal offences have been assessed according to the management tool used for this purpose and which has been acquired from the consultancy firm PwC. We are aware that some of them have a minimal probability of occurrence due to the solidity of the controls used to mitigate them.

Out of these 28 criminal offences assessed, we have paid particular attention to the following:



Against the environment



Against the market and consumers



Influence peddling



Bribery



Against workers' rights



Public Finance and Social Security



Corruption in business



Privacy and unauthorised access



Against intellectual and industrial property



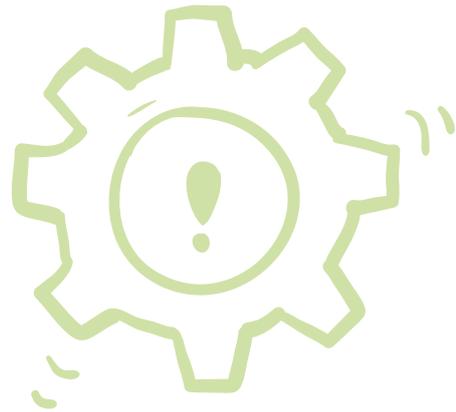
Public health



Fraud

Anticipating unexpected events:

Risk management



The formalisation of a Policy for Risk Management in Hero Spain is in the implementation stage, fostered by the Board of Directors and the Executive Team.

For this reason, Hero Spain aims to have a systematic procedure to address risks by anticipating and preventing them, but, also, by detecting them.

This shall bring benefits such as:

- Reaching the established strategic goals
- Identifying opportunities for improvement
- Better use of resources
- Achieving the necessary flexibility that allows for a response in a timely manner to all possible problems or changes.

The Board of Directors of Hero Spain reserves the right to approve the aforementioned Policy for Risk Management, as well as a regular monitoring of the internal systems of information and control. In addition, the Company is being equipped with a Risk Management System based on a model that identifies the key risks and evaluates them in terms of impact and probability, according to the current control, and periodically monitors their evolution.

Hero Spain has adopted a methodological approach based on the Integrated Framework of Enterprise Risk Management, also known as COSO II, which allows the company to identify, create, grasp and keep the value of corporate risk management.

COSO methodology is based on the approach to risk management in three different dimensions:

1

The mission, vision and core values of an organisation determine the kind and amount of risks that the organisation itself is prepared to accept.

2

Strong and stable risk management increases confidence on the part of the governing bodies in the company's potential to achieve its strategy and goals. The risks involved in their achievement shall be managed in relation to its appetite for risk.

3

The performance of an organisation describes how its actions are being carried out in comparison to the established goals. In this context, a risk associated with each performance goal always exists. No matter the level of performance the organisation has, there is always some uncertainty.

At Hero Spain, the management and risk control are being developed as a cyclical process consisting of a series of stages within which several activities shall be conducted.

The system shall focus its attention on 10 basic principles or steps:



1.
Getting to know the environment of the company

which implies the analysis of processes, procedures, human resources involved, technological infrastructure, current legislation applicable to Hero Spain's activities, etc.



2.
Analysing potential risks

that is to say, identifying the sectors, activities, processes, places, etc. (e.g. identifying all the activities involved in a single process).



3.
Determining the critical control points

identifying the risks that are present in each sector, activity, process, place, etc., assessing the existing controls, when applicable, and defining which aspects of the process are critical and must be monitored. These critical points are categorised into 5 types: environmental, operational, strategic, compliance/financial and reporting.



4.
Establishing the maximum value for each one of the critical control points

which risks are tolerable, and which are not. To this end, it is necessary to analyse the actual impact that the manifestation of the risk would cause as well as the probability of that event occurring.



5.
Establishing a monitoring and control system for those critical points



6.
Proposing the required corrective measures

when the monitoring system indicates that a particular critical point is exceeding the maximum value established (those measures can be: mitigating the risk, accepting it, avoiding it, transferring it, etc.).



7.
Implementing the adopted corrective measures, when applicable



8.
Establishing verification procedures

to check the proper functioning of the system.



9.
Creating a documentation system

to keep track of all the procedures and proper records for these principles and their implementation.



10.
Reassessing the risks of the environment

to detect new threats (follow-up that activates the whole cyclical process again).



Within the evaluation carried out through our Risk Management System, a total of

89 risks

Have been assessed, all of them categorised according to their impact (from low to very high) and probability of occurrence (from remote to very likely).

Out of these,

92%

are in low and moderate risk zones.

Of all the risks assessed, we have paid particular attention to the following:

- Competition
- Socio-demographic changes
- Changes in eating habits
- Reputational risk

The Board of Directors

Shall approve the Policy for Risk Management.

The Executive Team

Shall be in charge of monitoring the efficacy of the internal control of the company and the risk management systems, as well as discussing the significant weaknesses detected in the internal control system.

The Executive Team is currently carrying out this monitoring function through the position of Head of Risk Management, which is integrated in the Planning and Economic-financial Management, which, in turn, depends on the Board of Directors hierarchically. Likewise, Risk Managers, defined as people in charge of risk control and management within their level, have been formally established for each risk in the organisational structure. They will be responsible for evaluating, mitigating or reducing the risks they are facing within the formal system that is being introduced.

Corporate governance

The governing bodies of Hero Spain are composed of the General Board of Shareholders (Hero Group represents 95.94% directly and 4.06% indirectly) and the Board of Directors.

1. General Board of Shareholders

The General Board of Shareholders shall have the jurisdiction to discuss and adopt resolutions on all issues reserved for them by legislation and the Corporate Statutes, and, in general, on all issues that are submitted to their legal jurisdiction at the request of the Board of Directors and the shareholders themselves in the way determined by the law.

2. Board of Directors

The Board of Directors, as the highest competent authority in Hero Spain's administration, is fully responsible for managing, administering and representing the company in the development of activities that make up its corporate purpose. The members of the Board of Directors of Hero Spain are not remunerated for the services they render as members of the Board. It is composed of three people with an average age of 70 years:

- **Executive President:**
D. Emilio Gimeno Cuspinera
- **Executive Vice President:** D. Markus Lenke
- **Executive Secretary:** D. Eduardo Calpena Torá

3. Executive Board

The Board of Directors delegates the Company's day-to-day management to the Executive Board, focusing its responsibility on the supervision of the team itself and fulfilling the general functions that it is legally entitled to do.

The Executive Board of Hero Spain is composed of:

Pablo Serrano Santos
I&Q Director
Southern European Cluster

Juan Tinoco Ferebero
HR Director
Southern European Cluster

Encarna Guirao Jara
General Secretariat Director
Hero Spain

Alberto Abenza Peña
Finance and IT Director
Hero Spain

Javier Uruñuela Fernández
General Manager
Southern European Cluster

Jon Mielgo Iza
Marketing Director
Hero Spain

Andrés Rodríguez Casas
Supply Chain Director
Southern European Cluster

Cristóbal Ortega Moreno-Tomé
Sales Director
Hero Spain

Luis Miguel Castellón Vela
Export Director
Hero Spain



Code of Ethics and Conduct



Hero Spain has a Code of Ethics and Conduct with a series of general instructions to guide the behaviour of our staff in the performance of their professional activity, guaranteeing compliance with current legislation.

We are committed to acting at every moment in compliance with the current legislation and the agreed international ethical practices with complete respect for Human Rights and public freedoms.

The activities and operations performed by Hero Spain are carried out according to its Corporate Culture and Procedures that have been developed on the basis of the Company Policy and the United Nations Global Compact, whose objective is to adopt universal principles from the fields of

- Human Rights
- Employment
- Environment regulations

Hero Spain respects freedom of association and collective negotiation. Likewise, the company rejects child labour and, in general, **all forms of exploitation.** Hero does not tolerate any form of forced labour or work involving physical or psychological abuse or exploitation of vulnerable groups or illegal trafficking of workforce. Additionally, **Hero Spain is committed to not employing minors or foreign citizens without a work permit.**



All members of Hero Spain staff must avoid any conduct that, even without violating the law, may damage the reputation of the company or the Group; they must demonstrate honesty and integrity with all their contacts and transactions and must know all the laws affecting their work. No member of the staff shall consciously cooperate with third parties in violation of any law.

Our regulatory compliance system has evaluated the possible risk of the occurrence of human trafficking so as to be prepared and able to detect certain inappropriate behaviours that may take place inside the company. **To this end, we have established a specific procedure on the prevention of crimes such as human trafficking, prostitution, and sexual exploitation.**



There is a Regulatory Compliance Committee (RCC) or Ethics and Conduct Committee (ECC) that, as a registered body of participation, has the responsibility of exerting the Regulatory Compliance and is in charge of the resolution of internal conflicts in matters of Criminal Liability of legal persons.

The Management of Areas (Structure of Prevention, SP), under the guidelines and in collaboration with the RCC, will coordinate and supervise the fieldwork in matters of regulatory compliance.

This Committee is composed of **6 members**: 4 permanent and 2 temporary. Temporary members will be **renewed every 5 years** unless the circumstances require early renewal.

These members have suitable technical, professional and personal conditions, professional experience and hierarchical and organisational independence.

Permanent members:

- 🔧 **General Manager:** who shall assume the presidency.
- 🔧 **HR Director**
- 🔧 **Finance & IT Director**
- 🔧 **General Secretariat Director**
- 🔧 **Head of the Management Model:** who shall assume the role of secretary.

Temporary members:

- 🔧 **I&D Director**
- 🔧 **Head of Production**

"Activities and operations performed by Hero Spain are developed according to its corporate culture and procedures that have been developed on the basis of the Company Policy, whose objective is to adopt universal principles from the fields of human rights, and employment and environment regulations"



Among the ethical principles of this Code we include "the commitment to act at every moment in compliance with the current legislation and the agreed international ethical practices with complete respect to human rights and public freedoms. Activities and operations performed by Hero Spain are developed according to its corporate culture and procedures that have been developed on the basis of the Company Policy, whose objective is to adopt universal principles from the fields of human rights, and employment and environment regulations."

Other principles address:

- Gender equality
- Respect for people
- Work-life balance
- Safety and health at work
- Selection, remuneration and professional development



This system will allow for the reporting of behaviours, actions or facts that may constitute:

- Breaches of Code of Ethics and Conduct
- Breaches of external regulations/ current legislation
- Breaches of Hero's internal regulations
- Fraud or any criminal activity

It also establishes a series of general guidelines of conduct regarding:

- Environment
- Corruption
- Money laundering
- Interest conflicts
- Food quality and safety, among other issues

Any member of the company might be accuser or accused within the system.

The complaint procedure can be by means of telephone, email, in person or through any other suitable channel.

The confidentiality of the personal data of the complainant, according to the current General Data Protection Regulation, as well as its processing for the exclusive objectives described here are guaranteed.

06.3 Sustainability strategy

Our commitment to sustainability is a core principle of our mission. We have always considered nature our partner, a partner we care for and with whom we work side by side, always with the feeling that more must be done to drive change.

Thus, during 2020, a new materiality matrix has been elaborated and a new sustainability strategy has been presented with the aim of being climate positive 2030 by considering our whole impact "from Farm to Fork".

This materiality matrix is our starting point on our sustainable journey during this decade to fulfill our commitment to being climate positive by 2030.

In order to conduct this materiality analysis, the following methodology was implemented:

1. Definition of **stakeholders**
2. Definition of the **issues and aspects to be evaluated**
3. Preparation of a **survey** evaluating the importance and performance of the established issues; and sending it to all the company's stakeholders
4. **Analysis of the responses obtained and identification of gaps between the importance and performance** of each issue for the stakeholders
5. Identification of the most **relevant issues for all stakeholders and comparison with the importance of these issues for the company**
6. Drawing of the **Materiality Matrix**
7. **Analysis of conclusions by stakeholder group**
8. Definition of a **strategic plan**

The survey was conducted in an online format

with our stakeholders
(Employees, Consumers, Suppliers, Customers, Associations/Institutions, NGOs and Media).

With a double focus:

- Degree of importance for the stakeholders
- Degree of company performance

The survey consisted of:

39 items

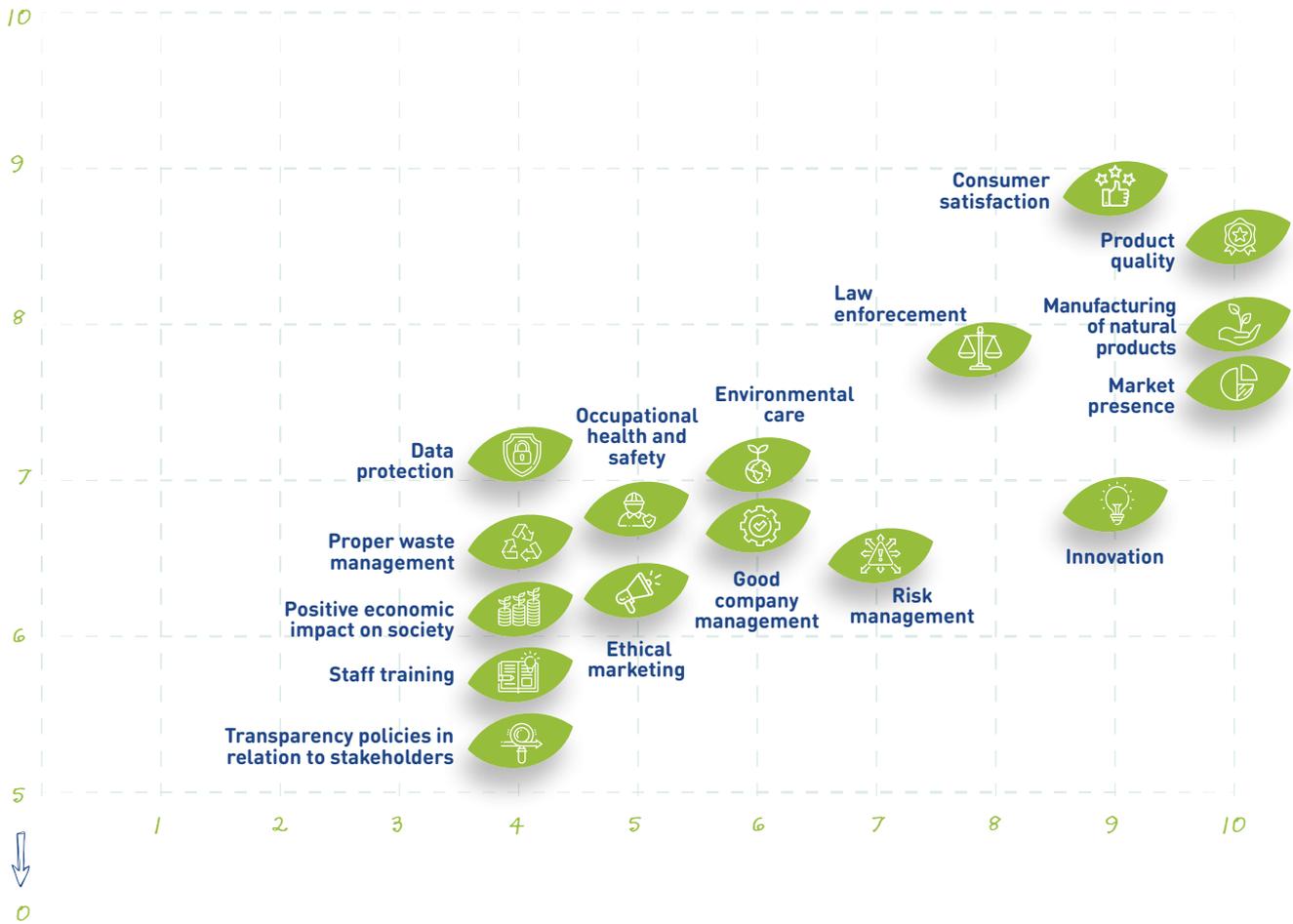
and we received

909 responses

At present the frequency of participation has not been established, the frequency will be established in the upcoming years.

The result of the survey through the materiality matrix is shown below.

Materiality Matrix 2020



As can be seen, the most significant material aspects for our stakeholders are:

1. Product quality
2. Manufacturing of natural products
3. Law enforcement
4. Consumer satisfaction
5. Market presence
6. Innovation

In addition, certain social trends were observed in the results obtained, such as the following:

- Concern for environmental issues
- Widespread social demand for transparent and ethical companies
- Current trends such as real fooding that demand less processed and more natural products

Our sustainability strategy is shown below, based on the results of our materiality matrix and in line with our corporate strategy.

Our commitment

Climate positive

2030



Responsible business models are now more important than ever.

Being aware of this situation, at Hero we want to go a step further in our commitment as a responsible business. We are convinced that we must increase our efforts to be able to drive the change towards a more sustainable world.

Our purpose is to become climate positive 2030. This means that we will prevent more greenhouse gas emissions from occurring than those we emit in the process "from Farm to Fork".

Not only will we take into account our own actions, but also those of our suppliers and our customers. To achieve this and to continue to fulfil our mission, we have defined three main pillars to focus on:



1. Sustainable sourcing

Conserving raw materials via strategic sustainable sourcing. We will need to do this in close partnership with our suppliers and farmers to ensure we have a positive impact on the biodiversity and health of our soil.



2. Neutral Production

Conserving natural resources via net neutral production on all our products. We will do this within our production facilities, but also work with our co-manufacturers to drive this ambition together.



3. Naturally Healthy Food

Conserving nature's goodness via naturally healthy food. We will leverage our brands to educate and collaborate with consumers on a holistic diet good for us and for the planet. We will enhance our portfolio to give consumers more naturally healthy options – more of the good like nuts and whole grain and less of the bad like refined sugar and red meat.

06.4

Naturally Healthy Food

Fostering healthy diets

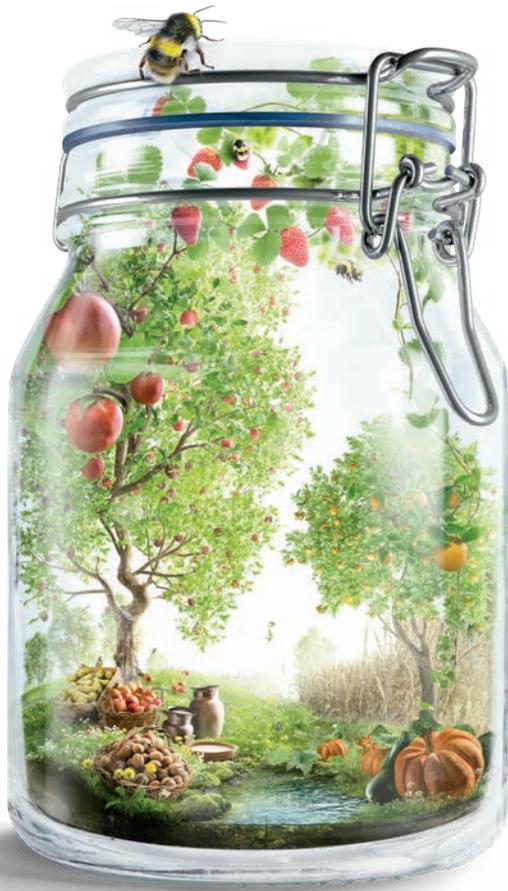


For Rob Versloot, CEO Hero Group:

"Nature is all about basics. It's about simplicity, honesty and purity. We come from a great heritage and we have to go back to basics. Through process optimisation, innovation and premiumisation, we have focused more on the natural quality of our products and bringing the goodness of nature in a contemporary way to our consumers.

Conserving the goodness of nature is a matter of pride for every person who is part of Hero. And this pride comes not only from having great brands, knowledge and capabilities and aligning our passion towards a common goal, but also from knowing that by doing all this we offer better products to our consumers".





To fulfil our mission through food, Hero has developed the GON project (Goodness of Nature). The important thing is to be certain that our products are in line with our mission and how we have been able to measure in an objective way that they are progressively oriented towards offering the consumer a natural and healthy diet “conserving the goodness of nature”.

On the other hand, the Hero Institute of Infant Nutrition has been doing research for more than 80 years to guide the companies of the Hero Group in designing the best infant foods.

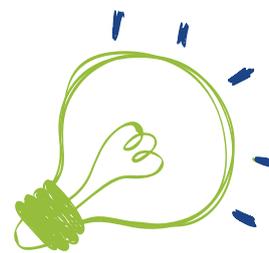
We draw up nutritional guidelines and scientific opinions based on the latest advances in paediatric nutrition with the advice of the independent scientific advisory committee.

Consumers, core to our innovation

At Hero Spain, the main objective in innovation is offering the consumer healthy food by conserving the goodness of nature at its best. To do so, our innovation efforts rest upon the latest scientific evidence, but also on market trends since they provide valuable information on the needs of our consumers and how they understand the concept of “natural”. Listening to our consumers actively, as an essential pillar for the development of new products and the improvement of the existing ones, has led us to keep expanding our portfolio of naturally healthy foods in different categories with a special focus on organic products.



Main advances in innovation over 2020:



1. **Launch of a new range of Organic Cream Soups**, made with 100% vegetable and natural ingredients. Thanks to their ingredients, our cream soups are a natural source of vitamins and minerals, which provide functional health benefits.

2. **Launch of fruit and cereal pouches under the Organix brand**, a brand of the Hero Group. These pouches are made with organic ingredients and presented in **70% vegetable-based packaging**, using cane sugar in their preparation.

3. **Expansion of the range of Hero Solo pouches**, continuing with our commitment to the organic sector, with two of the references including yoghurt in order to meet market demand. **Made with 100% organic ingredients and 70% of the packaging of vegetable origin.**

4. Launch of **4 new references** to complete our range of **organic baby snacks**, offering consumers a nutritious and appetising alternative adapted to each stage of their baby's life.

5. **Expansion of the range of organic infant cereals**, including a gluten-free variety, to cater to all stages of baby's life.

6. In our range of **Jars with Chunks**: reformulation of one of the recipes, **eliminating starch; and replacement of the rest of the range with 3 varieties to offer healthy alternatives for the transition to solids.**

7. **Reformulation of our entire range of Hero Baby infant formulas**, Hero Baby Nutrasense and 3 of the Hero Padiac references to achieve a fat profile closer to mother's milk, fulfilling our commitment to be inspired by nature.

This effort has earned us recognition from consumers in 2020 through awards such as:



Product of the Year 2020 Award

The only nationwide competition in which consumers choose the most innovative products of the year in mass consumption. In this respect, consumers chose the **Hero Baby range of infant cereals 0% added and produced sugars.**



Todo Papás Award

In the **infant ready-made meals category** with two of the new jars launched under the **Hero Baby Solo** range. Consumers, who award these prizes, base themselves on the criteria of innovation, quality and originality.

Innovation and development, our cornerstone

Hero Spain innovates, manufactures and commercialises a wide range of food, with the best products that nature provides, and implements the most careful manufacturing processes in order to give consumers the most natural and highest quality. This way, Hero contributes to sustainable development actively and positively.

The Goodness of Nature

processing

We conserve the goodness of nature through minimal processing



Authenticity

We use the best and most natural ingredients available

Non-negotiable principles



Safety

We remain loyal to our tradition and Swiss virtues such as reliability, quality and safety



Competitiveness

We pursue a long-term mission to generate sustainable growth. Delighted consumers from the basis of the success of the company

Sustainability and health



Trust

We ensure sustainable value creation through a responsible and social approach to resources



Health

We contribute to a balanced diet and support a healthy lifestyle



Hero Spain manufactures natural healthy foods, which are grouped in the following families:



Baby

Infant food from 0 to 12 months of age and from 12 months to 3 years of age.



Pedialac

Complete range of baby and adult food available only in pharmacies.



Snacks

Fruit and cereal pouches with no additives and cereal bars.



Ready-made meals

Homemade meals to enjoy good traditional cuisine in the quickest and most comfortable way with traditional flavour.



Natural Spreads

Jams and marmalades elaborated with good quality fruit, with many different flavours to delight our consumers, and honey of 100% Spanish origin.



Food Service

Excellent products adapted to offer satisfactory solutions in all Horeca channels.



Sauces and syrups

With fresh natural ingredients.



Solo

100% organic food.



Hero Institute for Infant Nutrition

The Hero Institute for Infant Nutrition is the result of the work of the International Hero Department of Research and Nutrition, the Hero Scientific Committee and leading world scientists, experts in infant nutrition. Hero Group has more than 80 years of experience in Research, Nutrition and Food Science. The Department of Research and Nutrition's main task is to guide the companies of the Hero Group in developing the healthiest, most natural and sustainable foods.

For this purpose, it carries out research projects in collaboration with different research centres and universities from all over the world in 4 main knowledge areas:

- Health and nutrition
- Food naturalness
- Minimal processing
- Food sustainability

Main milestones in our research and development history

1936

First production of infant milk in Czechoslovakia.



1930

The Swedish nutritionist Ninnie Kronberg discovers how to dry milk.



1910

The name of the brand is created and inspires the shape of the tin cans with the letters H, R and O.



1939

Semper is founded in Sweden and the production of dairy products starts.



1942

"Valling" dairy cereals are produced in Sweden by Semper.



1948

BabySemp, first infant formula ever, is manufactured in a completely industrial way.



1950

The brand Sunar is founded in Czechoslovakia.



2009

An important multicentre clinical trial is performed in collaboration with 8 hospitals in order to validate the infant formula "Nutradefense" in Spain.



2006

The Hero Institute for Infant Nutrition is created. This Institute works in collaboration with many different national and international research centres.



2004

A pioneering infant formula containing PUFAs (Polyunsaturated Fatty Acids), milk fat, and alpha-lactalbumin is launched in Spain and scientifically validated in collaboration with universities and hospitals.



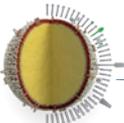
1985

Hero Spain launches the brand Hero Baby with the first baby food jar. At that moment, the first research project on infant nutrition begins in collaboration with a university aiming to improve the quality of proteins and availability of minerals in infant jars.



2014

Hero develops its most advanced infant formula containing milk fat and MFGM (milk fat globule membrane). The TUMME study is a research project that, in collaboration with different Swedish and American universities, has validated its functional effect on infants.



2019

Hero Group achieves an important milestone thanks to the reformulation in Spain of its wholegrain infant cereals with no enzymatic hydrolysis (sugars produced during the manufacturing).



2020

Hero Spain is awarded the "Estrategia NAOS Award" to Entrepreneurial Initiative given by the Spanish Agency for Food Safety and Nutrition (AESAN) and endorsed by the Spanish Ministry of Consumer Affairs for the project "Más integral, menos azúcar: Estrategia de reformulación de cereales infantiles de Spain" ("More wholegrain, less sugar: Reformulation strategy for infant cereals in Spain").



Mission

The mission of the Institute is: "Inspired by nature, confirmed by science"

which contributes to a healthy life through healthy scientific practices that are always in line with the company's mission. **In the Hero Institute for Infant Nutrition, we incorporate the latest scientific research to design infant foods so that they contribute to appropriate development and growth of the child so that s/he becomes a healthy adult in the future.**

Fields of activity



Establishment of lines of research

In 4 main knowledge areas: Health and Nutrition, Food Science and Technology, Food Naturalness and Food Sustainability.

We collaborate in research projects with different prestigious universities, research centres and hospitals that guarantee suitability and accuracy.



Accurate communication

Accurate communication based on the science of our efforts and our results in innovation and research on healthy, natural and sustainable nutrition.

Communication addressed to health professionals (influencing public infant health), consumers and our own employees as main ambassadors of our knowledge.



Dissemination and scientific publications

Over the past 5 years:

- **More than 30 scientific papers and posters in collaboration with different research centres have been published**

And we continue with our research and innovation activity, publishing our results in:

- **Many international** (ESPGHAN and Nutrition & Growth) **and national** (SEGHNP, SEINAP, SEPEAD and FINUT)
- **Conferences on paediatrics, and high impact international scientific journals** (Trends in Food Science and Technology, Nutrients, Food Quality and Preference, Journal of Agricultural and Food Chemistry, Journal of Food Composition and Analysis, International Dairy Journal, Food and Function, and BMC Microbiology).



Research and innovation activity

Related to the 4 knowledge areas and aims to obtain healthy, natural and sustainable food with a positive impact on both people and the planet. Our projects are the following:

● 7 research projects related to:

- **Maternal milk** (composition and functionality).
- **Complementary feeding** (age of introduction, food preference adjustments, healthy food, reduction/elimination of sugars, sensory acceptability of infants, use of wholegrain cereals in paediatric age, study of gut microbiota).
- **Food processing** (influence of processing on nutrients and bioactive compounds).
- **Food naturalness** (developing tools for evaluation-index GON).
- **Food sustainability** (considering the guidelines of FAO and WHO, and The Eat-Lancet published in 2019).

● Innovation projects

During 2020, work has continued on the innovation projects started in 2019 aimed at optimising and improving our portfolio through the development of new products and reformulations at nutritional, natural and sustainable levels.

This innovation process is based on the guidelines GON – GON index whose objective is the evaluation of the coherence of our products with regard to our mission. The GON index is a tool that enables us to measure the level of nutritional quality/health and the level of naturalness of our food products. This index is supported by a solid scientific base and assesses each ingredient, each manufacturing process and nutritional profile of each product as well considering three perspectives:

- **Legal**
- **Scientific/technological**
- **Consumer**

This continuous optimisation of the portfolio is aligned with the Hero Group's sustainability pillar 3, led by the Research and Nutrition team, with 13 commitments established for the Baby food, cereal snack, and jam and marmalade categories:

Our 13 commitments regarding P3 (by category)



Infant foods

- 1. 55% of our menus will contain only non-meat protein by 2025
- 2. 55% of our menus will be organic by 2025
- 3. 75% of our cereals and snacks will include wholegrain or legumes by 2025
- 4. 90% of our purées will not contain starch or fruit concentrates by 2025
- 5. 0% of our products will contain palm oil by 2025



Cereal snaks

- 6. 55% of our cereal bars will contain wholegrain and/or nuts by 2025
- 7. A whole range of products based on fruit and vegetables by 2025
- 8. 20% reduction in "unhealthy ingredients" by 2025 (sugar, saturated fats and salt)
- 9. 100% of products containing cocoa and nuts will have sustainable origin certification (cocoa by 2025 and nuts by 2030)
- 10. Limitation of the use of palm oil by 10% in our products. Its use will be from certified segregated resources by 2025



Jams and marmalades

- 11. 35% of our jams with reduced sugar (<40% sugar) by 2025
- 12. 0% content in highly processed sugars by 2025
- 13. Promoting the development of bees and their role in biodiversity and sustainable agriculture



From the beginning, Hero Spain has maintained the objective of fulfilling each one of them. The following table shows the data achieved by Hero Spain in comparison with those of the Hero Group during the year 2020.

Our 13 commitments regarding p3 (by Category)

	Our sustainability goals	Hero Group	Hero Spain
Infant foods 	1. 55% of our menus will contain only non-meat protein by 2025.	37%	33%
	2. 55% of our menus will be organic by 2025	45%	23%
	3. 75% of our cereals and snacks will include wholegrain* or legumes** by 2025	51%	76%
	4. 90% of our purées will not contain starch or fruit concentrates by 2025	95% with 0% starch 67% without concentrates	100% with 0% starch 83% without concentrates
	5. 0% of our products will contain palm oil by 2025	6.2%	0% goal achieved
Cereal snacks 	6. 55% of our cereal bars will contain wholegrain and/or nuts by 2025	44%	62%
	7. A whole range of products based on fruit and vegetables by 2025	In progress	In progress
	8. 20% reduction in "unhealthy ingredients" by 2025 (sugar, saturated fats and salt)	In progress	In progress
	9. 100% of products containing cocoa and nuts will have sustainable origin certification (cocoa by 2025 and nuts by 2030)	90% cocoa 0% nuts	90% cocoa 0% nuts
Jams and marmalades 	10. Limitation of the use of palm oil by 10% in our products. Its use will be from certified segregated resources by 2025	17%	0% goal achieved
	11. 35% of our jams with reduced sugar (<40% sugar) by 2025	28%	31%
	12. 0% content in highly processed sugars by 2025	4.4%	2.9%
	13. Promoting the development of bees and their role in biodiversity and sustainable agriculture	-	-

NAOS Strategy Award



In 2020, **Hero Baby Infant Cereals 0%** added or produced sugar have won one of the most important awards in the sector in terms of healthy eating: the NAOS Strategy Award to Entrepreneurial Initiative given by the Spanish Agency for Food Safety and Nutrition (AESAN).

These awards are endorsed by the Ministry of Consumer Affairs and seek to recognise those initiatives that contribute to the promotion of healthy eating and physical activity among the population as a tool to prevent obesity. The project **“More wholegrain, less sugar: A strategy for the reformulation of infant cereals in Spain”** was the winner out of 12 candidatures.

With this project Hero has led the change towards the use of wholegrain cereals in infant cereals:

Approximately *73% of the most sold varieties* in Spain today contain wholegrain cereals

In addition, we have created a less sweet dietary environment, managing to reduce by *-90 % the sugar content* in the infant cereal range

and an overall average reduction of *-44 %* including the brands that together with us are leaders in the range

These facts translate into an important influence on food preferences moving towards healthy diets, as infants are exposed to whole grains and less sweet tastes from an early stage.

Project "More wholegrain, less sugar: a strategy for the reformulation of infant cereals in Spain"

Infant cereals represent, in most cultures, the first foods to be introduced in the complementary feeding period.

They play an important role in the early stages of life as they provide the infant with energy, macronutrients, vitamins, minerals, bioactive compounds and non-digestible carbohydrates that stimulate the intestinal microbiota.

Moreover, cereals will be a part of their diet until adulthood, hence the characteristics of the cereals to which the child becomes accustomed are of great importance.

The main objective of the project was to promote early exposure to healthy dietary habits through the reformulation of infant cereals in Spain.

For the transformation of the infant cereal range in the market towards healthier infant cereals, we have worked on the basis of 4 fundamental strategies as shown in the diagram below:



Since 2013, the Hero Research and Nutrition team together with external research groups have been studying:

- The acquisition of food preferences
- Early programming
- Nutritional recommendations in infant population
- Wholegrain cereals
- Sugar intake
- Sustainable diets



Subsequently, between 2014 and 2019, three acceptability studies were carried out in infants and young children on:

1.

The introduction of 30% wholegrain cereals

2.

The reduction of sugar content by 50% and a higher content of wholegrain cereals

3.

The total reduction of sugar content

In this regard Hero decided to completely eliminate hydrolysis from its production process in 2019

Part of the **results obtained** in this research project have been presented until December 2020 in **4 congresses** (2 international and 2 national) and **published in 3 scientific articles and a book chapter.**

In addition, a parallel study was carried out on the evaluation of infant cereal intake habits in the Spanish infant population from birth to 18 months with the aim of finding out:

- The type, frequency of consumption
- Mode of preparation
- Quantity of cereal infants ingested



Our publications related to the project:

1.

Sensory acceptability of infant cereals with whole grain in infants and young children.

Nutrients 2017

2.

Infant Cereals: Current Status, Challenges, and Future Opportunities for Whole Grains.

Nutrients 2019

3.

Are Sugar-Reduced and Whole Grain Infant Cereals Sensorially Accepted at Weaning? A Randomized Controlled Cross-Over Trial.

Nutrients 2020

4.

Sánchez Siles LM, Bernal MJ, Gil A. Chapter 4: Papel de los cereales de grano entero en la edad pediátrica.

In: Papel de los Cereales de grano entero en la Salud. FINUT 2020 scientific-technical report.

ISBN 978-84-09-19440-7.

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High quality and safety standards

The main characteristic of Hero Spain, as a multinational company specialised in nutrition, is its meticulous respect for the established regulations, based on an accurate selection of raw materials and the observance of the highest food safety standards.

Thus, the company is in favour of strict compliance with the general requisites described in the General Food Law, which are established in Regulation (CE) 178/2002. All the stages of the food production, transformation and distribution are considered in this regulation.

This regulation is complemented by:

- **Regulation (CE) 852/2004** related to the hygiene of food products
- **Regulation (CE) 853/2004** about the specific rules for the hygiene of foods of animal origin
- **Regulation (CE) 854/2004** about the specific rules for the organisation of official controls of the products of animal origin for human consumption

Hero's objectives are in line with the general objectives or the UE food law. In addition, Hero applies many preventive measures. We may highlight the following ones:

- Evaluation, homologation, and constant monitoring of the suppliers of raw materials
- Approval of purchase standards for each product by Hero and the suppliers to ensure the suitability of raw materials
- Sampling, inspection, and analysis of raw materials according to the previously established quality plans. Constant control of the manufacturing process by the Quality Control operators
- Constant application of the hazard analysis and critical control points (HACCP) system in all processes
- Periodic internal hygiene audits in all production plants and raw material and final product warehouses
- Constant training of employees in the fields of quality and product hygiene and safety

Certifications of Hero Spain



Beside our consumers

At Hero, we want to stand beside consumers, offering them food products with the best raw materials and implementing the best process. Consumers are our best allies and that's why it is essential to stand beside them, listen to them and always be available for any consultation regarding our activity or our products.

Therefore, Hero uses all the communication channels to achieve a transparent, close and customized relationship. Our presence on social networks and the free customer service phone number guarantee direct and fluent conversation.



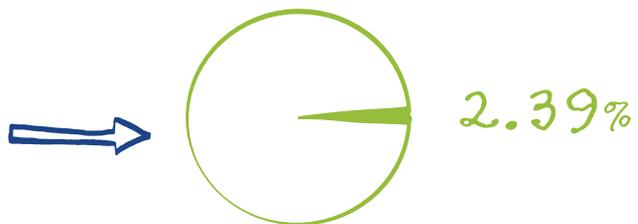


Customer service and consumer service are the ones to begin the procedure established in the Quality Management System when there is a complaint. Complaints are managed efficiently, and the information obtained is used for improvement.

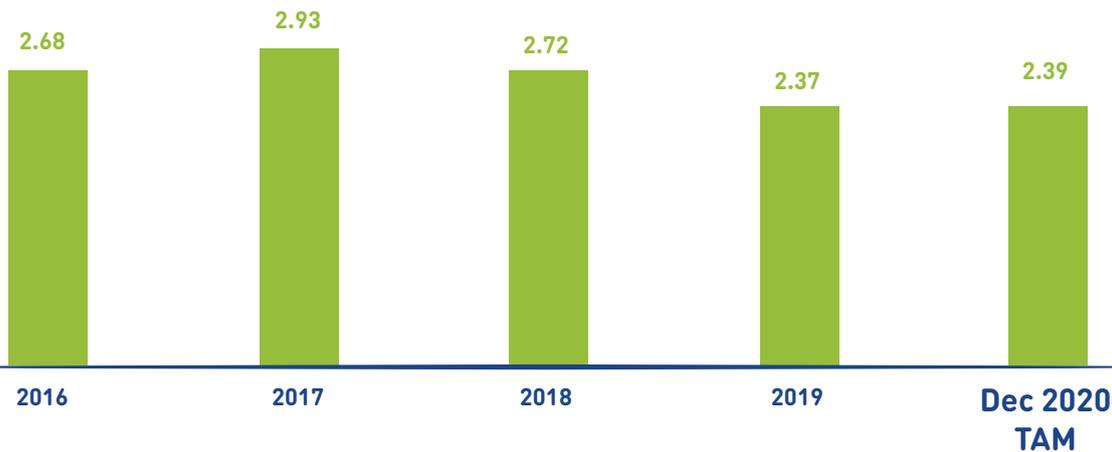
Qualified staff are responsible for adopting proper measures in a quick and efficient way, according to the importance and frequency of the problems identified.

2020

Number of complaints in Hero Spain per million of units sold



Number of complaints / millions of units sold



Complaint data are analysed to identify important trends. If there is a significant increase in complaints or serious complaints, the underlying causes are analysed to make continuous improvements in product performance, **looking for ways to prevent recurrence.** We investigate and record all complaints as well as the results of our investigations.

Social Commitment



As a food company, the work of Hero Spain at the present time is an essential service to continue supplying the population with basic foodstuffs, especially in the case of infant food, both nationally and internationally. In this pandemic context, our priority as a company has been to guarantee production to be able to carry out this important work.

To this end, we have intensified production and distribution activity to respond to a demand that has reached peaks of around 150% compared to normal periods, in order to respond to the growing demand for products in supermarkets and online shops.

Since the beginning of the health emergency caused by Covid-19, Hero Spain has collaborated with the most vulnerable groups affected by this crisis.

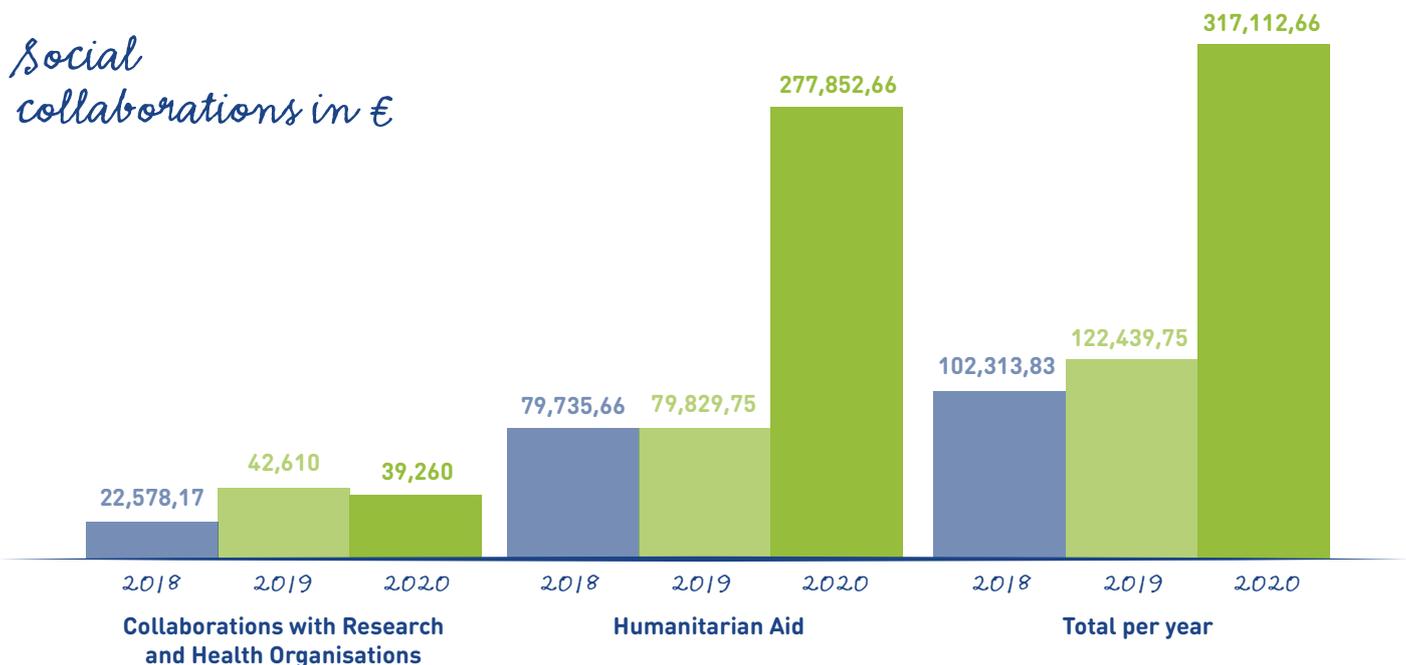
Thus, in 2020, our food company:



Has donated more than 100 tonnes of products

Such as jars, fruit pouches, juices and jams, mainly to the Federation of Food Banks, the Red Cross and Caritas.

Social collaborations in €



Hero Spain has carried out intense social work aiming to help the most vulnerable groups both in the Region of Murcia and at national level. In this respect:



Collaboration with large organisations

FESBAL, the Red Cross, and the Hospital 12 de octubre.



Collaboration with various humanitarian organisations

Such as Mensajeros por la Paz, Médicos del Mundo, Parroquia San Tomas and Aldeas Infantiles.



Supply free food

Initiative promoted by LineSport to supply free food for the groups most at risk of contagion and mild COVID-19 patients in Barcelona.



Meals for IFEMA's medical staff

A project of the Larrumba Group.



In addition, Hero Spain has also made other collaborations of various kinds in support of both local and women's sport.

By ratifying its commitment and extending its sponsorship of Blanca Manchón, six-time world champion windsurfer, following the International Olympic Committee's decision to postpone the Tokyo Olympics to 2021.

Collaborations with local and women's sport

	2018	2019	2020
Alcantarilla FC	950	950	950
Asociación Club Jairis	5,500	9,500	4,000
Blanca Manchón	5,000	5,000	10,000
PAPEA	12,000	12,000	12,000
Total	23,450	27,450	26,950

Volunteer spirit: taking part in several volunteer actions



Environmental volunteering

Environmental volunteering with our annual tree planting programme in Sierra Espuña. **Over the last 6 years, more than 4,000 trees have been planted** (lentisca, holm oaks, junipers, kermes oaks and wild olive trees).



Solidary Cent

The small change of our employees' monthly wages, a total of €3,700, have been allocated this year to the Murcia Red Cross projects "Attention to Hospitalised Children" which are being developed at the Hospital Clínico Universitario Virgen de la Arrixaca in Murcia and "Promotion of school success for children in social difficulty" during this 2021.



List of relevant associations to which Hero Spain belongs:

ANDI

National Association of Manufacturers of Children's Dietetic Products.

AME

Multisectorial Association of Food and Beverage Companies.

Fundación Alimentum

It is a private non-profit organisation whose mission is to improve the quality of life and social well-being by promoting initiatives that respond to the challenges and concerns that society demands in relation to food.

Fundación I+E

Association for the commitment of multinational companies to the development of R&D&I investments and activities in Spain.

AEP

Spanish Association of Paediatrics.

AGRUPAL

Association of Food Companies of Murcia, Alicante and Albacete.

Autocontrol

Independent Advertising Self-Regulation Body. We work for responsible advertising: truthful, legal, honest and loyal.

Promarca

An association of the leading manufacturers of FMCG products: food, beverages, drugstore and perfumery in Spain.

06.5 Sustainable sourcing

Sustainable management of the supply chain

Hero Spain implements a system of assessment for suppliers through the platform SEDEX, the biggest world collaboration platform to share information about responsible provision through supply chains, which is used by more than 50,000 members in more than 150 countries.

SEDEX offers an online system to collect and analyse information regarding responsible business practices in the supply chain, as well as many other tools to generate reports that help Hero Spain monitor the performance of its suppliers. It also has a risk assessment tool to evaluate the risks in terms of sustainability attached to their recruitment (labour issues, health and safety, biodiversity, food safety and quality, climate change, among others).

At 2020 year-end:

70 % of our suppliers
comply with all sustainability criteria
set by SEDEX.

Our total number of active suppliers of
direct materials is:

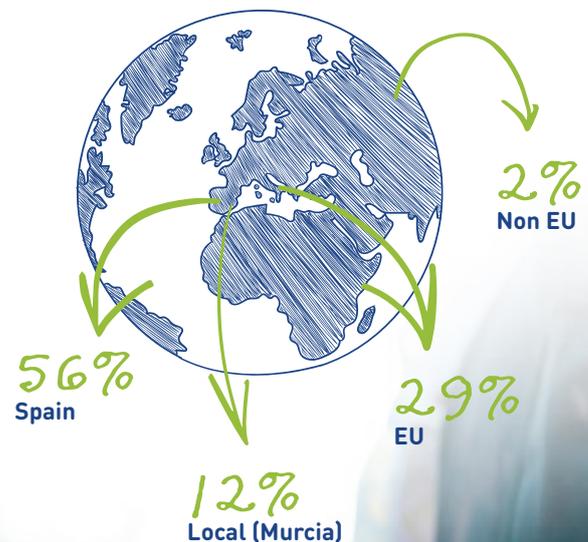
349, of which
245 meet regulatory requirements

In the previous two years, the percentage was:

78% in 2018
69% in 2019

We are committed to
national and local suppliers
who represent almost
70% of total suppliers

*Suppliers of raw materials,
packaging and finished products
in 2020 by origin*





- Hero asks its suppliers to sign the company's **Code of Conduct** and 49,4% of the suppliers have signed it thus far.
- We also carry out face to face audits according to the annual plan established by the **Innovation and Quality Department** in which the audits to be implemented and the audit team for each case are programmed.
- Depending on the kind of supplier to be audited and the field or the aim of the audit (homologation, monitoring, hygiene, quality, complaints, among others), **the implementation of the audit has three stages: Preparation, Execution and Results.**
- **Analytics of suppliers' raw materials are included in the internal control established as a plan for the analysis of raw materials.** It is a computer control through which the regularity of the dates needed for each kind of material is determined. In this way, there is a relationship between the date of the analysis and the parameters to be analysed.

Alerts

There was no kind of health alert affecting the products commercialised by Hero Spain in 2020.

Analytics

12,120 analyses
of final products and raw materials

were carried out in 2020 to guarantee the quality of our products.

Audits

Audits carried out in 2020:

51 auditorías
10 internal audits, 28 audits of suppliers and subcontractors, 10 certification audits and 3 audits of customers; with respect to Quality, Food Safety and Prevention audits.

Administrative actions

There have been 0 cases of non-compliance related to information and labelling in breach of current regulations.

In 2020 there were 10 cases of administrative actions (health authority reports), of which there have been no administrative complaints:

- *6 Official controls*
- *2 Routine inspections*
- *2 Environmental inspections*

Complaints

The company purchases certified products that ensure ethical sourcing and respect for human rights and biodiversity.

Not only is it our goal to reduce our logistic footprint, but also to cooperate nationally and locally since we believe this leads to more

sustainable practices in the environmental and social fields. In order to extend our philosophy to the value chain, we make an effort to maintain steady commercial relationships with our suppliers and collaborate with them in order to achieve constant learning and improvement regarding corporate responsibility.

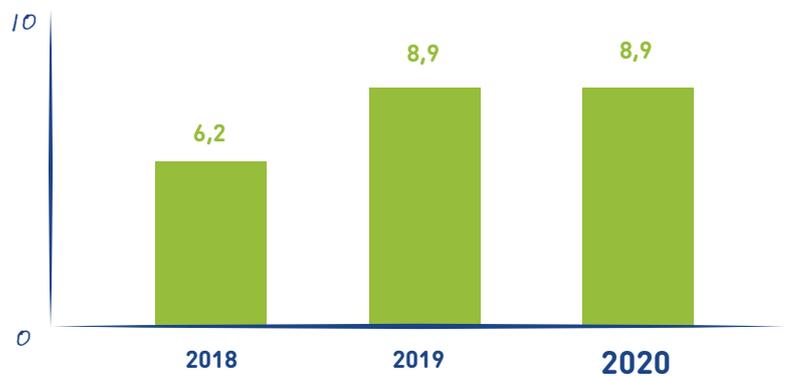
Elaboration of organic products

Hero Spain elaborates organic products having improved its portfolio in this field in recent years.

Since the launch in 2017 of the range of infant organic products SOLO, the significance of this product has been increasing due to the innovation in new flavours and formats. The green market in Spain is awakening thanks to this new opportunity for healthier and more sustainable diets.

As can be seen in the chart, there was a sharp increase in 2018, which has remained steady over the last two years.

% Units sold of ecological products



06.6

Protecting our natural resources

Our commitment to sustainability is a core principle of our mission: "conserving the goodness of nature".

We have always considered nature to be our collaborator and, therefore, we are committed to having a net positive impact on the environment by 2030 – we will give back more than we use up.

We have been working towards this goal for so many years, but now we want to go one step further. We owe it to the planet because it is nature that provides us with the raw materials that we need to develop our own products and delight our consumers.



One of our pillars is the preservation of the natural resources in all our products. Thus, the main purpose of all our actions is to protect biodiversity mainly through:



Saving energy



Initiatives to get 100% recyclable containers and packaging



Reducing waste



Reducing water consumption

Hero Spain has an Environmental Management System in line with the requirements of international regulation UNE-EN-ISO 140001, it holds an Aenor Certificate and is registered in the EMAS Register with the No ES-MU-000002.

In July 2018, Aenor audited Hero Spain adapting the EMAS Certificate to the latest version of the agreement with the Commission Regulation (UE) 2017/1505 of 28 August 2017.

In addition, we implement the precautionary principle for the environmental risks we have identified. We have an **environmental safety policy** but no specific provision for environmental incidents, given the adequacy of the policy coverage in force.

The value of investments in the different equipment and facilities to protect the environment in 2020 amounts to:

544,227€

The main objectives set out in our 2020 environmental declaration and included in the sustainability report for the same year can be found below.



1. Energy consumption

After the **gradual replacement of conventional lighting** by the more efficient **LED technology**, the third phase of renovation was carried out in the heat treatment plant and in the labelling plant in 2020. A project has also been developed to **improve thermal insulation** in the processes of the baby pouches plant.

The calculated saving of electric power is 125,620 Kwh (41.4 tonnes of CO2eq have been prevented), while the calculated saving related to thermal energy was 400,000 kWh (72.8 t CO2eq). Therefore, the target set in the previous report to reduce electricity consumption by at least 80,000 kWh has been met.



2. Substitution of plastic straws

In 2020, the plastic straws used in the manufacturing of products in brik format have been replaced by others made of pressed cardboard.

Currently, the legislation on single-use plastic does not apply to food for special medical purposes, but in Hero Spain we have already decided to make this commitment in our brik cartons for medical purposes in 2020.



3. Consumption of packaging made of biobased material

In 2020, Hero started marketing pouches whose packaging was made of more than 70% plant-based material, specifically sugar cane.

This represents a very important environmental improvement by no longer depending on plastic derivatives of petroleum for their production, with the subsequent reduction in the environmental impact produced by their production.

More than 12 million pouches were produced with this type of plant-based packaging, so the target set in the previous declaration of 2 million units was met.

Bee Careful project



Bee Careful is a simple, and yet complex, project whose only goal is to create a shelter for pollinator insects and their auxiliaries inhabiting cereal crops in Teruel. To do so, a melliferous plant reserve (herbaceous and aromatic) is created to provide food (pollen and nectar) for many months and to protect insects and the rest of the plants from wind and dehydration. Their flowers and branches will also take in some of their auxiliaries, as simple as ladybirds or as splendid as birds.



This plant ensemble provides ecosystem services such as:

- Purifying the air
- Fixing nitrogen to the soil
- Providing us with their colour and aroma

In addition, it will also contribute to the cereal crop, since some auxiliary insects, for instance, flower flies of the Syrphidae family with migratory habits, and predatory or parasitic wasps, will settle in and help control pests.

The Project began in 2016 and, regularly, an entomologist, who collaborates with CSIC, carries out:

- Environmental diagnosis.
- Biodiversity inventory.
- Monitoring of the evolution of pollinators. This monitoring provides data to draw conclusions regarding the number of species (of bees and other insects), potential pests, possible predators, endemic species, and other existing species in the area.

In the samplings, we started to notice the first results of our programme Bee Careful.

- "Pioneer" pollinators and solitary bees of varied species (Andrena Albopunctata, A.Hispana, A.Morio) have been found.
- Remarkable presence of butterflies, especially Parnasius Apoyo, a species that is protected by different international treaties (such as the CITES Treaty), whose appearance in the the area is as important as it is uncommon.
- An average of 176 pollinator specimens have been observed over the period 2016-2019

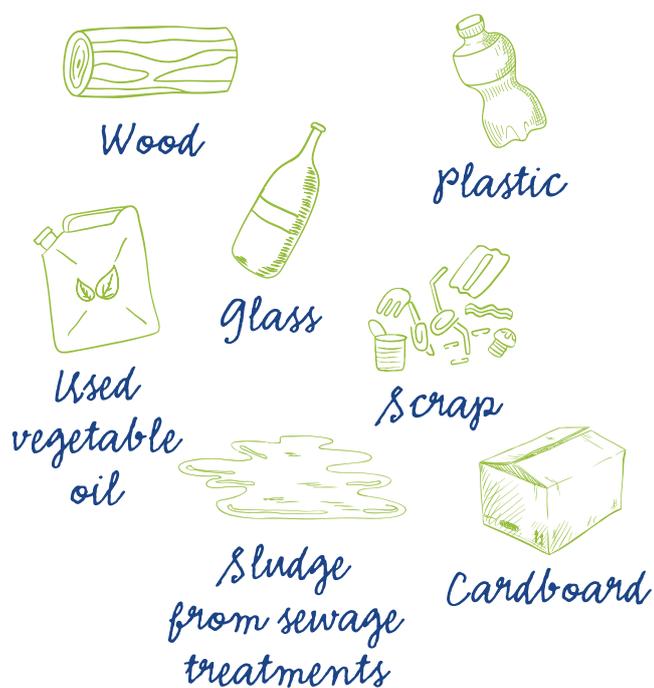
One of our objectives for 2021 is to extend this experience to other suppliers so that they can learn about these agronomic practices that are so beneficial for biodiversity in monoculture areas.

Our goals to continue conserving the goodness of nature

Aspects	Objectives	Goals	Deadline
Energy consumption/ Atmospheric emissions	Saving in energy consumption	Improve the indicator by 3%	2021
Energy consumption/ Atmospheric emissions	Reduction of carbon footprint by applying sustainable purchasing policies	Increase sugar consumption by more than 10%	2021
Improvement of marine biodiversity	Promotion of responsible fishing	Certify the company according to the international MSC standard	2021
Biodiversity	Improvement of bee biodiversity	Increase of pollinators in quantity and species, focusing mainly on bees in the project area	2021
Transport of finished product	Reduction of carbon footprint	1% improvement in the carbon footprint of the transport of finished product	2021
Water consumption	Reduction of water consumption	Improvement of the water consumption indicator by 2%	2021
Consumption of natural resources	Reduction of resource consumption	50% of the plastic shrink-wrap consumed has more than 50% recycled content	2021
Waste management	Improved waste recovery	Valorisation of more than 95% of all waste generated	2021
	Improve recyclability of packaging	Validate recyclable multilayer packaging and pouches	2022
	Reduce the generation of used lead batteries	Replace 50% of forklift trucks with lead batteries for lithium batteries	2022

Management of non-hazardous waste (NHW)

Hero Spain generates a series of non-hazardous waste:



The policies that have been implemented to reduce waste are mainly focused on reducing its generation and seeking alternatives for its valorisation. Therefore, at Hero Spain, we develop projects to reduce food waste by reducing wastage in the manufacturing processes, by planning the optimal manufactured sets that minimise storage time, by donating food, etc.

The attached charts show a reduction in waste destined for landfill by increasing the % recovered.

In 2020, we proceeded to characterise the fraction of domestic waste that is still destined for landfill (15%), aiming to seek an alternative for its recovery.

The results were positive allowing us to manage this waste by recovering it energetically.

This waste is duly classified in our facilities and delivered later to special waste managers that are authorised by the competent Environmental Administration.

KG Non-hazardous waste / t manufactured



% NHW



Management of hazardous waste (HW)

Hazardous waste generated by Hero Spain is derived from the use of dangerous substances in auxiliary activities such as cleaning, maintenance and laboratory work. This waste is duly classified in our facilities and delivered later to special waste managers that are authorised by the competent Environmental Administration. Hero Spain holds the required authorisation to be producer of small volumes of hazardous waste with the No 1277.

In this section, we should point out that in the latest study of environmental aspects, the generation of waste from used lead batteries has been assessed as significant. In order to improve this, a plan has been established to replace existing lead batteries with other more sustainable ones with lithium technology.

As can be seen in the indicator, there has been a decrease of 30% in 2020 in comparison with last year.

HW Generated Kg/t manufactured



Discharges to liquid effluents

Hero Spain generates industrial waste that is treated in an industrial sewage treatment plant (EDARI) of our own that is located within our facilities. We use a double treatment based on physicochemical methods (DAF – Dissolved Air Flotation) and an aerobic biological depuration of activated sludge on a fluidized bed. Later, the treated

discharge is channelled to the municipal sewage collection system for subsequent treatment in an urban sewage treatment plant, while the sludge is managed as waste in an external biodigester and composting plant.

*The indicators reflect the correct functioning of the sewage system, keeping the levels of indicator parameters, such as *DQO and **SIS, well below the legal limits.*

Discharge parameters Kg/t manufactured



*COD (Chemical Oxygen Demand).

** SIS (Solids in Suspension).

Greenhouse gases emitted

Greenhouse gases directly emitted by Hero Spain S.A. come from:

- Combustion of five industrial boilers
- Several auxiliary generators
- Leakage of refrigerant gases from the refrigerating systems

In 2020, the indicator of emissions per manufactured tonne improved thanks to the energy efficiency measures adopted by the company regarding process optimisation and heat insulation. 245 tonnes of CO2 emissions have been prevented.

The CO2eq emitted from consumed fuel has been calculated according to the consumption of natural gas by applying conversion factors

t CO2 / t manufactured



set out in "Annex 7.- Factors of emission of CO2 and ICV of fuels from the Spanish National Inventory of Emissions of GG (Greenhouse Gas), years 1990-2018 (Version: 2020)" and the "Guidebook for Reporting Emissions in Thermal Power and Combustion Plants, by the Department of Environment and Spatial Planning of the Junta of Andalucía, version: 2020".

The CO2eq of refrigerant gases has been calculated by taking the global warming potentials published in the Fourth Assessment Report of the IPCC (Regulation 517/2014) as a reference point.

Atmospheric emissions

Conversion factors have been taken from those set out in the "Guidebook for Reporting Emissions in Thermal Power and Combustion Plants, by the Department of Environment and Spatial Planning of the Junta of Andalucía, version: 2020".

Atmospheric emissions of pollutants NOx, PM10, CO and SO2 have also slightly improved due to the energy efficiency measures implemented.

Kg NOx / t manufactured



Kg PM10 / t manufactured



Kg SO2 / t manufactured



Energy consumption

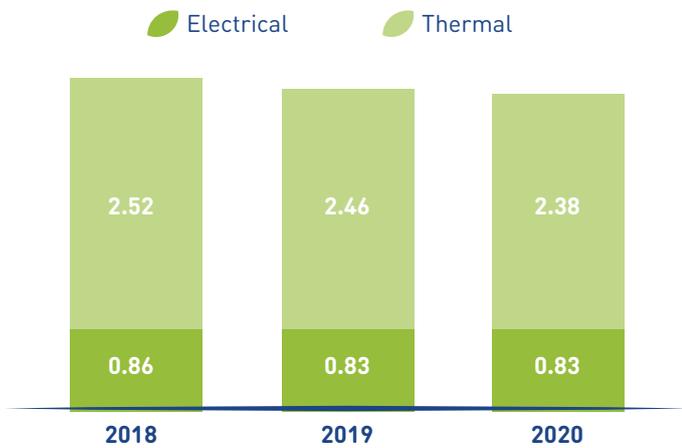
The first graph shows the indicator of the consumption of electricity and natural gas in the factory per tonne manufactured, while the second graph shows the electricity consumption in the logistics warehouse per tonne handled. This differentiation is made because in the logistics warehouse there are handled products that are not manufactured on the premises of Hero Spain.

The first chart shows that the thermal and electrical consumption improved thanks to measures taken regarding energy efficiency in terms of lighting and thermal processes.

In total, 4,901 GJ of energy have been saved.

As for the second chart, electricity consumption in the logistics warehouse is the same as in previous years.

Gj consumed energy / t manufactured



Gj consumed / t handled



Renewable energy consumption

Hero Spain does not generate electrical energy, which is acquired in its entirety from companies in the Spanish electricity grid.

The supplier of electrical energy guarantees that 100% of the energy is of renewable origin.

Promoting both the use of these clean energies and the global reduction of the impact of CO2eq emissions associated with the generation of electrical energy at source.



% renewable energy consumed



Water consumption

Water resources consumed by Hero Spain are mainly used for:

- Cleaning processes
- Thermal treatments
- Cooling processes
- Inclusion in the final product

It is from the public water supply network and other groundwater sources.

As can be observed in the eco-efficiency indicator, water consumption has improved slightly compared to 2019, with the implementation of recovery measures for process water. This aspect has been assessed as significant in the latest study of environmental aspects, and we will continue working to reduce the water consumption of our activity.

A reduction in water consumption of about 3,680 m³ has been quantified in 2020.



Noise and light emissions



Day-time external noise dB (A)



Sound pressure levels outside the facilities are **imperceptible**, given the urban environment surrounding the facilities (noise due to road traffic).

Exterior noise measurements are performed annually on all the façades of Hero Spain, the results always being below the limits stipulated by local regulations.

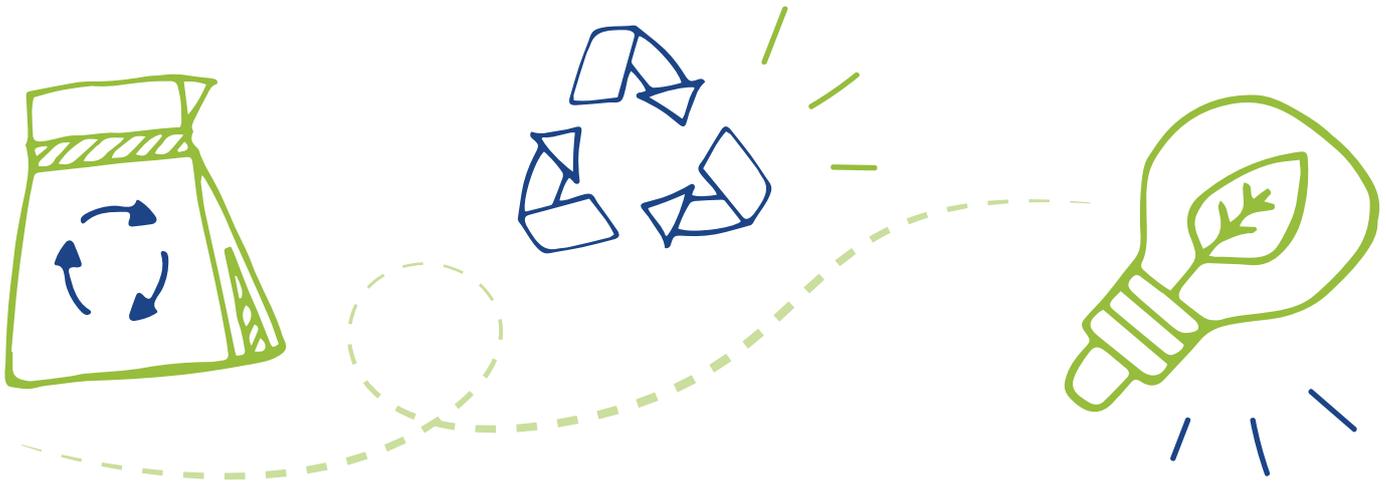


Night-time external noise dB (A)



Regarding light pollution, all outdoor lighting installations comply with the provisions of Royal Decree 1890/2008, of 14 November, approving the Regulation on energy efficiency in outdoor lighting installations and its complementary technical instructions EA-01 to EA-07.

Night-time operations carried out by the company do not affect the landscape surrounding its facilities. The company has activation and deactivation lighting times established depending on the time of year and controlled by sensors that measure environmental light intensity.



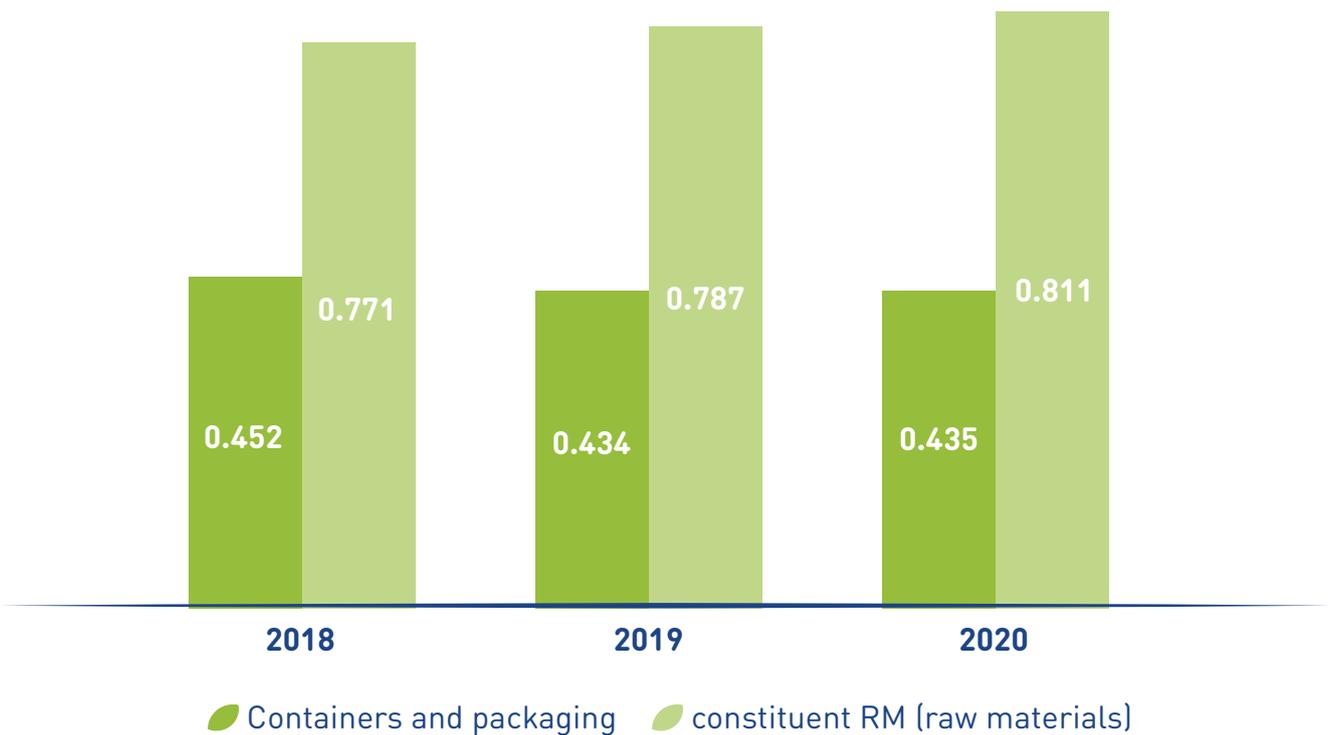
Efficient use of materials

The attached graph shows the different packaging materials and constituent raw materials.

As shown in the chart, the consumption of packaging remains steady and there is a slight increase in the consumption of constituent raw materials, mainly due to the increase in the production of fruit purées.

96% of the packaging materials are renewable, while the percentage of constituent raw materials is 100%.

t raw material / t manufactured



06.7

Commitment to our people

Hero Spain has a new integrative and corporate HR policy and management to support all areas of our company.

Our goal is:

- *provide legal and technical support* to the different departments
- Generate and convey our *corporate culture and values*
- *Engaging the staff*
- Fostering the talents' development and careers *in the organisation*
- *Being always in line with the strategic objectives* of the company

We aim to achieve the commitment of the staff to the objectives aligned with the company and its business management and to have a sustainable approach of interpersonal relations, people, and their development, through all HR processes.



All actions seek to place the individual at the centre of the business as the active protagonist in the fulfilment of our corporate strategy.

Hero believes in the development of talent.

That is why Hero invests in the people who are a part of the organisation and is concerned about their success. Hero helps them so that they develop their skills, as we are aware of the boost this means for the growth of the company. Proof of this is that we are a company on the verge of its centenary that, through internal talent, has responded to great challenges that have led to its leadership in Infant Nutrition and Jams. New processes, proceedings and records that encompass our strategy and give visibility to our new workplace communication systems.

Our objectives are woven together with our mission and our strategy to reach internal coherence in all aspects of our staff's experience.

Diversity and equality are values embedded in our daily actions, guiding us to critically analyse them and to ensure their compliance. Our aim is to achieve greater challenges in this field every day since we are aware that these values will also benefit our work and will distinguish us as a company, focused on transversality, trust, individual and collective respect.

We carry out the management of equality with solid assurance processes with public registration and internal control of actions so as to be able to have guarantees of all actions and relationships where equality is an essential element, and diversity is an opportunity.



The workforce employed in 2020 was

837 people

(FTE 798 people)



Of which

47.68%
are women



52.32%
are men



Most of the workforce comes from Spain



And has an *average age of 47.33 years*



The average age of the **women** at Hero is

48.42 years



while that of the **men** is

46.34 years

It is therefore an egalitarian, young and experienced team.



It is also noteworthy the impact of the activity of Hero Spain on

local employment

which in 2020 was

93.31% of the total workforce

We encourage job stability, committing ourselves to indefinite contracts, without discrimination on the grounds of age, gender or professional category.

We would like to highlight the great influence of our company on our economic and social environment, where the influence of indirect employment is important, as well as the contribution to economic growth.

Staff distribution by age

Throughout 2020, we have hired a total of:

22 workers

and a total of:

42 people

have left

34 of which did so non-voluntarily and 8 voluntarily.

The turnover rate during 2020 was **0.95% for voluntary terminations and 4.06% for non-voluntary terminations.**

The following table shows the distribution of the staff by gender, age, professional category, type of contract, nationality, recruitments, terminations and turnover rate:

Distribution of staff by gender



Distribution of the staff by age



Distribution of staff by professional category

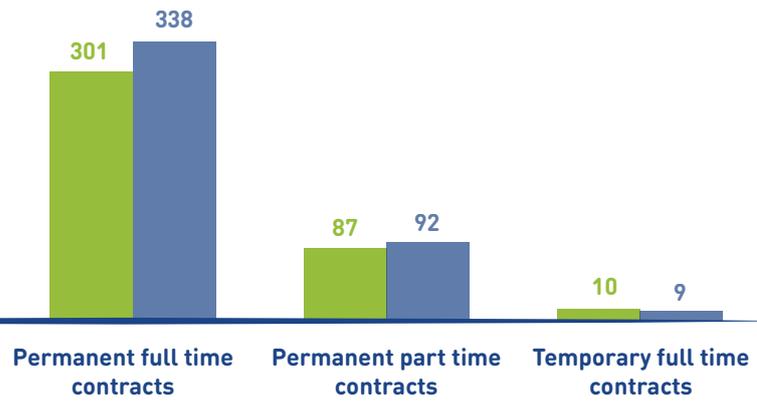
2020



Distribution of staff by contract type and gender

2020

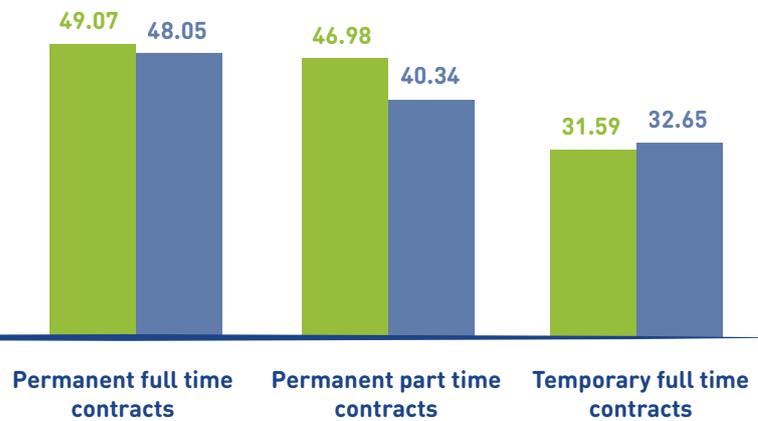
Female
Male



Average age of staff by contract type

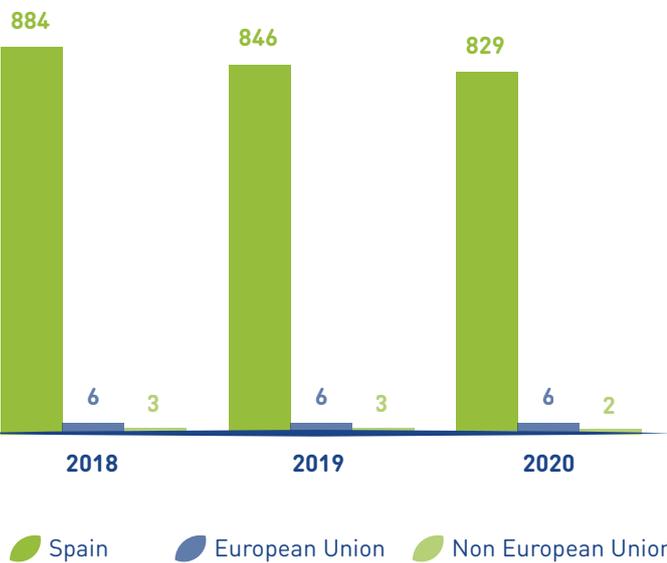
2020

Female
Male



Distribution of the staff by nationality

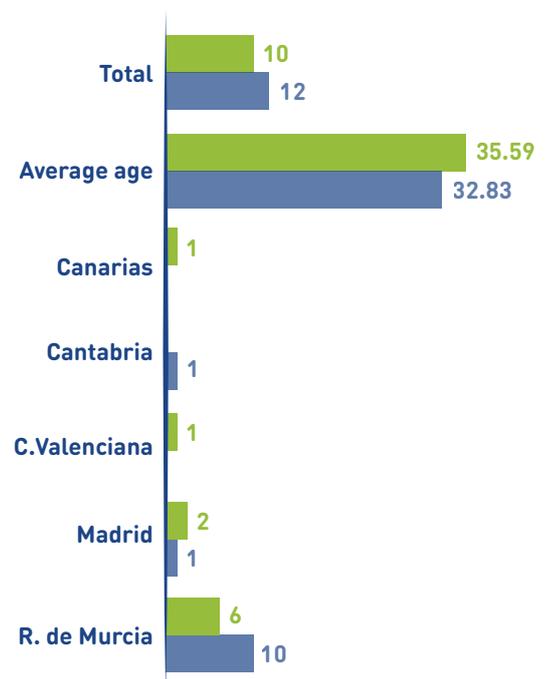
2020



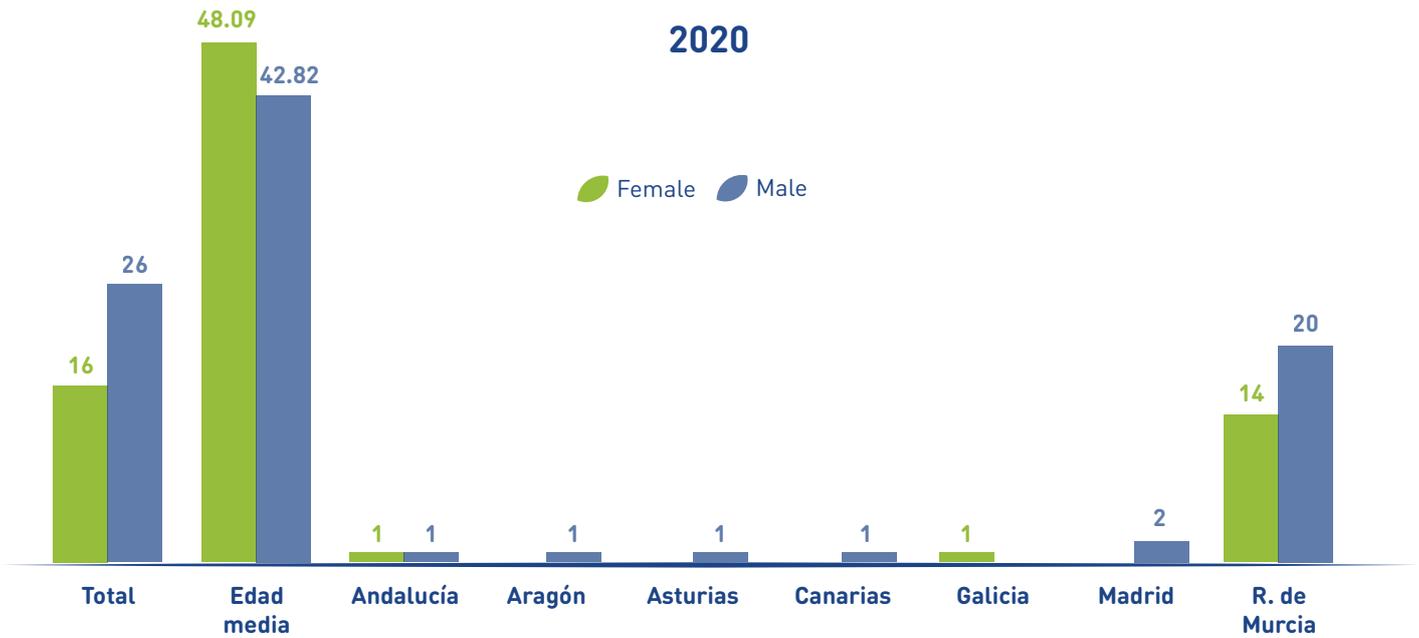
Number of recruitments

2020

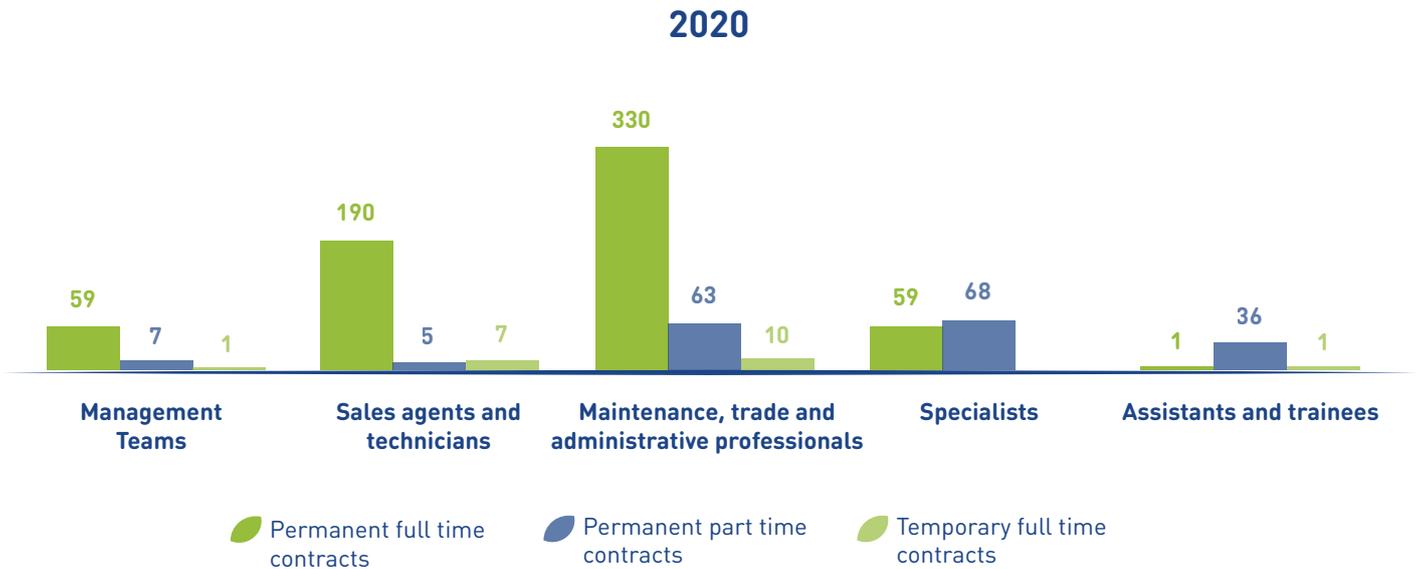
Female
Male



Number of terminations



Distribution of staff by contract type and professional category



Hiring process

Selection processes carried out by the company always ensure objectivity and the absence of discrimination through a "blind" system when those in charge of an area interact in said process. We provide the applicants with a competitive value offer that is appealing and eases the selection and hiring of the best professionals, prioritising the knowledge, skills, and competences for each post.



1.

Diversity and equality

In the frame of its strategic policy of Human Resources, Hero considers the management of equal opportunities at all levels of the organisation to be essential. In addition, Hero promotes equality policies with all the companies with which it interacts.

The company has an Equality Policy in agreement with the Organic Law 3/2007 of 22 March for the Effective Equality between Women and Men and the Royal Decrees 901 and 902 of 13 October 2020.

Throughout 2020, we proceeded to adapt the new requirements of the new regulations in a consensual manner with the social side of the Gender Equality Committee and incorporated them into the Gender Equality Plan. In our Gender Equality Plan, we express and communicate a commitment to equal opportunities.

Gender Equality Committee

Equal treatment and opportunities between women and men are a priority in our company's Strategic Plan, and are considered a fundamental principle of labour relations and human resources management.

For this reason, and in order to achieve an effective promotion and follow-up of the measures adopted in our Gender Equality Plan, there is a Gender Equality Committee represented by members of the Company Workers' Committee, on its social side, and, on behalf of the company, by members appointed by the company.

The functions of the Gender Equality Committee are to advise and promote measures aimed at avoiding any type of workplace discrimination between women and men, and the achievement of equal treatment and opportunities in the company.

Among its functions, we highlight the following:



To ensure compliance with current legislation

on effective equality of women and men, the principle of equal treatment and opportunities and non-discrimination on the basis of sex.



To inform and raise awareness among the staff on the objectives and content of the Gender Equality Plan.



To facilitate and promote the implementation of the Gender Equality Plan.



To promote the activities carried out.



To inform and advise on the implementation of the measures of the Gender Equality Plan.



To elaborate annual follow-up reports

on the degree of achievement of the objectives and results during the reference period.



To propose changes/adjustments

to the Gender Equality Plan that may be derived from the follow-up reports.



To interpret and/or mediate in the solution of possible conflicts

that may arise in the application of the Gender Equality Plan.



To promote actions to improve equality within our Company.



To communicate actions for the promotion of all employees.



Other functions that may derive from the Gender Equality Plan.

Anti-harassment policy

Hero Spain exerts continuous control and vigilance through the Human Resources Department Management of any behaviour that could appear to be harmful to the employees and the company such as:

- Mobbing
- Stress
- Burnout
- All forms of sexual harassment

The company has a policy to prevent actions by senior employees, workmates and any other employee that could violate the fundamental rights of the workers, avoiding in this way behaviours that entail any kind of physical or psychological harassment.

Furthermore, apart from control and surveillance, **all managers receive specific training in this area.**

In addition, in the **initial training** given to the staff, they are informed about potential psychosocial risks linked to work and encouraged to report any kind of irregular action detected from their position, even if it is focused on a third person, to the Human Resources Department Management by means of telephone or pigeonholes placed in the facilities.

If any action is needed, the **protocol** described in the Occupational Risk Prevention manual (ORP) and the Action Protocol for Interpersonal Conflict Resolution, and the Prevention of Workplace Harassment should be consulted.

Inclusion of disabled employees

Hero encourages measures to promote equal opportunities by eliminating obstacles that would prevent the full integration of disabled people, providing them with accessibility.

For those employees who become disabled, their workplace is adapted, or they are relocated to another workplace in accordance with the actual capability of the employee. The company complies with what is foreseen in article 42 of the Royal Decree Law 1/2013 of 29 November, in which the Recast Text of the General Act on disabled people's rights

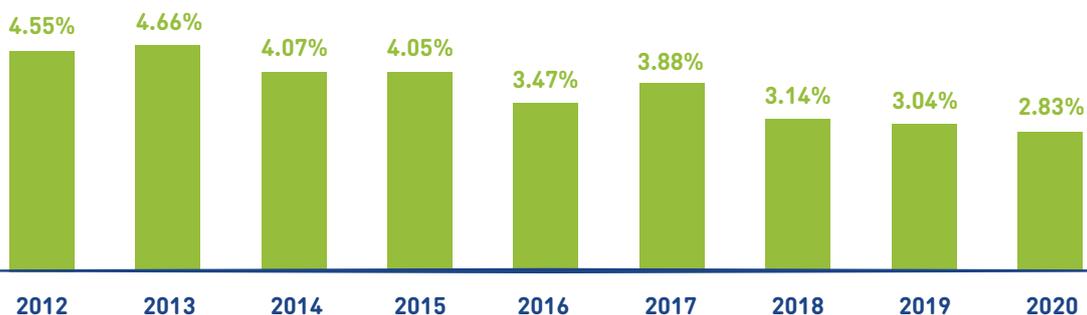
and their social inclusion is approved. According to this Act, **a quota of 2% is reserved for disabled people.**

In 2020, this percentage was 2.83% in Hero.

Beyond the disability of any member of the staff, **Hero gives financial aid and special paid leave for medical attention to those employees whose family members have a disability.**

Staff with any kind of disability

● Percentage





Respect for Human Rights

Hero Spain rejects all forms of forced and child labour, as well as any other infringement of fundamental rights, as described in our Code of Ethics. Hero applies this commitment to all its suppliers whom it requires, in addition to complying with regulations, the compliance of Human Rights, among many other criteria of Corporate Responsibility.

“Hero Spain’s respect for Human Rights is manifested through our commitment to the UN’S Sustainable Development Goals and the United Nations Global Compact”.

Worker representation

Our relations are regulated by our Collective Agreement of the Company.

Company Workers’ Committee

In Hero there is a **Company Workers’ Committee** as a representative and collegiate body of the workers as a whole, made up of **21 members** to represent the interests of the workforce. Within the existing culture of consensus, the Company Workers’ Committee **is informed and consulted on questions that may affect the employees in the development of labour relations.** The transmission of information, consultations and meetings between the parties are regular and continue to comply with the set of reciprocal rights and obligations, meeting the needs that arise.

Joint Negotiating Commission

The Joint Negotiating Commission for **negotiation and compliance** is constituted of two parties: representing the social side, president, secretary and member, and **members from the Human Resources Department** on behalf of the company side.

On a quarterly basis, information is provided on:

1.

The general evolution of the economic sector to which the company belongs.

2.

The economic situation of the company and the recent and probable evolution of its activity, including environmental actions that have a direct impact on employment, production and sales, including the production program.

3.

Forecasts of new contracts, (number and types of contracts to be used, including part-time contracts, overtime).

4.

Statistics on absenteeism rates and causes, occupational accidents and diseases and their consequences, accident rates, periodic or special studies of the working environment and prevention mechanisms to be used.

5.

Equal treatment and opportunities for men and women.

6.

Social issues, work-life balance, working hours, remote work (teleworking).

2. Employment quality

Work-life balance and social benefits

Hero recognises work-life balance as a fundamental right and an essential support for internal and external social balance.

For this purpose, Hero has been developing policies and good practices for the last few decades to balance professional and private life and promote co-responsibility.

The company considers flexible labour organisation as a means to generate opportunities for conciliation, but only if it is an individual and voluntary option for the employees and if it is considered a new way of working that is comparable to permanent full-time work from the point of view of labour conditions, promotion, remuneration and private rights.

Teleworking/ Flexibility regarding the work place

The situation of the health crisis has led us to allow teleworking in those areas where it is possible, providing all the means for the emergency situation and reducing uncertainty. This has been evolving with the consolidation of the system, a cultural change on which we are working.



In 2019, we recorded a total of

308 telework days

+ 238.36 female

- 69.68 male



Telework hours in 2020, due to the pandemic situation, have increased by a total of

19,356 hours

+ 11,718 female

- 7,638 male

The pandemic situation during 2020 in Hero Spain has accelerated the implementation of this flexible program, which is detailed below:



HeroFlex is a cultural change that we are addressing, moving from face-to-face management to one where scheduling and task tracking is essential.

To this end, good project planning, objectives and follow-up by managers are guaranteed.

This new work paradigm is based on these key principles:

- Individual or personal goals are respected as much as professional goals
- Contribution is measured by results, not by the number of hours spent in the office
- Achieving a culture of flexibility requires a culture of trust, while continuing to strengthen commitment
- Teamwork and collaboration are fundamental to true work flexibility

Ultimately, it is about creating an agile work culture with managers who are prepared to manage by objectives, with clear performance expectations and open communication based on trust.

This new project called HeroFlex not only involves changes in remote work but also in face-to-face work:



With greater autonomy and empowerment



Learning new technological tools



Based on task scheduling and follow-up, where management by objectives is fundamental



Achievement of tasks based on suitable objectives and in a timely manner



With flexible working hours



Knowledge of our commercial initiatives and of the competition

In this way, Hero Spain is promoting a cultural change, which will entail the gradual implementation of various changes, which will result in great success for everyone.

The results have been maximum conciliation, teleworking and flexibility.

Space flexibility was managed during the pandemic to be able to set capacity limits and safe spaces. This system will be applicable in post Covid moments, to be able to continue to have that flexibility and achieve collaborative, close, modern spaces, which will be considered within the Hero flexible project as a lever to ease cultural change.

Flexibility regarding working hours



A flexible working schedule has been introduced for the administrative staff.

The employees who work shifts have the opportunity to change the working shift.

Part-time employees can modify their schedule, provided that they comply with the "block schedule" (hours of highest concentration to work).

Flexibility regarding leaves

More than a third of the employees have children and, in addition, most of them also care for dependent adults.

The Collective Agreement of the Company includes days of leave to care for relatives, children, the elderly, etc. This leave is accepted by the organisation without any negative effect on productivity.

Our company grants leaves that go beyond those established by law and in the Collective Agreement of the Company, an example of which is the additional vacation days for staff over 50 years of age.

Social benefits and aid

Hero Spain offers many social benefits and aid to its staff. Among them we highlight the following:

- A monthly grant for employees' sons or daughters with any physical or intellectual disability and an additional eight hours leave to accompany them on any procedure.
- Accident insurance for all employees.
- Possibility to join the Flexible Wage Plan in the canteen and kindergarten.
- Awards for the 25th and 40th anniversary in the Company.
- A monthly retirement allowance paid by the insurance company.
- Rehabilitation and gym services, on stand-by due to the pandemic.
- Virtual banking for employees who so wish. Cash machine on the company site.
- Promotion of sport activities.
- Grants for schoolbooks.
- Education grants for orphans when a Hero employee with sons or daughters dies.
- Delivery of promotional products.
- Short working day in summer.
- More holidays for employees over 50.
- Agreements with travel agencies.

Labour disconnection

The immersion in the digital world has changed work life, which may be easier since it is possible to work from any place and device with nothing more than internet connection.

The new Organic Act for the Protection of Personal Data and for the Guarantee of Digital Rights (LOPDGDD) of 2018 tries to adapt the Spanish system of laws to the new European Regulation for the Protection of Personal Data. New rights for the employees are established in the new Act. The right to disconnect in non-working hours, the respect for their rest time, leave and holidays as well as their personal or family privacy are among these new rights. With them, computer fatigue of the employees is aimed to be avoided as far as possible.

The policy of digital disconnection has been communicated to all staff through our intranet, where it is available and accessible.

Beyond the legislative regulation, we include the responsible use of devices in our internal policy. In the case of employees working from home with digital devices, Hero guarantees the right to disconnect, with the resulting advantages for the company:

- **It improves the productivity of committed employees**
- **The quality of work increases since the employees have rested and are less stressed**
- **The communication between employer and employee increases**
- **It transmits the brand image of a company that looks after its employees**
- **It improves employer branding**
- **It reduces labour absenteeism**

Benefits for the employee:

- **The employee disconnects from work during non-working hours**
- **Family conciliation improves**
- **Tension and stress are reduced**
- **The motivation for the employee's work increases**



Some specific measures that Hero Spain promotes in this sense are the following ones:

1.

Any kind of communication with other collaborators, no matter the channel used (e-mail, phone, social networks, among others), must be carried out during working hours so that it can be seen, answered and/or consulted during working hours, with no obligation to answer except in circumstances of force majeure or special situations.

2.

In the case of absences due to short-term disability, trips, holidays, etc., the employee will be able to inform their superior about this absence in his/her e-mail so that the e-mails are automatically redirected to other contacts who are working.

Fair wages

In Hero Spain, the Remuneration System is based on objective procedures that help to establish a Salary Policy adjusted to the different functions carried out through detailed descriptions of functions or jobs, in an objective and systematic evaluation of the jobs and in a performance evaluation through the assessment of the individual valuable contribution of each person.

These offer us the reference value in a competitive remuneration policy:

- **Collective negotiation**
- **Benchmarking studies**
- **Sectorial agreements at national level**

Hero Spain has a **professional classification system** based on the job itself as the basic unit upon which our organisation is structured and is comprised of a set of tasks, duties and responsibilities usually carried out by a worker during their working hours.

People occupy different positions, with different access requirements, functions and salaries. These positions are organised within a professional classification called professional groups.

Professional groups organise workers according to their professional skills, qualifications and general job conditions. Within the same professional group, different tasks, functions, professional specialties, as well as professional responsibilities can be included.

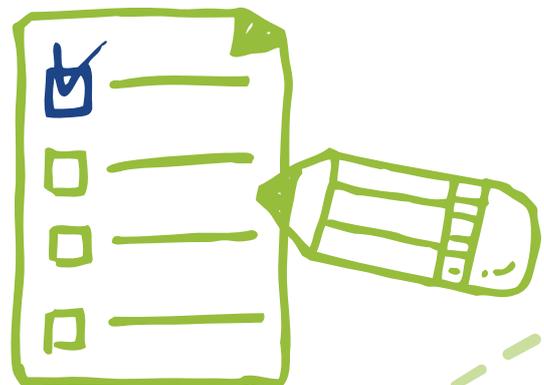
Jobs are valued through the **global methodology of an external company expert in job valuation systems**. It is a job valuation tool, with a methodology that analyses the job positions providing an internal level (global grade) based on the analysis of statistically contrasted factors and that allows forecasting the evolution of the market in terms of remuneration.

Globally, **all positions that appear in the market research conducted by this company are assigned an overall grade** that provides an additional link between the relative value of the positions within the organisation and the market data.

Each position has been evaluated based on the aforementioned and once its **salary band has been determined**, they are assigned to the corresponding level on the basis of a score that is determined according to the score given to each factor. **Within each salary band, the posts have a range of grades or levels, with a minimum and a maximum in both the salary band and the level.**

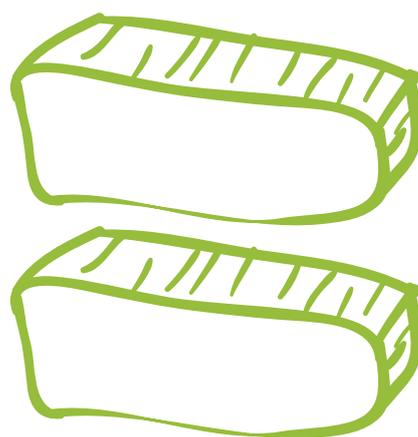
There are certain positions within the job map that have a **compensation package** assigned.

If there is one thing that influences the Company's compensation system, it is definitely the evaluation of the employee's competency-based performance.



With the aid of a consultancy agency, an analysis of the job positions was carried out that set the ground for a work audit and a salary analysis, which reached the conclusion that **there is no gender pay gap in the company.** This study shows that according to average wages by gender, considering the national minimum wage of 2020 as a basis, the gender pay gap is under 25%, as established in article 2 (7) of the Royal Decree-Law 6/2019 of 1 May, on Urgent Actions to Ensure Equal Treatment and Opportunities Among Women and Men in Employment and the Workplace by which the Statute of Workers Rights' Article 28 Equal wage based on gender is modified.

In compliance with Royal Decree 902/2020, of 13 October, on Equal Pay for Men and Women, a pay audit has been carried out on all the Company's positions in order to analyse and highlight differences in order to establish improvement plans to reduce existing differences.



Professional group	Female		Male		Gender pay gap	
	Salary band	Average age	Salary band	Average age		
Middle Managers	>4.40 NMW	46.91	>4.50 NMW	50.05	< 25%	NO GENDER PAY GAP
Operators	>1.20 NMW	50.45	>1.19 NMW	32.30	< 25%	NO GENDER PAY GAP
First level Manager	>6.20 NMW	52.23	>6.00 NMW	51.70	< 25%	NO GENDER PAY GAP
Professional	>2.50 NMW	45.71	>2.80 NMW	46.30	< 25%	NO GENDER PAY GAP
Support/Administrative	>1.59 NMW	49.17	>1.70 NMW	45.15	< 25%	NO GENDER PAY GAP
Supervisor	>2.80 NMW	46.50	>3.00 NMW	50.86	< 25%	NO GENDER PAY GAP

Talent management for a well-prepared team

Talent management allows us to identify, retain and attract talent (both internally and externally) to achieve the company's objectives and for the successful long-term fulfilment of the company's strategy.

Four criteria for talent management at Hero:



1. Skill

Level of knowledge and skills; translates into consistent performance over time and willingness to embrace and lead change



2. Mobility

Willingness to accept the uncertainties and difficulties of a long-term international career



3. Aspiration

Pursuit of development, learning, growth, increased responsibility and risk-taking, challenges and difficulties



4. Commitment

Living the values, vision and mission of the Hero Group Companies, and commitment to the future

We encourage the promotion of professional development focused on professional skill-improvement programmes to improve employees' abilities and help them to change, according to the company's strategy, in an environment that is constantly evolving.

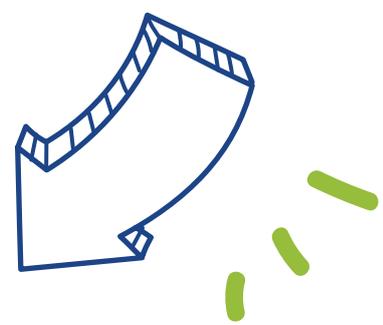
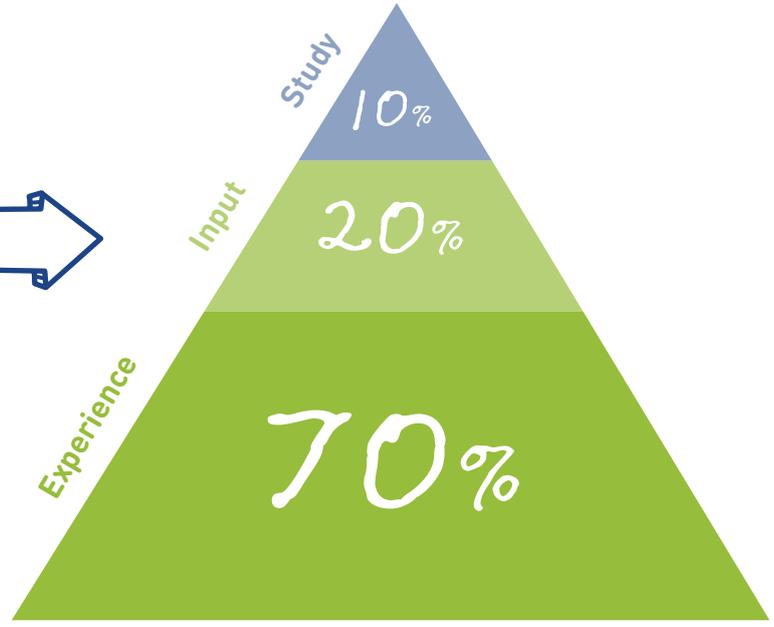
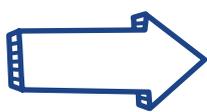
The purpose is to possess talent at all levels and ease its development. This will make knowledge retention and promotion in the Company possible.

With our talent management system, we favour the development of the competences assigned to each professional's role, through internal promotions, career plans, individualised salary reviews, among other actions, in a collaborative and continuously improving work environment.

We have local and international talent management and classification programmes such as:

- **SOULH International Talent Program** where the culture and corporate strategy of the Hero Group is shared with other members of the company
- **Corporate Leadership Programmes** where the keys to good management are established
- **Visibility of the talent management system** at different levels of the organisation
- **Creation of transversal development groups** with the participation of workers from different areas, to promote actions aimed at employee survey subjects, to improve issues related to training, initiatives and communication, among others
- **Promotion and encouragement of individual development programmes** for staff from different areas for professional growth through the 70:20:10 learning model
- **10 %** face-to-face, online or distance training
- **20 %** self-development and learning from others Coaching / mentoring, direct Feedback
- **70 %** Work Exchanges, Projects, Networking

70:20:10
Learning Model



We, therefore, guarantee vertical and horizontal mobility or a change of area and offer succession plans as well. We identify and recognize the value that each professional brings to the Company and offer them the opportunity for professional development in our organisation.

We periodically update the training of our professionals to adapt our training offers to each person, their jobs and changes in the environment.

In this way, they can face the new technological and organisational changes due to new market demands, always relying on the willingness of the working teams to learn, aware of the need to keep improving and expanding knowledge and skills.

Hero's fundamental pillar within the company's corporate strategy is learning.



In 2020, a total of 12,910 hours of training

were given with

3,125 people benefitting from 231 training activities

In 2020, due to the pandemic situation, and due to Covid's health crisis protection measures, we stopped face-to-face training almost entirely, putting in value, and invested in



online training

increasing to

+91%

through

the Teams tool



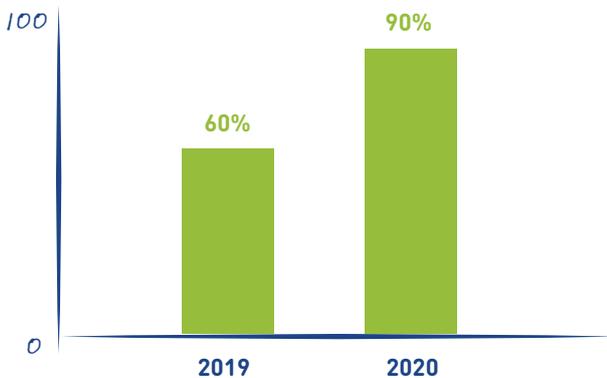
and our e-learning training platforms

GoodHabitz

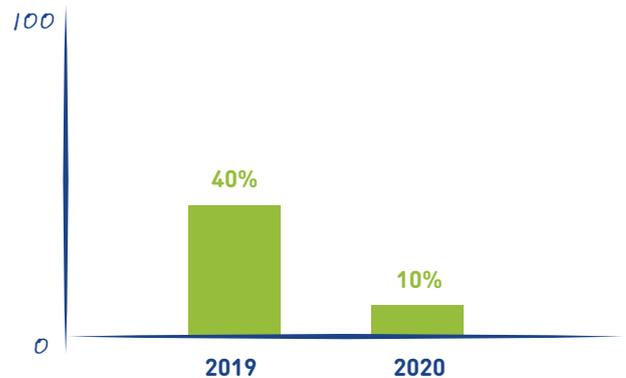


Learning from Experts-LFE

Evolution of online training



Evolution of face-to-face training



The company has tutored, in a very specific way, training sessions in the different applications of Microsoft 365. It has also been necessary to provide online sessions of Health and Safety regarding COVID precaution measures in order to ensure the adaptation of employees in different areas to new collaborative digital technologies and new processes.

Participation in the exchange of knowledge has increased through :

- Webinars
- Technical and specific speeches in all areas

As external speakers, experiences of the situation have been shared virtually in various employment forums and round tables on training, teleworking, Corporate Social Responsibility, Occupational Risk Prevention, Lean, Lean office and paediatrics forums, among others.

Training indicators

The following charts show indicators of the content: Average hours of training per year per employee.

Average hours of training per employee

In 2020, each employee received an average of **15.42 hours of training.**

No. total training hours	12,909,65
No. total employees	837
Ratio	15.42 hours of training per employee

Average hours of training per woman

As for the distribution of the average number of training hours by gender, women have received an average of **17.38 hours of training.**

No. hours of training per woman	6,934,46
No. total women	399
Ratio	17.38 hours of training per woman

Average hours of training per man

Men have received an average of **13.64 hours of training.**

No. hours of training per man	5,975,18
No. Total men	438
Ratio	13.64 hours of training per man

Average hours of training per professional category

It is important to highlight that face-to-face training was interrupted by the pandemic situation, giving priority to **online training 90%.**

In the groups of **Directors and Managers**, as well as **Middle Managers, Supervisors and Administrators**, they have been able to carry out more online training due to the nature of their position. The **ratio of training hours** per participant in these groups is **35.21 and 33.66 respectively.**

In the groups of **Operators, Specialists and Professionals**, they have not been able to carry out face-to-face training due to the health security measures for the Pandemic. Due to the idiosyncrasy of their position, they have not been able to carry out the desirable online training either. **The ratio of training hours per participant in these groups in 2020 is 6.87 training hours.**





Performance management

Within our talent management system, the evaluation of skill performance is essential to configure a reference framework regarding the degree of achievement of their objectives, to receive and give continuous cross-cutting, upward, and downward feedback, to achieve greater internal equity in calibration.

Performance Management is a process that supports both managers and employees in the organisation to align the latter's efforts with the company's strategic direction and ensure that the best possible results are achieved at the individual, team, and company level.

This performance evaluation provides us with accurate information on the status of each professional:

- **Assessment of their abilities**
 - Skills
 - Objectives
- **It also provides information on those areas where improvement is needed, through action plans and continuous improvement.**

Management by skills allows the Company's objectives to be considered individually. It also articulates the values of the organisation, since, at the time of its definition, the values that guide the management style are evident; and it provides all members of the organisation with a common language that serves as a vehicle for communication about the skills and activities that are a source of value.

For a **better performance of the functions**, it is required that each position is occupied by the person who best suits it according to the training, experience and skills they have, assuming that, in this way, the worker will achieve the optimum levels of performance and the objectives that have been set for the period. For this to happen, **it is also necessary that our employees know what is expected from them, and that they are provided with the necessary tools**, material and personal, to enable them to succeed in their job.

The system is based on corporate competencies and values, which provide everyone with a common language and generate behaviours and skills in daily performance within the company.

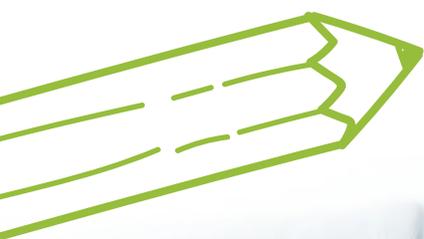
In order to evaluate the employees who best perform their work, we use **direct observation of their immediate superiors** and those with whom they interact in the performance of their duties on a daily basis.

The process of Performance Management by Skills, which is carried out online, aims to:

- Improve learning and development
- Boost our culture
- Attract, and retain specialists
- Support total quality management
- Link remuneration to the development of skills
- Provide adequate training to all the Company's staff

This evaluation is carried out and the results are captured through a specific online tool for this matter, only for the group that is susceptible to evaluate individual and company objectives, which corresponds to 22% of the workforce.

For the staff who do not have individual objectives, they are evaluated only in terms of skills, not by objectives, on a biannual basis, not applicable in 2020.



Attracting talent through students

Annually, Hero receives students who carry out their internships in the company, thanks to the collaboration with different universities and vocational training centers.

Despite the circumstances of the pandemic, in 2020, (on-site and teleworking):

11 students carried out their period of work experience

of whom

4 were hired

Hero is a pioneer in collaboration with different training centers and universities, business schools, etc. among which we highlight the University of Murcia for the collaboration of internship agreements over more than 40 years.

3.

Occupational health and welfare

Hero Spain began to implement an Occupational Risk Prevention Management System in its Organization before the enactment of Law 31/1995, of 8th November. Previously, Hero Spain, S.A. managed everything relating to ORP in accordance with the General Ordinance on Safety and Hygiene at Work.



In compliance with the provisions of Law 31/1995 on Occupational Risk Prevention and being aware that for a correct management of prevention, a set of procedures and actions must be established to facilitate the identification of risks and their reduction,

the “Occupational Health and Prevention Plan” was issued for the first time in 1996.

This document establishes the company’s prevention policy, defines the functions and responsibilities, and describes the prevention management system, providing guidance on the different preventive activities to be carried out and the documents to be used.

It is included in the Occupational Health and Safety Management Manual, the scope, such as “Design, development and production of jams, jellies, marmalades, fruit purees and pulps, sauces, precooked dishes, baby food and food for dietary and/or special diets. Sale of preserves”.

Within the scope described above, the Occupational Health and Safety Management System of Hero Spain has been **certified by ISO 45001 since 2019**. This certification covers all workers, activities, and workplaces. It is a management system based on continuous improvement.



Hero Spain has its own **Occupational Risk Prevention Service**, basing its actions on the legal requirements of **Law 31/1995 on the Prevention of Occupational Risks, Royal Decree 39/1997, of 17th January, which approves the Regulations of the Prevention Services** and the rest of the royal decrees and regulations that develop the law.

Last year, 2020, we experienced a worldwide pandemic situation that has not yet ended, causing the activation of our Pandemic Contingency Plan.

As a company, we have exceeded our duties and obligations to maintain the safety of our employees and collaborators and to ensure the continuity of the business activity. Giving value to our essential activity for society, as part of the food chain.

Among the main actions and measures we have carried out; we highlight the following:



Coronavirus risk assessment of all company positions

since the 28th February 2020, and analysis of members of staff who may be particularly sensitive and vulnerable to Covid-19, in accordance with the different publications of the Ministry of Health.



Provision of safety masks in all workplaces,

from the beginning of the state of alarm on the 14th March, 2020; revealing itself as a key element of protection in the prevention of internal transmission.



Unification of the access points to the installations

and implementation of temperature control at the single entrance as soon as the state of alarm was declared.



From the first day, implementation of the **teleworking modality for all positions where it could be carried out.**



Adaptation of the posts where necessary (distances, room dividers, among others).



Carrying out special cleaning and disinfection treatments in common areas.

Reinforcement and increase of cleaning tasks in all areas by means of specific protocols.



Offering COVID screening tests to all employees after holiday periods.



Continuous collaboration with the regional and local health authorities.



High level of transparency and information

through our internal communication channels to the entire staff.



Regular meetings were held with all the Company's collaborators:

with teleworking staff, factory managers, the Company Workers' Committee, production managers, etc.



A high investment in resources and time

has been made in favour of the health and safety of our employees, as well as of the business continuity, including psychosocial and ergonomic aspects.

A high investment in resources and time has been made in favour of the health and safety of our employees, as well as of the business continuity, including psychosocial and ergonomic aspects.

Our occupational health and safety management system has responded quickly and effectively to the challenge posed by the pandemic with the creation and implementation of internal action procedures.

Thanks to the commitment and responsibility of our people, we have managed to create a safe working environment and we have successfully avoided:

any internal transmission of Covid-19 within the company.

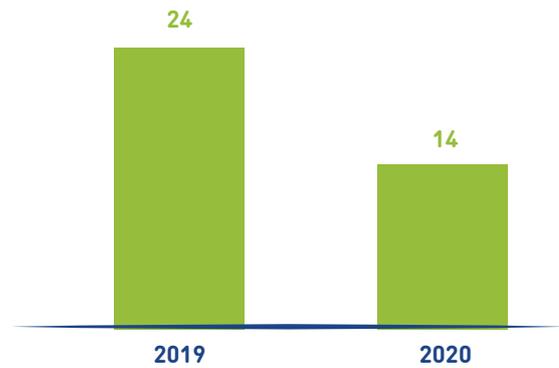
The accident rates have been significantly reduced, both internally and in comparison, with the sector at national level.

Hours lost because of Occupational Accidents and/or Occupational Disease

The most representative rates (official IBERMUTUA data) in 2020 for occupational accidents and/or occupational diseases were as follows.

Absenteeism rate
5.63 (0.35 C.P. + 5.28 C.C.)

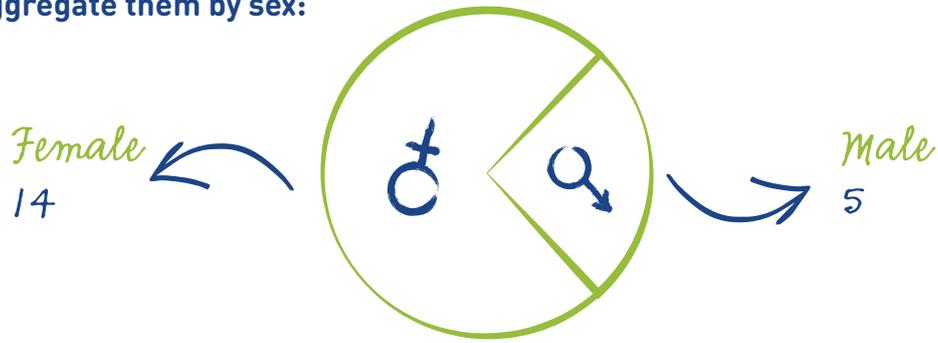
Comparison of accident leaves in 2019 vs. 2020



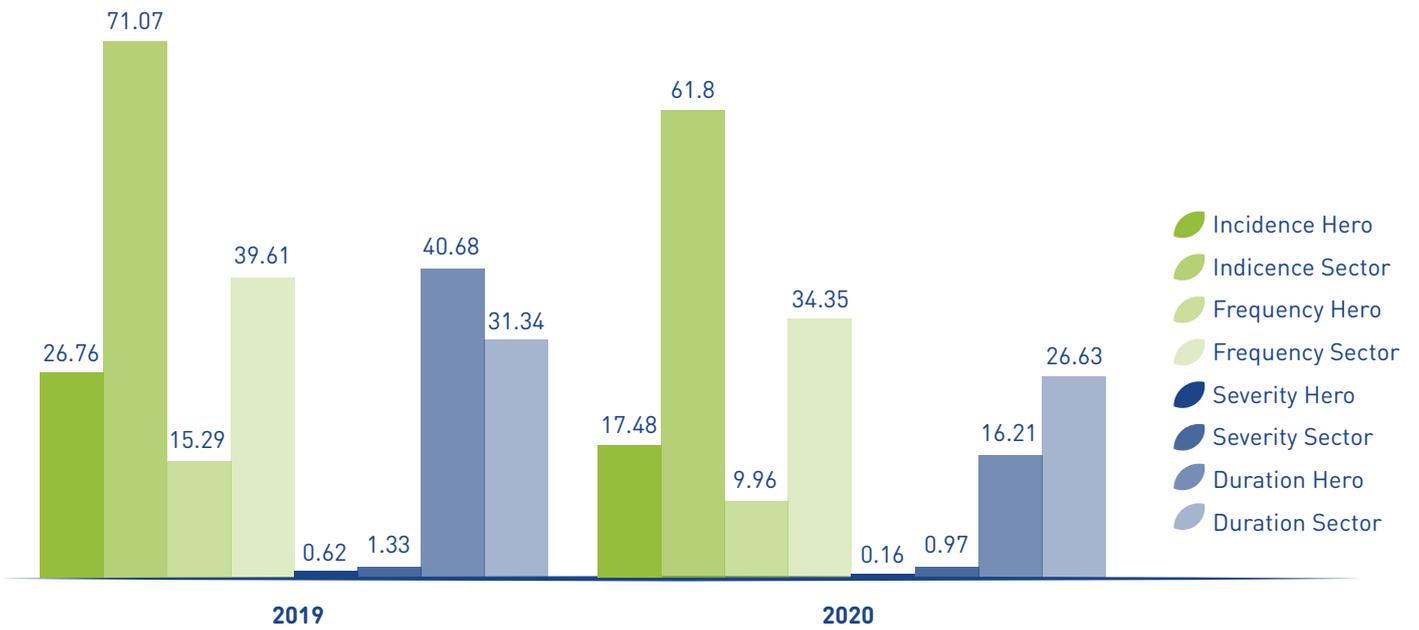
Accidents in itinere are not included in the accident rate studies, although they are considered as occupational accidents. The following table shows the accidents that occurred during the 2020 period.

	<i>Work accident</i>				<i>Occupational disease</i>			
	In working hours		In itinere					
	Processes	Relapses	Processes	Relapses	Processes	Relapses	Processes	Relapses
With sick leave	14	0	5	1	0	0	0	0
From 1 to 15 days	11	0	1	0	0	0	0	0
From 16 to 30 days	2	0	1	0	0	0	0	0
From 31 to 45 days	0	0	2	0	0	0	0	0
More than 46 days	1	0	1	0	0	0	0	0

And if we disaggregate them by sex:



Comparison of accident rates in Hero Spain – 2019-2020



The above graph shows the comparative reduction in accident rates, with reference to the sector, from 2019 to 2020.

	Hero Spain	Sector
Incidence rate	-65%	-14%
Frequency rate	-35%	-13%
Severity rate	-74%	-27%
Average duration	-60%	-15%

During this financial year there have been no deaths due to occupational accidents or diseases.

The following table shows the number of accidents, hours worked, and workers exposed. Likewise, the columns 'Company' and 'sector' compare the company's indexes with those of the sector of activity.

Indicator	Company	Sector (*)	Description
Incidence rate	17,57	61,85	$I_r = \frac{\text{Accidents with sick leave}}{\text{Workers}} \times 1.000$ <p>Accidents with sick leave: 14 Workers: 797</p> <p>Number of occupational contingency processes, excluding in itinere accidents and relapses, occurring during the working day, per 1,000 employees exposed to the risk.</p>
Frequency rate	10,01	34,38	$R_f = \frac{\text{Accidents with sick leave}}{\text{Total hours worked}} \times 10^6$ <p>Accidents with sick leave: 14 Total hours worked: 1.398.736</p> <p>Number of occupational contingency processes, excluding in itinere accidents and relapses, occurring during the working day, per million hours worked by employees exposed to the risk.</p>
Severity rate	0,16	0,99	$R_s = \frac{\text{Days lost in period}}{\text{Total hours worked}} \times 10^3$ <p>Workdays period: 227 Total hours worked: 1.398.736</p> <p>Number of days lost per 1,000 working hours. Includes relapses and excludes in itinere.</p>
Average duration	16,21	27,09	$AD = \frac{\text{Days lost in period}}{\text{Accidents with sick leave}}$ <p>Workdays period: 227 Accidents with sick leave: 14</p> <p>Number of days not worked in the study period for each accident that occurred during the workday. Also included are the number of days of relapses and those of in itinere processes are excluded.</p>

The incidence rates have been calculated per 1,000,000 hours worked, the rest are indicated in the formula.

In the corresponding Risk Assessments of the company, the following hazards are identified as risks that can contribute to cause injuries due to accidents with great consequences:

- Falls to different levels
- Work in confined spaces
- Work with electrical risk

There are work procedures, as well as special permits, to control the risks derived from activities in which these hazards appear.

The rest of the hazards that may be present are evaluated in the corresponding Risk Assessments and controlled through the implementation of the different preventive action plans (derived from the EVRs) and the operational controls carried out by the SPRL, DD.PP. and section managers.

When a hazard is detected and requires the application of a corrective measure for its elimination or control, planning is carried out if it cannot be resolved at the time of detection.

None of these accidents occurred during the observation period have been caused by the above-mentioned hazards with major consequences.



Health and Safety Committee

Hero has a Health and Safety Committee, which meets every three months on a regular basis.

It is made up of:

- four representatives of the company
- four representatives of workers (a joint body)

The meetings are attended by managers and specialised technicians from all areas of the company.

Its main functions are:

1.



Participate in the development, implementation and evaluation of plans and programmes for risk prevention in the company.

2.



Promote initiatives on methods and procedures for the effective prevention of risks, proposing the improvement of conditions or the correction of existing deficiencies to the company.

07.

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403-5 Worker training on occupational health and safety	No case was reported
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403-9 Work-related injuries	No case was reported
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408-1 Operations and suppliers at significant risk for incidents of child labor	No case was detected
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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No case was detected
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411: Rights of indigenous peoples

411-1 Incidents of violations involving rights of indigenous peoples	No case was reported
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412: Human rights assessment

412-1 Operations that have been subject to human rights reviews or impact assessments	No case was reported
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412-2 Employee training on human rights policies or procedures	No training was carried out
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412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No case was reported
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413: Local communities

413.1 Operations with local community engagement, impact assessments, and development programs	No case was reported
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