

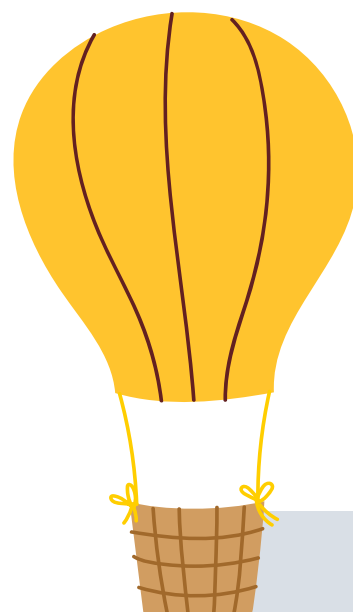


WE CONTRIBUTE

SUSTAINABILITY REPORT 2020

	O1	O2	O3	O4	O5	O6
The President's Letter	we reinforce our commitment	we join forces	we empower dialog	we contribute to our stakeholders	we contribute by reducing our environmental impact	Annexes

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The President's letter

Two years ago, we published our first Grupo Fuertes Sustainability Report in response to our company's commitment to society and the environment. We have continued contributing as an organization, and we reflect this in a new report of the work of Grupo Fuertes on the axes developed in the 2019-2020 period.

In the last year, we have experienced exceptional moments. The Covid-19 crisis has been unprecedented in our companies' response to address such an exceptional and challenging situation, which has made us feel more socially committed. Thanks to a great team of people and our entire value chain, which has worked tirelessly, we ensured, at a difficult time, that food reached homes daily. We also did so by reinforcing protection and prevention measures for all our employees and suppliers.

At the same time, we count on everyone to face any challenge and continue to grow with our stakeholders in the face of adversity. The health crisis changed the order of our priorities as a society.



Tomas Fuertes | President of Grupo Fuertes

Therefore, it established as a fundamental aspect to continue maintaining active that necessary dialogue with all those who make up our value chain for the future and to make decisions considering what they think and our values. Hence, we have carried out our

"We are committed to a consistent and respectful business model to achieve fully sustainable development."

first materiality analysis, which allows us to identify and work on future opportunities and improvements within our company and define how Grupo Fuertes is responding to the concerns of our stakeholders.

We know that the important thing is not to create a company; the important thing is to leave a culture that allows the project to transcend people for the future. We must formulate and plan new challenges that arise from this listening process.

In this context, our projects must involve us even more with society, which demands increasingly involved companies. We must also contribute to the

Sustainable Development Goals. We are already collaborating with various actions on significant global challenges related to environmental policies and efficient resource management, employee professional development, initiatives and collaborations carried out together with local communities and the rural environment, or the sustainability of our value chain.

We are committed to a consistent and respectful business model to achieve fully sustainable development. Offering well-being and quality of life in society and the environment, and in people's health is the purpose that will mark our way forward in the coming years.

Tomás Fuertes
President of Grupo Fuertes



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we reinforce our commitment



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Impact of COVID-19

The pandemic in which we have been immersed since **March 11, 2020**, has generated the worst combined health and socioeconomic crisis in the living memory of the world. COVID has made us face the unknown. It has been an enormous challenge but also an intense learning process. Above all, it has taught us that the only formula to tackle challenges of this magnitude is **by combining efforts, knowledge, and resources. In short, expanding commitment.**

In Spain, this commitment takes on particular relevance after the declaration of the state of alarm (Royal Decree 463/2020 of March 14), when, overnight, non-essential business activity was limited, thus starting one of the longest lockdowns in Europe during the first wave of COVID. At Grupo Fuertes, we were aware, from the first moment, of the **responsibility** that we had to assume, given the weight of the primary sector, both in the food chain and in supply.

Living such a strange situation with certain normality required **to organize quickly, but effectively**, to ensure that Spanish households found food available in stores and markets.

Our commitment, first and foremost, was to our employees and customers, as well as to the community of which we are part. We took extraordinary measures to respond to the reality of the health crisis. As part of the essential business sector, we paid particular attention to the safety of our workers (masks, disposable gloves, temperature measurement, disinfectant gels), and all the additional protection measures that we detected were necessary.

We learned day by day and **established protocols to guarantee the safety and health of our employees while making it possible to maintain an efficient operation of our production centers.** We reorganized work shifts, and modified logistics, commercial, or payment aspects to facilitate fulfilling the commitments and contracts of HORECA channel customers and suppliers in a very adverse context.

We have the
Global Safe Site
Certification, which
guarantees the
security measures
derived from the
COVID-19 pandemic.

Our obligation as a group of companies was to maintain an essential activity, **and our commitment to solidarity, as part of society, was with those fighting on the front lines of the health crisis** and those who suffered most seriously its immediate socioeconomic consequences. For this reason, at a time of great scarcity of resources, we collaborated, like other companies, in providing medical supplies to professionals who were on the front lines of the fight against COVID-19 and with targeted food and water donations, mainly to families. This challenge, which involved great responsibility, was both an opportunity to join our efforts and **give the best of ourselves.**

In this **Sustainability Report**, we transparently show our economic, environmental, and social activity, developed in an unpredictable context –with particular attention to our origins, the meat industry core–. We detail our commitment to responsible and sustainable growth in the following pages, in response to our stakeholders. Our aim is to demonstrate that **there is a "we"**

that has to be protected and counted on in and out of the industry.

Because our commitment to society is tangible.

In summary, 2020 has been an unprecedented year that has forced us to face all kinds of challenges that put our organization to the test. The balance has been a valuable learning exercise.

We want to highlight, especially, our **thank you to our workers, suppliers, clients, and consumers, to Spanish society as a whole** and, ultimately, to each one of the people who have given us their trust and who have contributed by **contributing in this difficult period with commitment and solidarity.**



For more information about the company or this document visit our website:
www.grupofuertes.com or send us a message to:
recursoshumanos@grupofuertes.com
comunicacion@grupofuertes.com

Av. de Antonio Fuertes, nº 1 30840, Alhama de Murcia, Spain.





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we join forces

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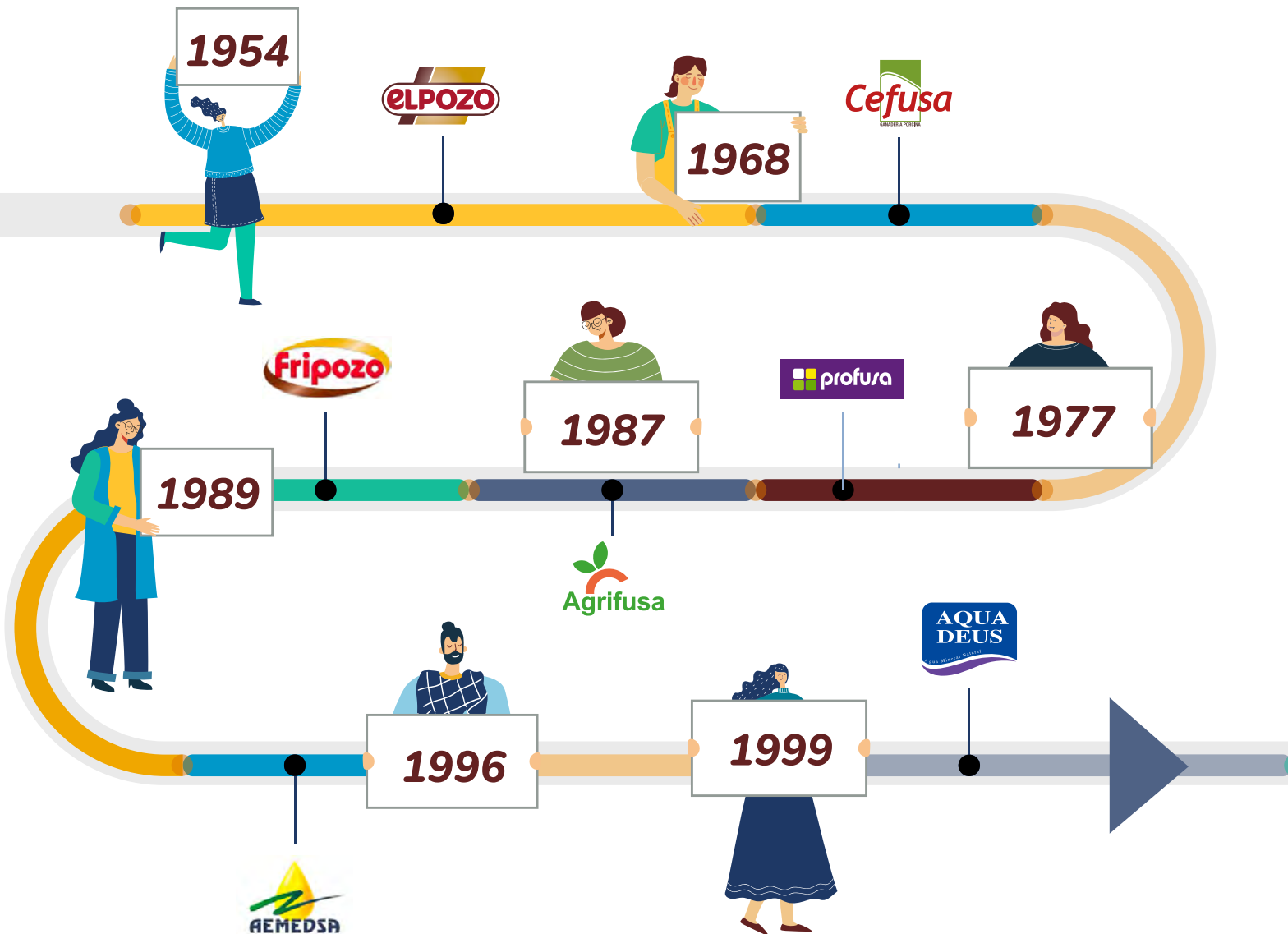
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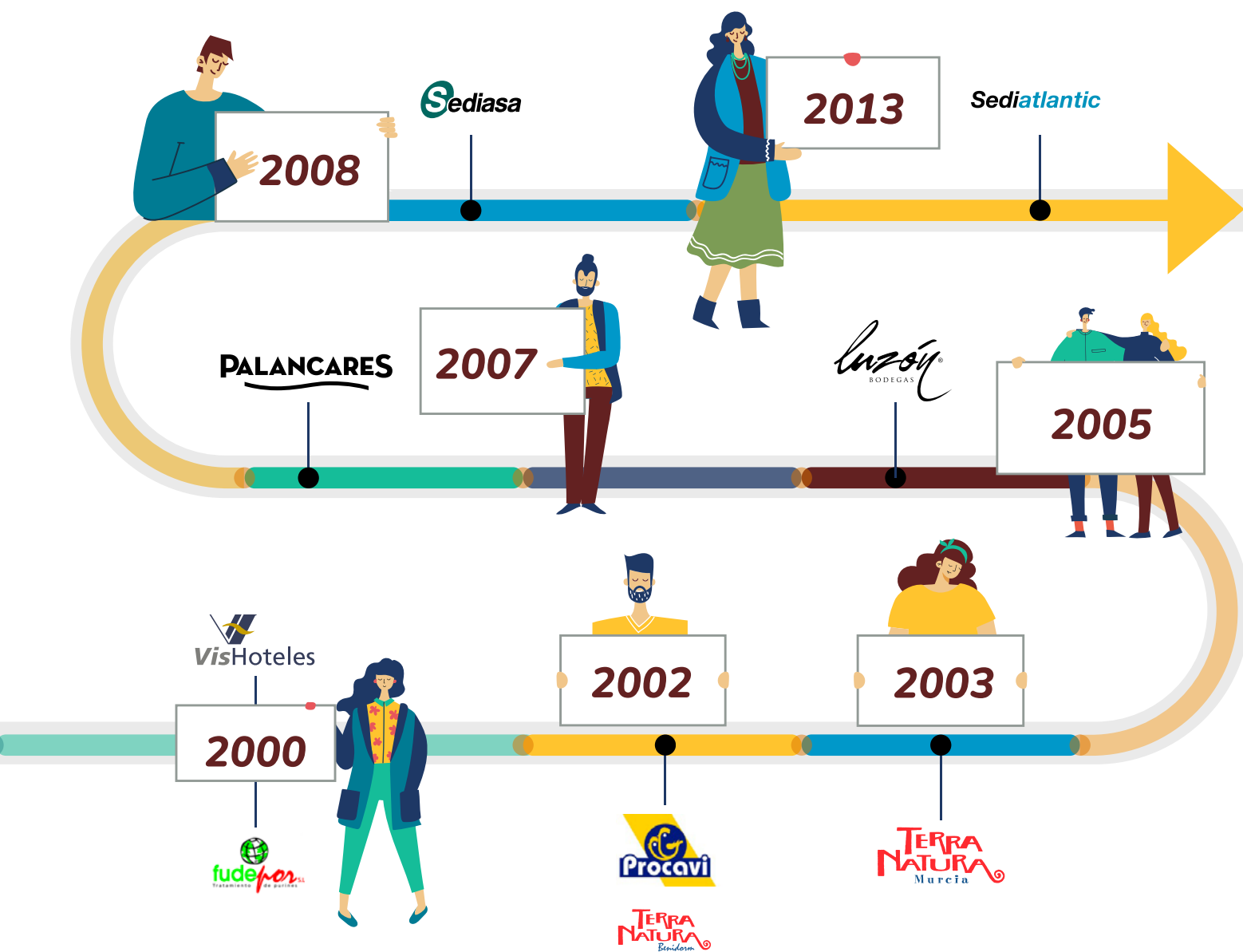
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Our story

In 1954 we began a path many companies have joined that has allowed us to add more value and create a more solid, diversified, and competitive organization.







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We are what we do, how we do it, and together with those who do it.

1. **Who:** A Spanish family business

We are a company with one hundred percent Spanish capital and family origin, in which the second and third generations currently coexist.

We have more than twenty companies organized into three main areas: a meat industry core, which constitutes the central axis of the company, the food and beverage division, and a diversified set of investments that encompass different activities.

The president of Grupo Fuertes, Tomás Fuertes, is one of the 20 executives who generate the most confidence in the Spanish business scene.

Source: iTRUST Business Leaders Ranking study



Urban Center building, owned by Grupo Fuertes
F. Manzanera.



2. How: With vision and values

Our culture is based on the **search for excellence and respect for people**. On those pillars stand four **values** that are the backbone of our activity and mission.



Passion



Honesty



Diversity



Loyalty

How we do it	Passion	Honesty	Diversity	Loyalty
	<ul style="list-style-type: none"> Integrity. Continuous improvement. Results orientated. 	<ul style="list-style-type: none"> Perseverance. Be responsible. 	<ul style="list-style-type: none"> Talent development. Motivate others. 	<ul style="list-style-type: none"> Humility. Respect.
Skills	<ul style="list-style-type: none"> Innovation. Analytical thinking. Planning and organization. Strategic vision. 	<ul style="list-style-type: none"> Learn and adapt easily. Have initiative. 	<ul style="list-style-type: none"> Lead a team. Lead change. 	<ul style="list-style-type: none"> Impact and influence. Leadership. Teamwork.





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3. With whom: our stakeholders

We are an integrated and diversified group with a deep **social and environmental commitment** that **we share with our stakeholders**.

Our production is coordinated in the centers of the Region of Murcia, Castilla-La Mancha, Andalusia, Community of Madrid, and the Canary Islands, where about 8,000 people work. **Our activity** is limited mainly to Spain, although the products have a global projection and are exported to 118 countries on the five continents.

Main figures



+65 years

Turnover

+1,898 **+2.4 %**
million euros



3 areas of activity

**Meat
industry core**

**Food and
beverages**

Diversification

+7,900

employees **5**
distributed in
headquarters



135

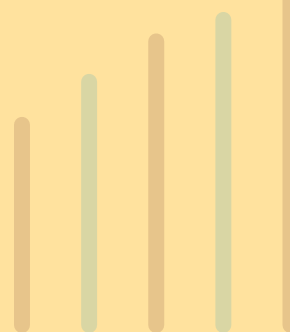
million euros



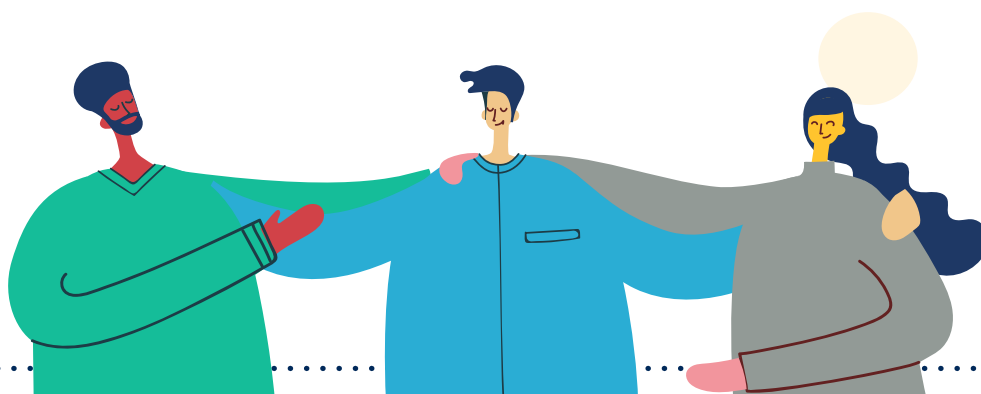
**invested by
GRUPO FUERTES**

100%

**of the energy
consumed
has guarantees of
renewable origin.**



2020 data



Markets in which we operate



Europe	America	Africa	Asia	Oceania
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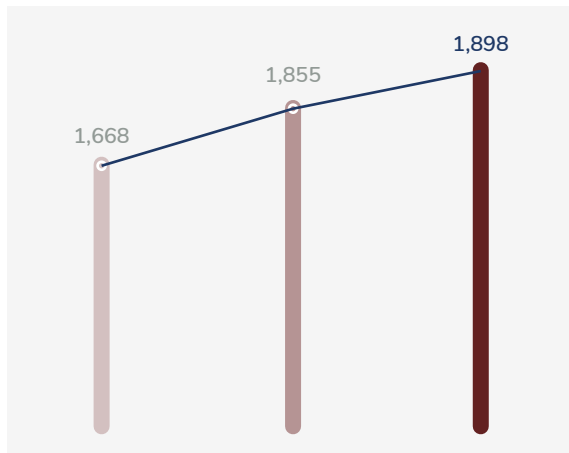
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Sustainable growth

Grupo Fuertes turnover

Data in million euros



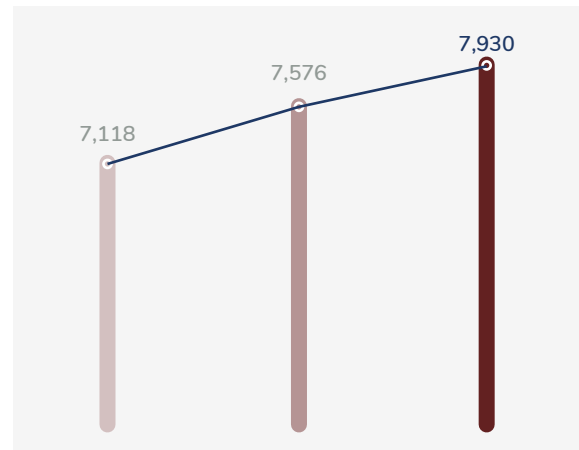
2018

2019

2020

Grupo Fuertes Employment

Number of employees on staff



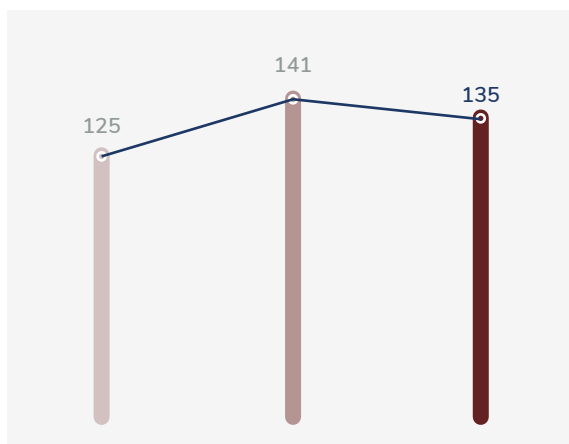
2018

2019

2020

Grupo Fuertes investments

Data in million euros



2018

2019

2020

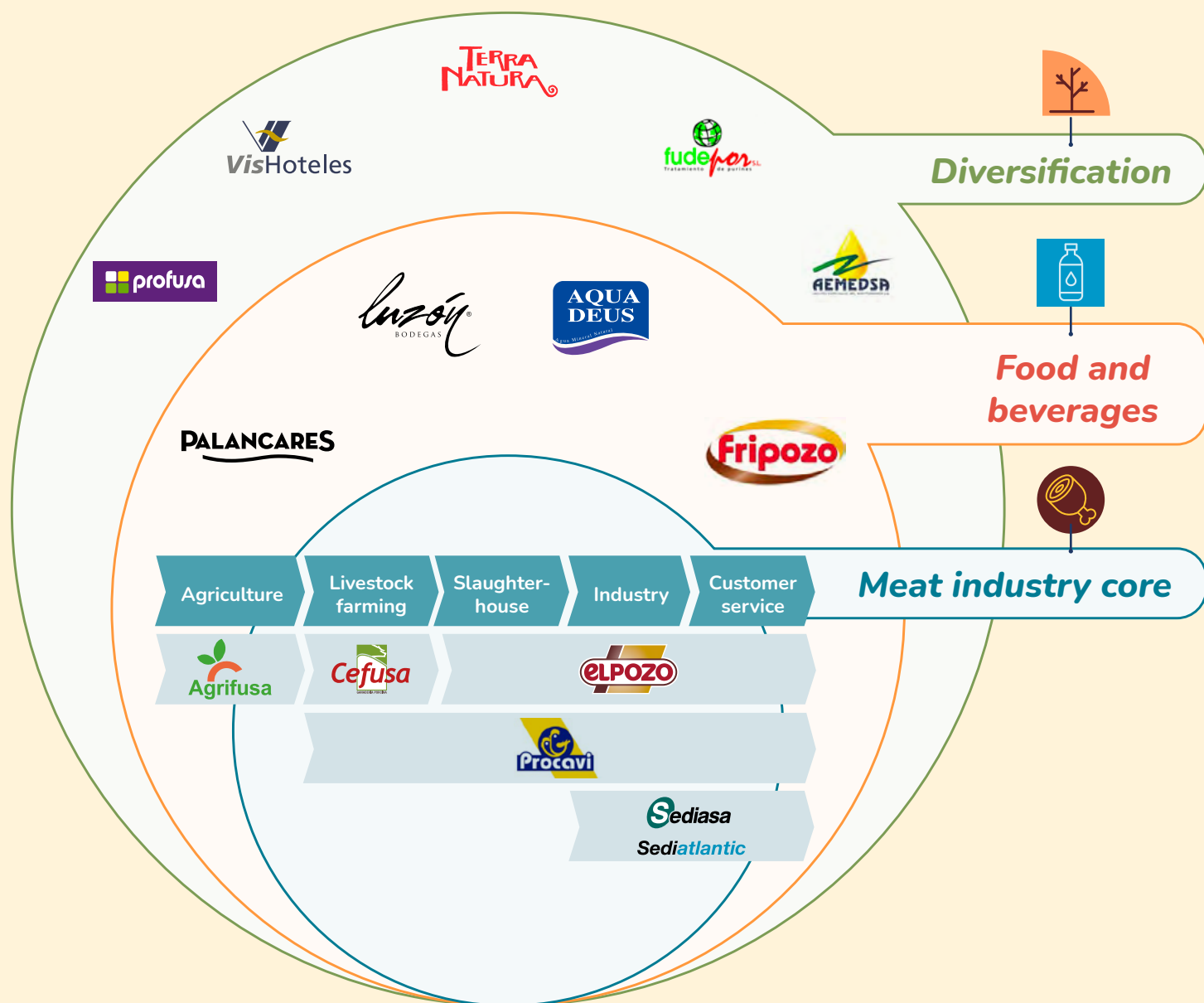
- Continuous creation of quality employment.
- The average workforce of Grupo Fuertes during 2020 amounted to **7,930 people**, which represents an average growth of + 4.7% compared to the previous year.



- Stake in continuous reinvestment.
- 1,120 million euros invested in the last 10 years.

Areas of activity

The meat industry core: our heart





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Meat industry core



Our meat industry core is made up
of the following companies:



Sediatlantic



ElPozo

Since 1954 it has been a brand synonymous with trust. Currently, it is present in eight out of ten Spanish households, according to the latest **Brand Footprint** ranking by Kantar WorldPanel. It is a pioneer in healthy products, both fresh and processed and cured meats. Its catalog includes more than 1,500 references that it exports to more than 80 countries. It has offices in China, France, and Portugal.



Product portfolio



+1.500
REFERENCES

Our brand represents the know-how of generations to offer the highest quality.

With a philosophy of constant improvement, it dedicates a large part of its resources to researching and developing balanced and nutritious foods, which provide additional pleasure, well-being, and comfort.

Brands of the meat group

ElPozo

Alimentación:

ElPozo, Legado

Ibérico, ElPozo

1954, ExtraTiernos,

BienStar.

Range: Legado ibérico



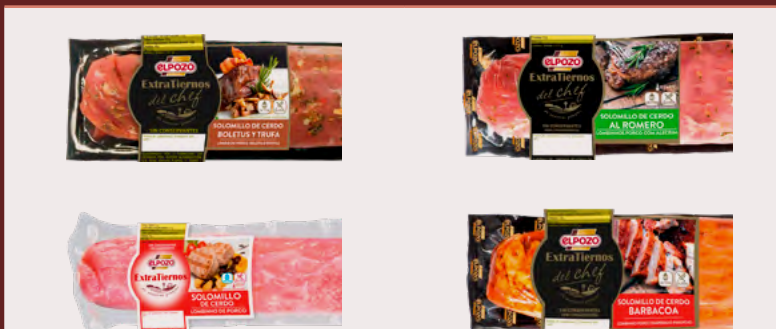
Range: BienStar



Range: 1954



Range: ExtraTiernos





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Product portfolio



Range: ELPOZO







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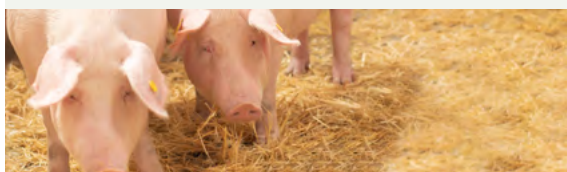
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Cefusa

Dedicated to the breeding and fattening of white and Iberian pigs and cattle, it is the leading livestock supplier to ElPozo Alimentación. Created in 1968, it is constantly evolving, specializing, and innovating and it is a benchmark in the Spanish livestock sector.



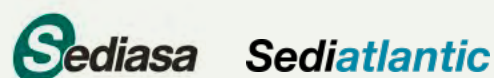
Procavi

Leader in the integral production of turkey meat, fourth in the European market, and eleventh globally. The company is also responsible for the marketing and distribution of its products. Innovation is a crucial aspect for Procavi to become the most advanced technological reference in its sector.



Agrifusa

It manages rustic spaces and agricultural production, mainly cereal for the production of feed that it supplies to Cefusa as well as citrus, stone fruit, table grape, and almond plantations. It also has PDO Jumilla vineyards, whose grapes are used for high-end wines from Bodegas Luzón.



Sediasa and Sediatlantic

Specialized in the fractionation and packaging of food for large distribution. Sediasa has modern facilities with a high degree of automation in the production chain, with presentations and formats adapted to the characteristics of each home. For its part, Sediatlantic offers its products to the extensive distribution of the Canarian market.

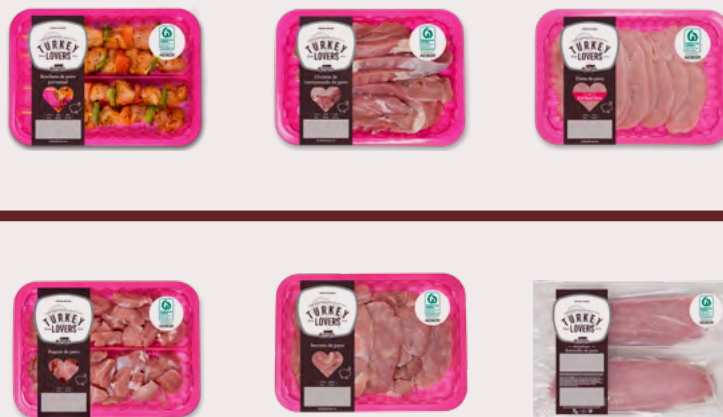


Product portfolio



The Turkey Lovers brand, born from PROCABI, offers consumers the best quality fresh turkey meat. It has different ranges of products that provide solutions that facilitate people's lives and bring them closer, in a transparent way, to the entire production process of one of the essential foods in our lives.

Range: Turkey Lovers



Brands of the meat group

Procavi:
Turkey Lovers





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Food and beverages



The food and beverages area is made up of the following companies:



PALANCARES



Fripozo

A company dedicated to the production of deep-frozen foods. Based on the development of innovative products, it offers a wide range of dishes and preparations, fish, seafood, meat, and vegetables through different channels.



PALANCARES

Palancares Alimentación

Dedicated to the production of cheese and dairy products, mainly goat milk. The quality of its cheeses and the care of every detail in the production processes make it a different and unique brand.



Bodegas Luzón

Winery with 600 hectares of vineyards of the native Monastrell variety in the Jumilla Protected Designation of Origin.



Aquadeus

Natural mineral water bottling company whose springs are located in the protected natural area of El Arquillo (Albacete) and Dúrcal (Granada).



Product portfolio



It is present in modern distribution and catering with products that surprise and attract a demanding consumer, both for their taste and ease of preparation.



Our brand of cheese and dairy products, mainly goat, is committed to a line of healthy items that contribute to maintaining a healthy and balanced diet.



One of the leading producers and marketers of quality wines of the POD Jumilla. It is a pioneer in the production of organic wines.



The springs of our mineral water are located in the protected natural area of La Laguna de El Arquillo (Albacete) and Dúrcal (Granada). Due to its chemical composition, water from both springs is among the most balanced on the market, perfect for maintaining proper hydration. Its consumption is ideal for athletes and preparing baby foods.





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Diversification



The companies that make up this area are:



It is a solid benchmark in the real estate market and is diversified in the areas of land management and housing development.



It is a new generation animal park, located one in Murcia and the other in Benidorm, whose main characteristic is the so-called "immersion zoo."



Company dedicated to the management of hospitality activities and services. Agalia Hotel and Hotel Azarbe, located in Murcia, Hotel Albahía and Pueblo Acantilado Suites located in the Valencian Community, in Alicante and El Campello.



Aceites Especiales del Mediterráneo is a leader in the manufacture and marketing of white mineral oils and natural sulfonates used in the production of sun creams, caloric oils, body oils, and dermatological medications.



Slurry treatment plant with cogeneration, 50% constituted by Grupo Fuertes and Iberdrola Cogeneración.





Grupo Fuertes agri-food
companies contribute to rural
development.





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Acknowledgments

Grupo Fuertes agri-food companies have been awarded in 2019 and 2020 for their work, involvement in society, and responding to their stakeholders' needs. Some of the most prominent awards are:



- Award **Entrepreneur of the year** to **Tomás Fuertes** for his professional career in the "Tu Economía" awards, of the newspaper "La Razón" (2019).
- National Award **Best Procurement Transformation Project 2019**, awarded by the Spanish Association of Procurement Directors (AERCE).
- **Top 100** Merco Responsibility and Corporate Governance Ranking (2020).
- **Tomás Fuertes**, ranking **Top 20** of entrepreneurs who generate the most trust in Spain (iTRUST Business Leaders study , 2020).
- Award from the **Fundación España Activa** for **promoting a healthy and active life (2019)**.
- Award '**El Mundo ZEN Adecco**' to the ElPozo Alimentación Workers Foundation for its solidarity initiative (2019).
- **Most consumed Spanish brand in Spanish households** (Report 'Brand Footprint 2020', - Kantar Worldpanel).
- Award **Innovation Intelligent Consumption**, organized by the magazine CLARA, to the range BienStar + PRO of El Pozo (2020).
- '**Flavor of the Year 2020**' in Portugal to the Fuet Casero ElPozo range.
- '**Flavor of the Year 2020**' to the ElPozo KING range of hamburgers.
- Award **Gold DLG 2020** to the Fuetec Iberian El Pozo (German Agricultural Society -DLG).





- Award **Extraordinary to the professionalism of the Iberian pig** (Spanish Association of Iberian Pig Breeders, 2019).

- Award **Industrial Tourism** Province of Seville 2019.



- Award for the **Best Social Value**, awarded by the International Festival of Social Advertising, Publifestival, for its advertising campaign '**Sharing has made us great**' (2019).
- Award **Silver and Bronze Film** Audiovisual Production in the **International Advertising Independent Festival** for the advertising campaign 'Share us has done great' (2019).
- Company Seal for a Society Free of Gender Violence (2020).

- **Bacchus Oro** for Altos de Luzón 2016 and **Silver Medal** for Luzón Crianza Collection, in one of the most important wine competitions in the world, organized by the Spanish Union of Tasters (2019).
- '**Luzón Monastrell Collection**' ('Wine Enthusiast Magazine', 2020).
- **Gold Medal and Honorable Mention** for Luzón Monastrell Collection (XXV Jumilla Wine Quality Contest, 2020).



- Recognition **FEDER 2019 to Civil Society** for the 'Drops of Hope' initiative.
- **Silver Medal at the International Gourmet Water Competition** AVPA in Paris (2019).

- Award **Superior Taste Awards** to natural mineral water Aquadeus (International Taste Institute, 2020).



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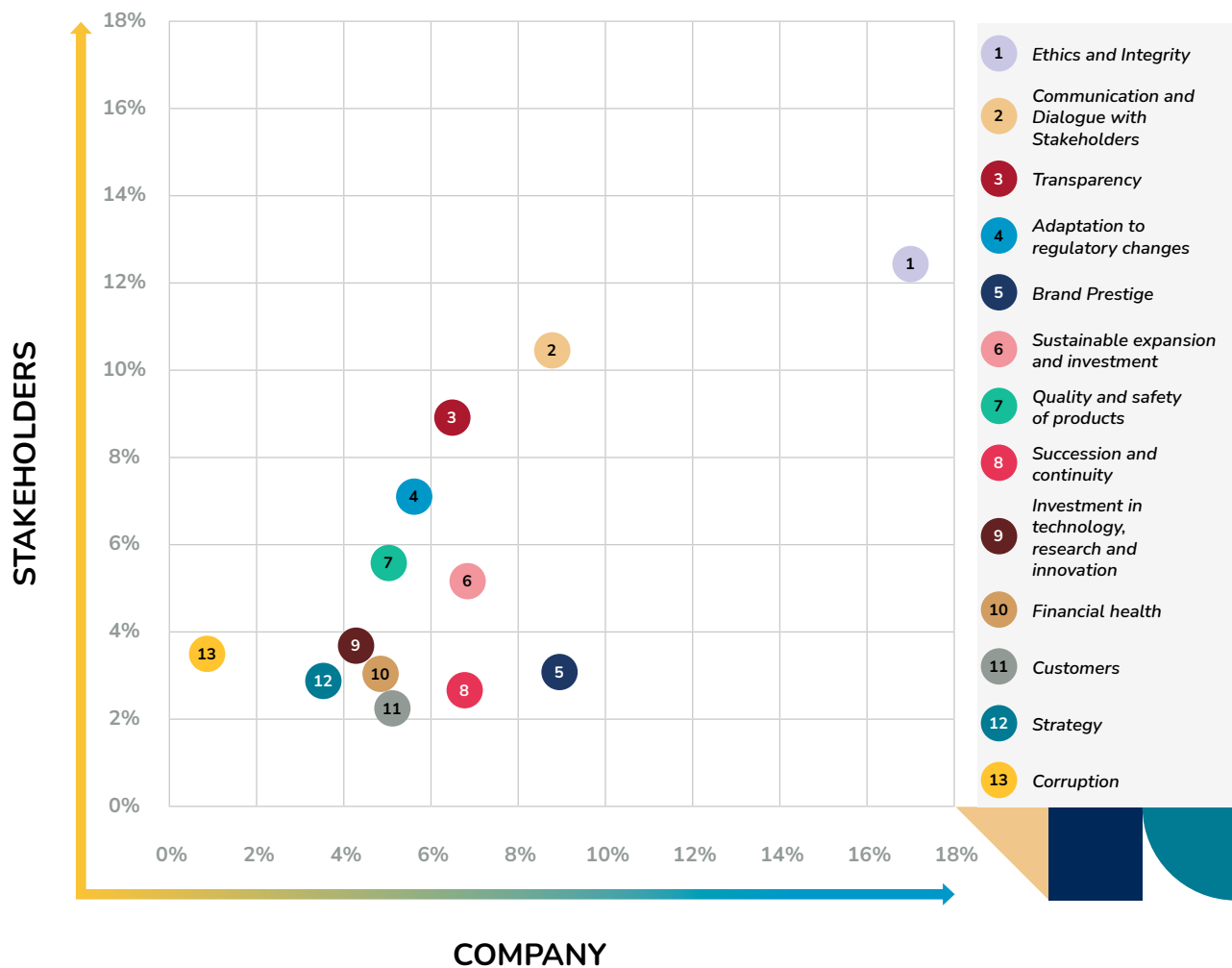
Materiality

Describes the companies' relevant reporting and management aspects, bearing in mind the positive or negative impacts caused by their activity on their stakeholders. Their analysis defines the model of sustainability and the creation of shared value for us.

In collaboration with the University of Murcia, we have carried out a materiality analysis in the first quarter of 2021. It is a key basis of our strategy, guiding and transforming our business towards the most relevant aspects while promoting our relationships with our stakeholders.

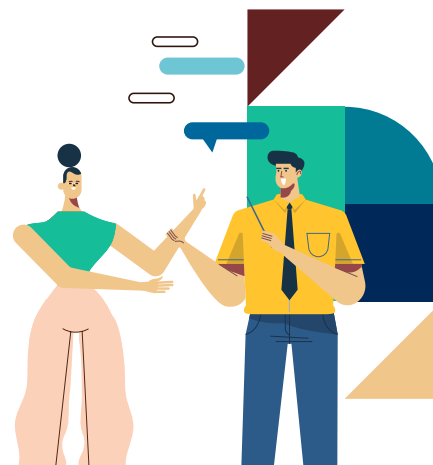
Identified material aspects:







- Ethics
- Dialog
- Transparency
- Adaptation
- Products
- Sustainable expansion
- R+D+i
- Corruption
- Financial health
- Strategy
- Customers
- Succession
- Brand



To know your expectations and incorporate them into the strategic management of the company, it is essential to maintain a listening process, which at Grupo Fuertes, we carry out through the following channels:

Dialog with the stakeholders



Stakeholders	Communication channels	
 Consumers	<ul style="list-style-type: none"> • Consumer service channel • Market share, volume, and value studies • Consumer panels • Marketing reviews • Brand image reviews 	<ul style="list-style-type: none"> • News and opinion tracking • Trade fairs • Social media • Web page • Satisfaction surveys
 Customers	<ul style="list-style-type: none"> • Customer Service • Commercial visit • Product's release • Sectorial forums 	<ul style="list-style-type: none"> • Email • Trade fairs • Web page
 Employees	<ul style="list-style-type: none"> • Employee portal • Intranet • Company Committees 	<ul style="list-style-type: none"> • Suggestions mailbox • Social media
 Providers	<ul style="list-style-type: none"> • E-Suppliers Channel • Trade fairs 	
 Society	<ul style="list-style-type: none"> • Media coverage report • Follow-up on social media and dialogue • Dialogue in sectoral associations and with the Public Administration 	<ul style="list-style-type: none"> • Face-to-face meetings in associations • Meetings with allied entities of the Third Sector • Communication Actions
 Shareholders	<ul style="list-style-type: none"> • Family Council • Board of directors • General Meeting of Partners 	



we contribute to our stakeholders

4.1. #consumers	45
4.2. #customers	47
4.3. #employees	48
4.4. #suppliers	53
4.5. #society	54
4.6. #shareholders	56

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A sustainable model

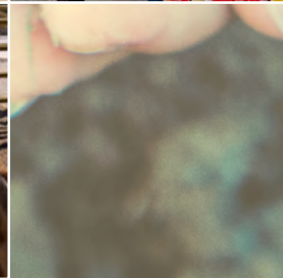
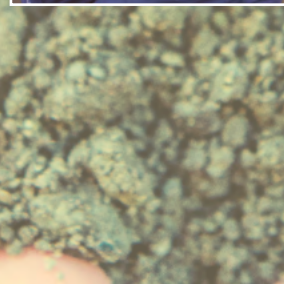
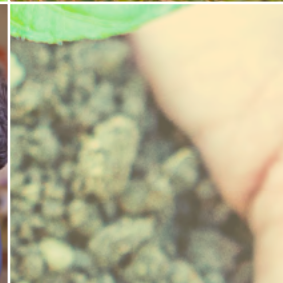
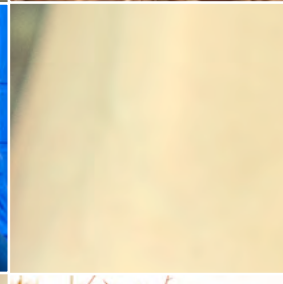
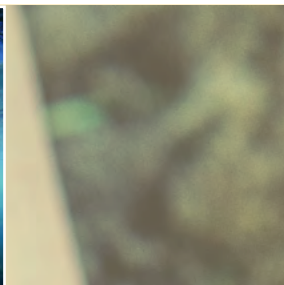
As the global scorecard, the SDGs show the commitment and contribution to solving our planet's social, economic, and environmental problems.

Our business strategy follows the work agenda for sustainability and the planet's future set by the Sustainable Development Goals (SDG). The '**2030 Agenda**' of the United Nations (UN) brings together the 17 sustainability objectives in the face of humanity's most urgent challenges and with which the Grupo Fuertes business model is fully aligned.

We integrate the SDGs into our business model and recognize many of these goals as our own. We thus join the commitment to contribute to them with our actions and strategies. Our priority objectives are responsible and sustainable production of our products, health, and well-being, promoting employment and economic growth, and caring for the environment to bend climate change. We work on multiple programs and initiatives to achieve this. In this way, SDG issues are integrated into our value chain and relations with our stakeholders.



SUSTAINABLE DEVELOPMENT GOALS





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Contribution to the SDGs

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We actively and regularly collaborate with food delivery to food banks, groups, third sector associations, and assistance entities. Specifically, in 2020 **we donated more than 400,000 kilos of food and water**. And we collaborate in the initiative **Restaurants against Hunger**, promoted by the NGO Action Against Hunger to fight against child malnutrition.

3

Healthy eating and the well-being of consumers is a priority for Grupo Fuertes, a pioneer in creating high-quality, healthy products. We collaborate continuously with different universities and research centers in various studies of healthy eating. In addition, we develop a multitude of **internal programs to guarantee the health and well-being of our workers**. In addition, **ElPozo Alimentación has been the first food company awarded as a European Company for Sport and Health 2018-2020**.

SUSTAINABLE
DEVELOPMENT
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4

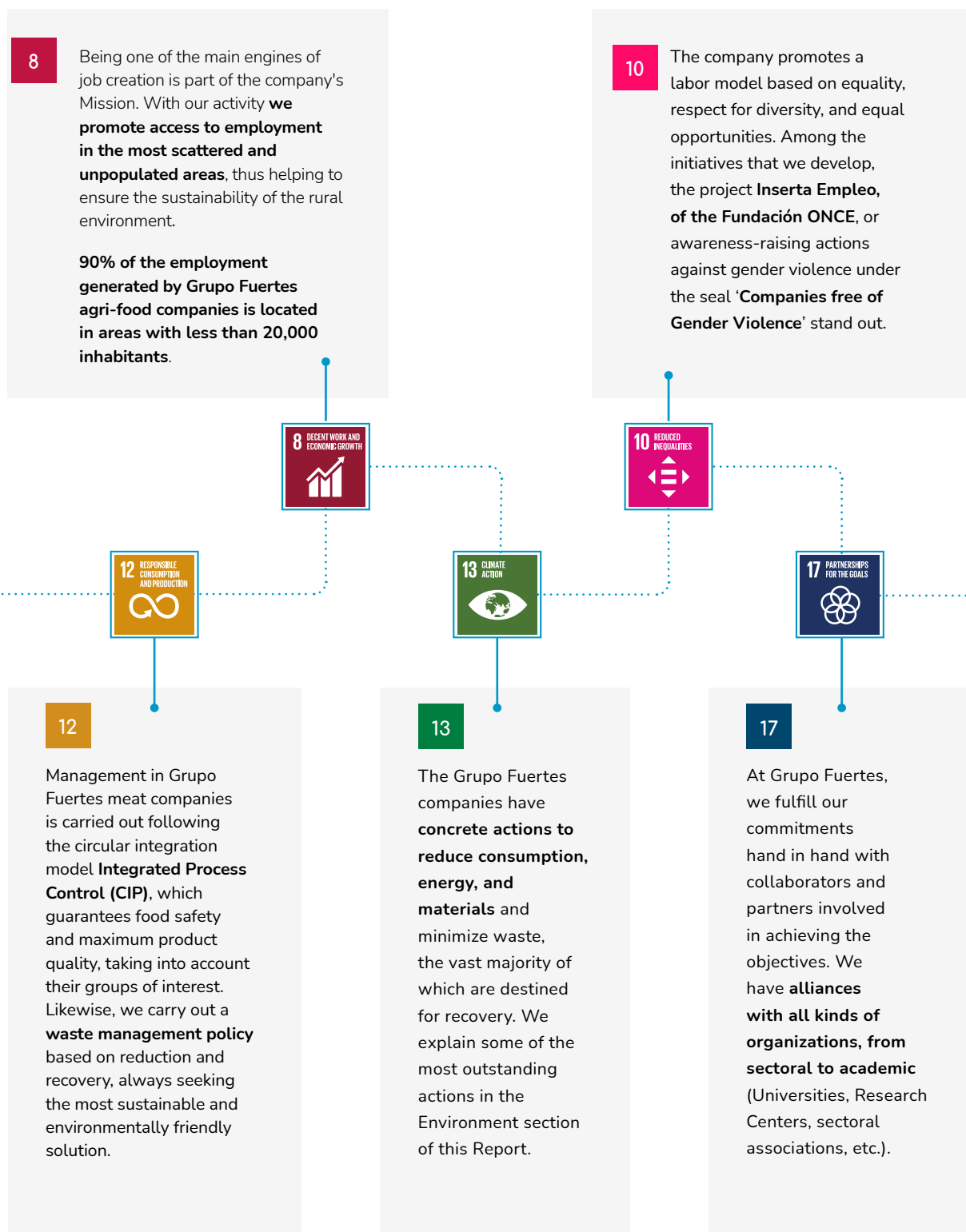
To facilitate conciliation, at Grupo Fuertes, we have the **Antonio Fuertes Early Childhood Education Center**, which is aimed at the children of our workers, with hours adapted to their work needs and quality education and training. In addition, we collaborate with the University of Murcia in the development of different chairs. One of them is the **Grupo Fuertes Business Excellence Chair**, which awards scholarships to students and allows them to complete their studies at the ElPozo office in Shanghai, China.

6

Caring for natural resources is a priority aspect of the company. We have **water recovery systems through purification and reuse** and for this, we have wastewater stations. We also promote the improvement of processes and awareness-raising actions. The treated water is used for the irrigation of nearby crops.

7

We improve our facilities to be more efficient while consuming less. Most of the installations already have low consumption LED technology. **100% of the energy consumed by Grupo Fuertes companies has guarantees of renewable origin**. We are also working on the installation of photovoltaic projects in the different companies of the Group.





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We offer trust

The satisfaction of consumers and customers is crucial for Grupo Fuertes as food is the central axis of our activity.

Our company aims to contribute to the challenge that will feed a growing population in the coming years and thus collaborate in the fulfillment established by the World Agenda. The **quality** and **food security** are essential aspects of our strategy and responsibly moved the entire value chain to provide a product with all the guarantees from the selection of raw materials up to their elaboration, commercialization, and distribution.



Good practices: certified management systems



- ISO 9001: 2018 Certification of Iberian Quality Management Systems
- Iberian Quality Standard
- Guaranteed Traditional Specialty Certification ETG Serrano Ham
- Serrano Ham Consortium
- Export Specific Self-Control Audited System (SAE)
- Global Safe Site - Compliance with Good COVID-19 Practices
- IFS International Featured Standard
- BRC British Retail Consortium



Compound Feed Manufacturing

- Certificate of guarantee "Certified Animal Feeding"
- Certificate of "Compound Feed Traceability"
- Certification of the "Antibiotic Free Program"

Pig farming and production

- Certificate of Traceability in the Pig Sector
- Certification of the "Antibiotic Free Program"
- OCA Calitax (certified feed and farms)



- IFS International Food Standard
- BRC British Retail Consortium
- ISO 22000: 2018 Flour and Fat Plant
- Export Specific Self-Control Audited System (SAE)
- HALAL
- Certificate in Hygiene and Control Protocols COVID-19



- IFS International Food Standard
- Seal of the Federation of Celiac Associations of Spain FACE
- Iberian Certification
- Irish Food Board Certification
- Organic Production Certification
- Guaranteed Traditional Specialty Certification ETG Serrano Ham
- Iberian Quality Standard Certification
- Meat Processor Quality Assurance Scheme (MPQAS) Origin Ireland



- IFS International Food Standard
- Iberian Certification



- BRC British Retail Consortium
- IFS International Food Standard
- HALAL
- SAE (Third Country Export)



- IFS International Food Standard v6.1
- BRC British Retail Consortium v8
- SAE (Third Country Export)
- RSPO (Roundtable on Sustainable Palm Oil)
- Murcia Cheese Protected Designation of Origin.
- Lactose Intolerant Association Seal (Cadillac).



- IFS International Food Standard
- BRC British Retail Consortium
- Certification of the Protected Designation of Origin Jumilla
- Organic Wine Production Certification
- Vegan Wine Production Certification
- Varietal Wines Production Certification
- Tourism Quality Certification (SICTED) - In process



- IFS International Food Standard V6.1
- It is positioned by the OCU among the 3 best waters in Spain.





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- **Total traceability of products through the CIP (Integrated Process Control) system.**

We have a unique circular integration model called **Integrated Process Control (CIP)**. It allows us to intervene in all phases of the production process of our products, made with different species of pigs, cattle, and poultry. By doing so, we guarantee the highest quality, food safety, and sustainability. Our model's center is a system that controls the entire chain, from animal feed production to its arrival at the shelves and the consumer.



Animal welfare

*The responsibility of the companies of the meat industry core with the **animal welfare and biosecurity** is a core idea to guarantee the health and optimal care of the livestock.*

The consumer, at the center of our model

ElPozo Alimentación and Cefusa were the first meat and livestock companies in Spain to obtain the INTERPORC Animal Welfare seal, the most demanding in the European Union.



- **ElPozo Alimentación, Cefusa and Procavi: Animal Welfare Certificate.**
- **Internal and external audit processes on food quality and safety and animal welfare.**



Examples of Good practices

- Livestock transport is carried out in nearby areas to shorten distances.
- 50% of the volume of slaughtered cattle comes from our farms.
- 100% of ElPozo's suppliers are approved and certified in animal welfare, guaranteeing the traceability of the animals that arrive at the factory.
- Cefusa has equipped several of its farms with environmental indicators, gas meters, temperature, surveillance cameras, and microphones to guarantee the most appropriate procedures in animal care. The Grupo Fuertes livestock company develops a free sow production system, both in the gestation phase and in the farrowing stage, where the facilities are adapted above the requirements of European regulations on animal welfare.

4.1. #consumers

We contribute by innovating in well-being

Health and well-being are very present in Grupo Fuertes food companies. We carry out innovation in healthy eating. We actively collaborate with universities, research centers, and scientific associations in Spain to improve the nutritional quality of products and, therefore, people's health and quality of life.

The ElPozo brand is present in eight out of ten Spanish homes.

Source: Kantar's Brand Footprint

ElPozo Alimentación leads a project with the Catholic University of the Region of Murcia to scientifically demonstrate the cardiovascular benefits of the consumption of cured ham.

In 2020, the **BienStar de ElPozo Alimentación** brand celebrated 20 years since the launch of the first cooked ham without salt in the Spanish meat market, leading the category of healthy solutions.

The **Nobleza** family, made with probiotics, aims to support the immune system.

Procavi develops the project '**Clean Label**' with the aim of eliminating additives from the product and reducing the salt content.

Palancares has incorporated new equipment to improve the time in the detection of lactose levels in 'Lactose-Free' products.

Bodegas Luzón works on new projects to improve the production of organic wine. In 2019 it developed a project to produce wine without added sulfites.



Good practices: New releases

ElPozo Alimentación in 2020:

- It broke into the vegetable protein segment with its first 'King Revolution' hamburger, a 100% vegetable product made from pea protein.
- It boosted its line of slices with 'Legado Ibérico' ham and shoulder cut into flakes and its Legado Ibérico cases.
- It launched its new sliced cured ham, with 25% less salt, in response to consumer concerns about health.



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Did you know...?

All ElPozo Alimentación products are gluten-free.

ElPozo Alimentación and Fripozo have joined the initiative of the Spanish Ministry of Health, Consumption and Social Welfare to reduce the content of sugars, fats, and salt in their products.

Cefusa continues to work on the design of the future farm in collaboration with the Polytechnic University of Cartagena. This work has managed to reduce the nutrient content by 90% so far and contribute to improving the soils.

Communicate with transparency

Communicating with transparency what we do and how we do it is essential to build a shared mission with our stakeholders. For this reason, at Grupo Fuertes, we strive to improve the relationship with the consumer day by day and promote a fluid dialogue.

Through different tools, the company seeks to know the opinion of its customers and consumers, promoting their participation in the improvement and development of products. Knowing your satisfaction level helps us check quality and sales standards to improve our products and services.

Communication systems serving the consumer



Corporate channels	Product labelling	Face-to-face channels	Online platforms
<ul style="list-style-type: none"> Consumer and customer service telephone Contact forms Corporate website and email Social media Reporting channel 	<ul style="list-style-type: none"> Nutritional information Consumer service telephone Contact forms Quality recognition 	<ul style="list-style-type: none"> Network of commercial agents Surveys, complaint sheets, and suggestions (digitized in 2020) 	<ul style="list-style-type: none"> Tripadvisor Booking Review Pro Google

All claims and complaints received were managed and processed by Grupo Fuertes companies, being resolved in their entirety. None of them had an impact on food safety.

4.2. #customers We gather allies

Distribution and hospitality channels form a fundamental part of our value chain because they connect us with the consumer. With them, we share the commitment to contribute to society and to meet and satisfy their needs with products of the highest quality and the highest guarantees of food safety.

In these years, we have consolidated a collaborative, close, and lasting relationship with the clients we operate with. To continue offering added value to the consumer, we work in the same direction. We are committed to the local and help fix the rural population, generating employment and improving the quality of life of many families.

The bonds of trust with our clients allow us to continue advancing together in new projects through a process of listening and permanent dialogue, agile and efficient management, advice and training, initiatives at the point of sale, and joint actions of social responsibility. Our commitment is to respond to your needs and the end consumers' needs, taking care of your health and well-being.

We work in a close, responsible and lasting way with the entire value chain. Our clients form an essential part in the different categories of HORECA, Retail, Food, Industrial and other sectors.



ElPozo Alimentación has joined forces with Hostelería de España to reinforce its commitment and support to the Spanish hospitality activity and contribute to the recovery of this sector, one of the most affected by the health crisis

CUSTOMERS

Meat

27,810

Food and beverages

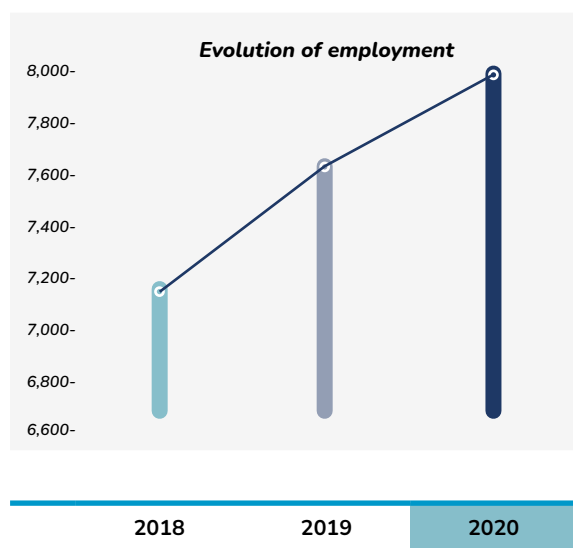
21,772

4.3. #employees

We contribute by taking care of our team

People are the soul of our Group; they are the ones who allow the business to grow year after year by offering new products and services, making it possible for their brands to be present on all continents. A team passionate about a joint project strives to improve it based on a relationship of trust based on shared values.

At Grupo Fuertes, we are immersed in a new phase of the Strategic Human Resources Plan that began in 2018 and that will last for five years.



Grupo Fuertes team is made of **7,930 employees**. 86% of employment is concentrated in the meat group, **4.7% more** than the previous year

Universal accessibility of people with disabilities

Our commitment to the integration of people with disabilities is articulated by establishing alliances with social entities and the Third Sector that make possible their employability in the different companies of the Group.

In this sense, the company collaborates with the **Fundación ONCE**, through Inserta Empleo, to promote the **recruitment of 80 professionals** in the holding companies until 2022.

The average age is around **40,4 years old**

- 100% of our workers are covered by collective agreement.
- There are 17 collective agreements in place.

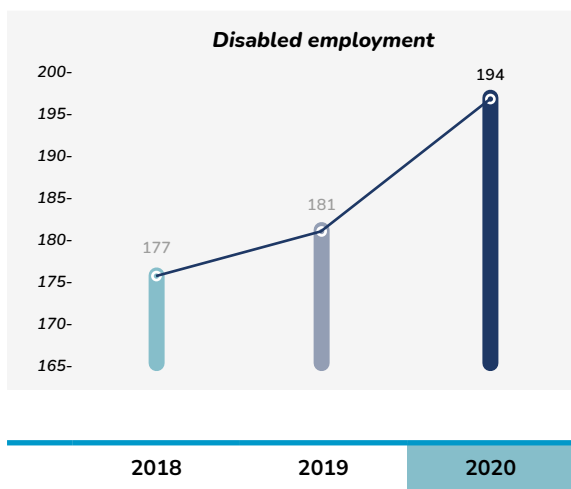




Good practices: with Special Employment Centers

- Sediatlantic has initiated collaboration with special employment centers for specific tasks in the laundry and cleaning service.
- Fripozo has collaborated with the Osga Special Employment Center for people with disabilities, incorporating 12 people from this center to carry out auxiliary tasks.

The average number of people with disabilities greater than or equal to 33% has grown to 194 employees, compared to 181 in 2019. It represents 2.2% of the total workforce.



Equality plans

The company is committed to gender equality and respectful working conditions. A commitment reinforced through the **Equality Plans** implemented in the ElPozo Alimentación, Cefusa, Procavi, Sediasa Fripozo, and Bodegas Luzón. We have specific protocols for prevention, awareness, and good practices based on equality, quality, and diversity.



Good practices:

- We support the project **Universo Mujer**.
- We are part of the **Diversity Charter**.
- We adhere to the protocol of '**Companies for a Society Free of Gender Violence**'.



Good practices: Accessibility

- ElPozo Alimentación has provided new access ramps to various areas of its facilities.
- In Procavi, ten people have benefited from the measures implemented in 2020, such as light reinforcements on machines and new fire-fighting devices for people with hearing disabilities.



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Human rights

We believe in fair and ethical labor practices, as well as the protection of workers' rights.

- Zero tolerance towards discriminatory and harassing behaviors.
- Freedom of association and the right to collective bargaining are assured.
- We have a non-compliance reporting system (Reporting Channel).

Training and talent management

We believe in training and developing our teams as a key and differential element for the organization's sustainable growth.

More than 67,300 hours
of training in the past
two years

Grupo Fuertes companies have training plans that are evaluated annually. In 2020, we completed a total of 23,258.5 hours of training. Of these, 4,776.5 hours (20.5%) correspond to training in Occupational Risk Prevention.

Within the training initiatives, in 2020, we promoted two **tools** that allowed our structural employees to work on their professional development and growth:

- **Development Guide:** a manual that focuses on reinforcing skills and behaviors based on the latest assessment of our employees' skills.
- **GoodHabit:** our content platform and online training on-demand to work on personal and

professional growth. It has a catalog that includes more than 70 courses, and in 2020, it had the participation of more than 280 workers.

In 2020, NEXT, the Grupo Fuertes Human Resources digitization project, started, whose objective is to evolve talent management in the company and make the human resources function more transparent, close, and participatory.



Good practices: In talent management

- For more than 35 years, the Group companies have promoted improvement and innovation systems among employees with initiatives such as **Improvement Groups**, multidisciplinary teams that identify opportunities in the quality of processes through concrete proposals.
- A total of 24 students have participated in the internship programs, of which 56% have been women.
- We have launched a new employee portal, through a mobile application. At the end of 2020, practically the entire workforce was active in the application. There were almost a thousand contents published and more than 40,000 requests made.

Occupational well-being

Some measures that favor the occupational well-being of our employees:

- Nursery at the ElPozo facilities for Grupo Fuertes workers.
- Working hours compatible with family life: until 6:00 p.m. from Monday to Thursday and continuous working hours until 2:00 p.m. on Fridays.
- Flexible remuneration plans (restaurant, nurseries, transportation, and medical insurance).
- Exclusive benefits in health insurance and financial services.
- Discounts on leisure activities, supermarkets, and other services (gas stations, ITV).
- Accident insurance (workers with mobility).
- Discounts on the purchase of products and services of the company.
- Laundry service for work clothes and work uniforms.
- Teambuilding days.
- Free tickets for ElPozo Futsal matches.
- Christmas basket.



Teleworking and flexible hours as a security measure to favor the conciliation of our employees during lockdown





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Prevention and health

The activity of Grupo Fuertes companies is governed by Safety and Hygiene standards.

In 2020, **ELPozo Alimentación** and **Sediasa** were **certified as cardio-protected spaces**, having the necessary equipment and personnel to quickly and efficiently attend to people who may suffer a cardiorespiratory arrest inside the facilities.



Good practices: Healthy

- **ELPozo Alimentación** has two medical centers that assist 24 hours a day, pharmaceutical care, and a clinical psychology service. In collaboration with the Fundación de Trabajadores, it promotes the "Health Month" campaign to make it easier for company workers to consult with specialists and carry out specific medical tests. The company also has the 'European Sports and Health Company 2018-2020' seal.
- **Fripozo** contributes to good health practices with medical examinations that reached 370 workers in 2020 or the promotion of healthy consumption with the delivery of free fruit to workers on 'Healthy Tuesdays.'



4.4. #suppliers

We contribute by guaranteeing supply

We have a value chain based on trust, with long-term, stable and professional relationships. .

- In Grupo Fuertes, we have worked in the last year with 8,088 suppliers.
- 95.5% comes from the national territory and belongs to different sectors related to agriculture, livestock, fixed assets, integrators, maintenance, raw materials, marketing and advertising, transport, vendors, and general services, among others.
- In 2020, payment to suppliers was 1,639 million euros, which represents 93% of the economic impact generated by Grupo Fuertes.
- We value those suppliers that apply Corporate Social Responsibility policies and / or have certifications such as **ISO 9001, ISO 14001, ISO 22000, BCR, IFS, or GLOBAL.**
- All suppliers that are part of Grupo Fuertes' supply chain must accept a **General Conditions document**, which incorporates a clause on Corporate Social Responsibility.

At Grupo Fuertes companies, we promote **supervision processes for suppliers related to food safety, animal welfare, and the quality of raw materials**, among other aspects.

In 2020, we obtained the **certification of the UNE 15896 Standard for Value Added Purchasing Management**, which accredits the supply chain's best practices and responsible and sustainable management.

At the end of 2020, we achieved the certification in the **ISO 20400 standard of Sustainable, Environmentally, Socially and Economically Committed Procurement**, being the first food group to achieve it



4.5. #society

We contribute by improving our communities

90% of the employment generated by Grupo Fuertes' agri-food activity is located in towns with less than 20,000 inhabitants

The pandemic has revealed the interconnectedness of sectors and people. The lockdown and social distances imposed by the authorities have altered the interdependence networks of the sectors and human relations themselves. In this context, companies in essential sectors have had the opportunity to show **our commitment to society and the environment** through job creation, and at the same time, maintaining and caring for the rural environment.

- The direct impact of Grupo Fuertes' activity on local development amounts to 107 million euros in taxes paid by different companies in the towns where they are located.

At Grupo Fuertes, we contribute to local development through collaboration with other Third Sector entities, with which we carry out different projects and initiatives:

- **Fundación ONCE:** direct job placement for people with disabilities, through the Inserta agreement.
- **Special Employment Centers:** hiring people with disabilities.
- **Spanish Federation of Food Banks (FESBAL):** regular product donation and awareness campaigns among employees.
- **Cáritas Española:** regular product donation and collaboration in the collection of clothes and shoes.
- **Jesús Abandonado and Proyecto Hombre:** regular product donation.
- **Spanish Federation of Rare Diseases.**
- **Acción contra el Hambre.**
- **Fundación Alimentum.**



Good practices: Collaborative

• Sports:

- ElPozo Murcia Futsal
- Spanish Paralympic Team
- La Vuelta
- Alhama CF ElPozo
- Show ' Revolution on Ice', by the skater Javier Fernández.

• Culture:

- International Festival 'Cante de las Minas' of La Unión
- Joyful! Show by Belter Souls
- Boost to the archaeological excavation of the Paraje de la Almoloya, in Pliego, cataloged as the first site of the Argaric route in Europe.

- **Research:**

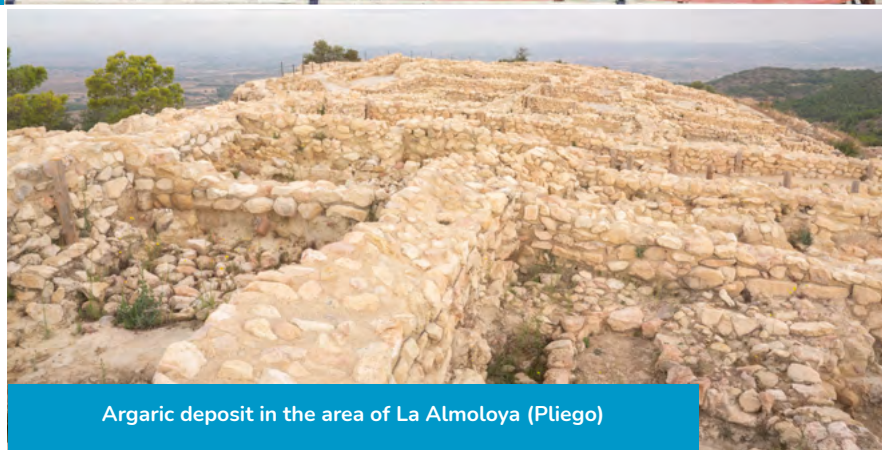
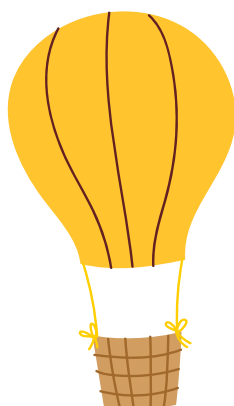
- Chair of Business Excellence (University of Murcia). This chair includes the Business Talent program that has already trained 63 students from the UMU Faculty of Economics and Business.
- Chair of Food Safety (University of Murcia).
- Chair of CSR (University of Murcia).
- Chair in Sustainable Environmental Management of Swine Production (Polytechnic University of Cartagena).



ElPozo Alimentación has the Medal of the Royal Order of Sports Merit.



ElPozo Murcia Futsal



Argaric deposit in the area of La Almoloya (Pliego)



4.6. #shareholders

We empower sustainability as a driver for growth

We are a business family made up of 15 partners: three from the second generation and 12 from the third, who actively participate in the governance and management of the company. We have a **Family Protocol** that establishes the rules of action in the company, within which the **Family Council** is established.

The strategic bodies of Grupo Fuertes are in charge of defining and directing essential issues such as:

- The long-term strategy that guarantees economic sustainability, profitability, and continuity through decision-making related to significant investments and divestments.
- Internationalization policies.
- The daily coordination of the activities of the companies, gathering in it the general corporate services.

In addition, to promote a culture of **transparency and good governance**, thus ensuring compliance with the Group's ethical criteria and principles, we have a series of measures and tools that make up our management and control model:

- Code of Conduct
- Risk Management Model
- Regulatory Compliance Model
- Reporting Channel
- Training in criminal risk prevention
- Security of the information

Code of Conduct

Our Code of Conduct describes the values, principles, and practices that guide the organization's activity, its people, and those expected from our stakeholders. Creating a culture of regulatory compliance, generating an environment of respect for ethical values, or transmitting that 'the end does not justify the means', are the purposes we pursue.

Grupo Fuertes corporate areas and/or services



- Specific guidelines against corruption and bribery in the Code of Conduct.
- Internal audit system.
- Specific awareness campaigns.
- Training Plan on crime prevention and code of conduct.

To carry out the identification and control effectively and guaranteed, at Grupo Fuertes, we implemented a Risk Management Model and a Regulatory Compliance Model that has involved the global analysis of business and criminal risks in the company's companies.

Regulatory compliance

The Ethics and Compliance Committee is a body with autonomous powers of initiative and control, made up of several members of Grupo Fuertes.

Its scope of action covers criminal risks and the general principles and rules of conduct established in the organization.

Reporting Channel

It is how our employees and stakeholders can communicate with total security the possible breaches of the Code of Conduct that they detect. This channel guarantees:

- Absolute confidentiality.
- Retaliating prohibition against anyone who, in good faith, brings to the attention of the

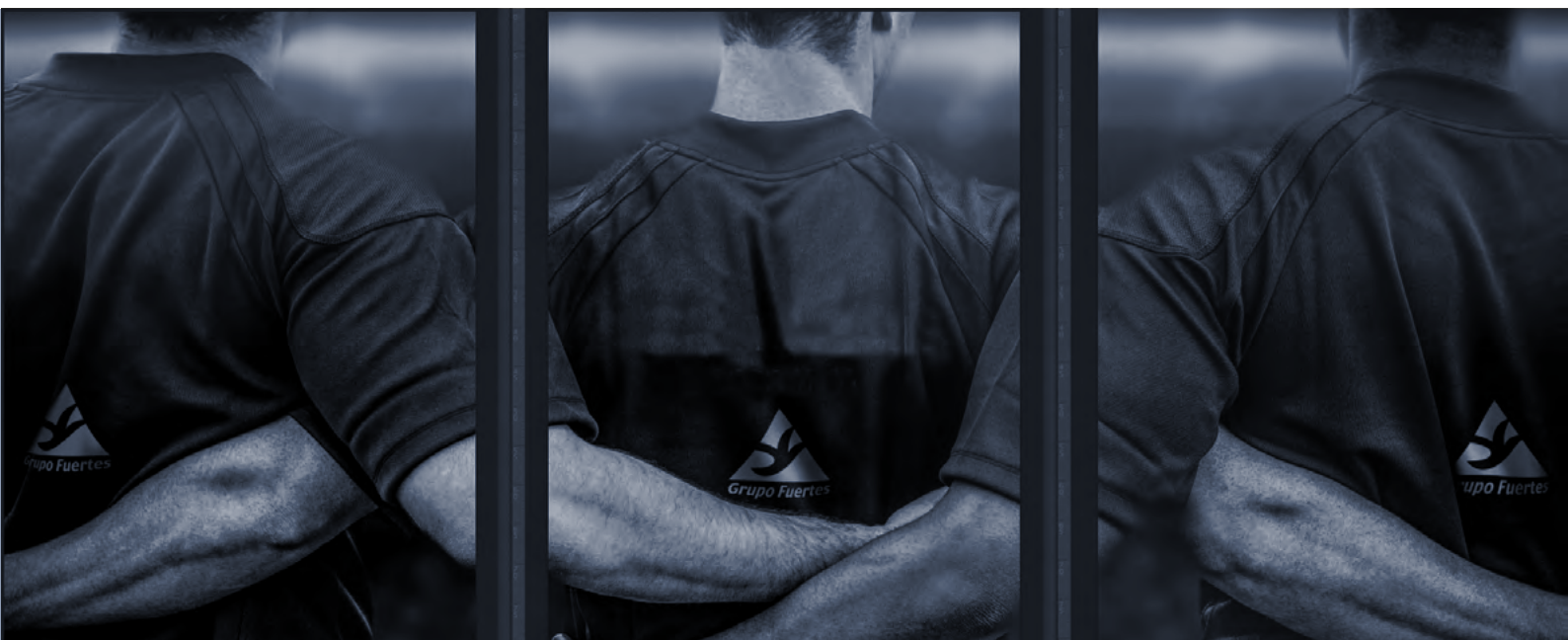
Ethics and Compliance Committee a possible violation of the Code of Conduct.

- The possibility that our employees can address the Ethics and Compliance Committee directly, without going through their immediate superiors.

Training in crime prevention and Code of Conduct

In 2020, the company trained **261 structure employees in criminal crime prevention and code of conduct**. A training that any worker also receives from this group who joins the organization. Since 2017, the company has trained 1,557 structure employees in criminal crime prevention and code of conduct.

In addition, in 2020, we carried out information campaigns to publicize our Code of Conduct and the Reporting Channel to all Group employees.





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We work for a development that allows us to continue advancing without compromising natural resources and betting on a solid and fair future for the next generations.

Because we become partners in values that are increasingly present in society and because we are aware, as a group of companies, of our greater capacity to add interests and achieve positive impacts.

ElPozo Alimentación, Procavi, and Bodegas Luzón have procedures to identify and evaluate the environmental aspects that derive from their activity and have the **Environmental Management certification, according to the UNE-EN ISO 14001 standard.**

5.1. Climate change

The fight against climate change and the reduction of greenhouse gases is the main environmental challenge facing many sectors, including ours. Since the signing in 2015 of the **Paris Agreement of the United Nations, where it recognizes that it is a "problem of humanity"**, it has been gaining strength by society as a whole and especially by the younger generations.

Along these lines, from Grupo Fuertes **WE CONTRIBUTE** to minimize the negative impacts of our activity.



Good practices:

Against climate change

- Since 2017, ElPozo Alimentación calculates and certifies its Carbon Footprint and has suggested actions to reduce it. Through different initiatives, it has avoided the emission of 7,000 tons / year of CO₂ equivalent to the atmosphere.
- We are implementing various measures to reduce CO₂ emissions related to vehicle efficiency, fleet renewal, load and route optimization, or driver training. Our suppliers also contribute to this commitment by incorporating less polluting electric and hybrid vehicles in their automobile fleet.
- To make its activity more sustainable, Cefusa is applying the Best Available Techniques in its facilities. As a result, it has managed to reduce emissions by 1.4% concerning existing farms in 2019.

Other measures in the implementation phase:

- Construction of a new photovoltaic plant.
- Expansion of the sewage treatment plant to increase biogas production.



5.2. The circular economy, a key aspect

Waste management is an essential aspect for Grupo Fuertes due to its large volume of production and packaging, mainly in the food industry.

At Grupo Fuertes, we promote a circular strategy to reduce environmental impact.

- Reduce the materials used in packaging.
- Incorporate new, more sustainable materials.
- Promote a materials strategy that favors the circular economy through their valuation.
- Implement initiatives aimed at reducing food waste.

ElPozo Alimentación, the first company in the meat industry to obtain the Ecosense certification for plastic recycling

ElPozo Alimentación is certified as Zero Waste.

ElPozo Alimentación has obtained the Zero Waste certification from AENOR, which endorses the proper management of the waste it generates and avoids its deposit

in landfills. ElPozo Alimentación's waste recovery rate is above 95%, five points more than the 90% required to obtain this seal.



Officers responsible for the Environment area show the certification obtained 'Zero Waste' from AENOR.



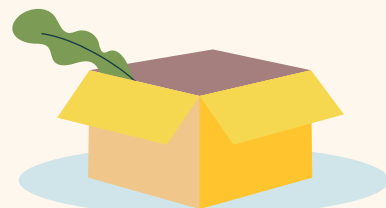
Good practices: Plastic reduction

- The Ecoembes Container Reduction Plan PEP has allowed ElPozo Alimentación to reduce the purchase and place 42,464 kilos of plastic on the market.
- Cefusa, Procavi, Sediasa, Sediatlantic, and Bodegas Luzón have promoted the use of larger containers to reduce the volume of plastics and packaging and incorporate, in turn, a more significant proportion of recycled and recyclable material.
- Among the most outstanding initiatives in 2020, Aquadeus has developed a new cap attached to the container, smaller, lighter, and less plastic content. It anticipates European regulations on circular economy. In addition, it has launched its first bottle with 50% recycled PET in the 50 cl format. All the packaging it sells is recyclable.
- Palancares has developed a new pack, lightening the container and reducing waste. This measure has allowed it to reduce plastic for 1.7 million packaging units by 11.5%, representing a saving of 4,698 kilos of plastic. In addition, the polypropylene plastic used in Burgos cheese packaging, which accounts for 95% of plastic packaging waste, is 100% recyclable.



Good practices: Cardboard and other materials

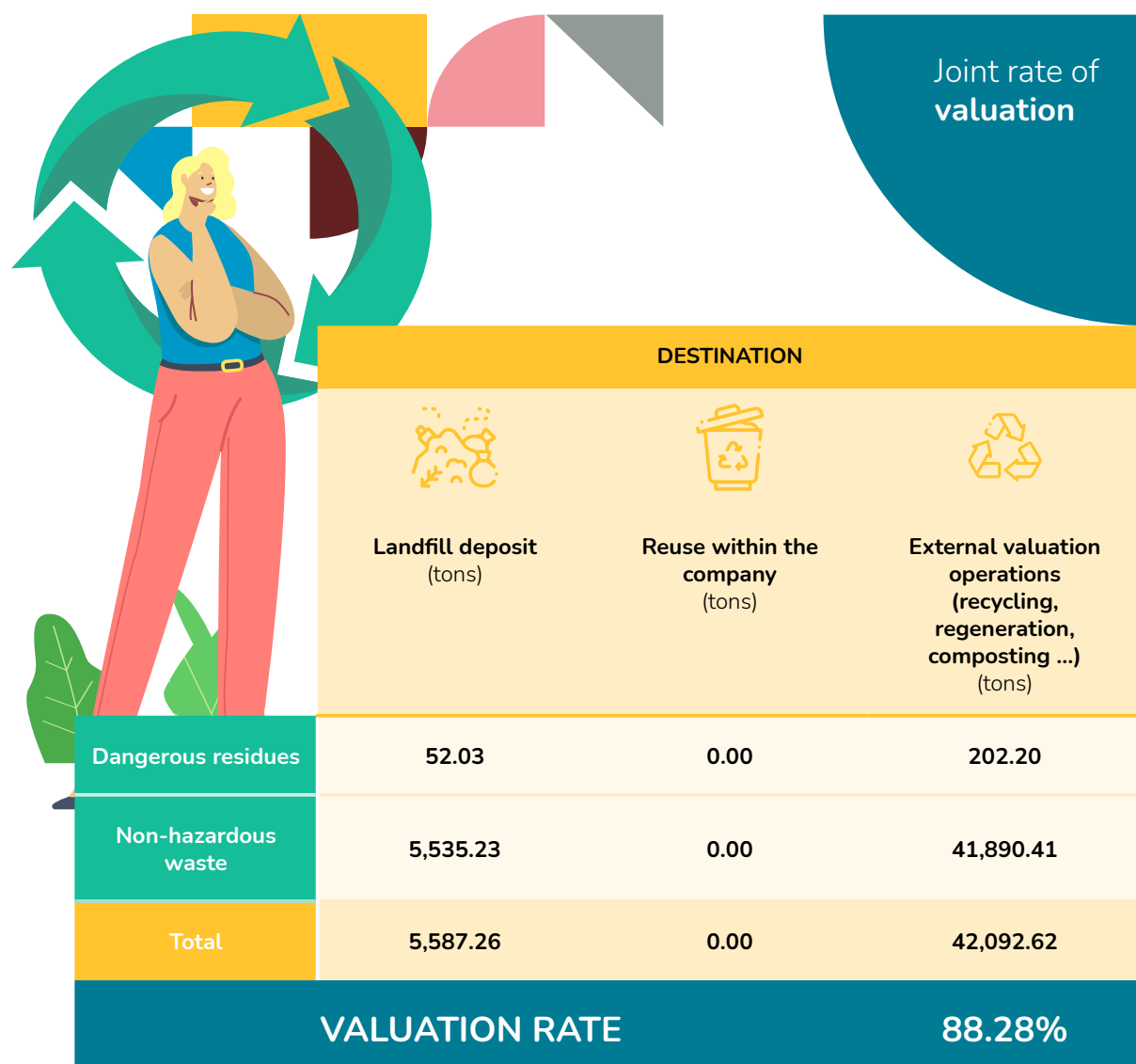
- 100% of the paper and cardboard used in ElPozo Alimentación is recyclable, and the boxes used in the dispatch process contain more than 80% recycled material. In this area, the optimization of the boxes size used for the dispatch process stands out. Such optimization has resulted in a reduction of 7,709 kilos of cardboard.
- Procavia has reduced the amount of paper and cardboard used by 5%, which is also 100% recyclable, while 100% of the cardboard used is recycled.
- Aquarius is implementing measures that favor reducing the use of paper and/or cardboard in packaging, such as reducing the size of labels. 100% of gas labels in the 0.5 and 1.25-liter formats have been reduced within these actions. 100% of the paper and cardboard used are recyclable.
- Bodegas Luzón has also developed various initiatives to reduce cardboard consumption in its processes (between 85% and 100% in boxes and 57% in cases).
- Palancares is designing smaller formats. It has managed to reduce the weight of cardboard in packaging by 12.7 %, which is 100 % recyclable. These actions are included in the business plans for the Prevention of Containers contributed to Ecoembes.



At Grupo Fuertes, we work to reduce waste and its recovery.

What is valuation? When waste is unavoidable, it must be considered raw material, organic nutrients, and even energy. This recovery and treatment that puts a large part of the waste in technical and economic conditions to be returned to the market is the valuation process.

90% of Grupo Fuertes waste is recovered





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How does the circular economy work within the Group of companies? How do we reuse waste?

Round ideas

- ElPozo Alimentación has a **Waste Minimization Plan** that has allowed the company to reduce the amount of waste to landfill by 20% concerning production compared to the previous year and reduce the production of contaminated empty containers.

ElPozo Alimentación develops the recycling project "Sustainable Work Center" for the selective collection of household waste, which has reached 10,000 kilos of packaging

In Cefusa:

- Slurry generated on the farms is used as an agricultural amendment in its plots with the farmers' agreement in the farms' area.
- Use of almond shell as biomass for heating boilers.
- Use of paper shavings for farrowing care and well-being in piglet litters in all farrowing pens.

- In **Palancares** the sludge generated in the treatment plant has been recovered, destined for biomethanization plants, with a quantity in 2020 of 4,464 tons.
- In **Aquadeus**, as an additional measure for the separation or recovery of waste, a hydraulic press has been implemented to generate bales of bottles/jugs, and plastic film originated as production losses.

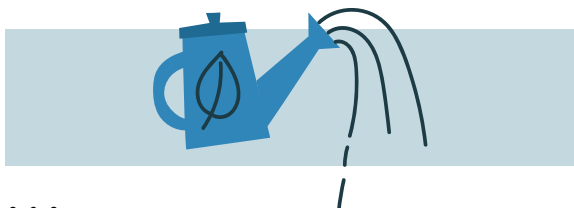
Avoid food waste

One of the basic standards in all Grupo Fuertes companies is the **maximum use of raw materials and manufactured products** to improve process efficiency and reduce food waste (under strict systems control, from the cold chain to the donation of products).

To reduce food waste, we have rigorous planning of orders to adjust production to sales in all Group companies. We also guarantee compliance with Good Handling Practices in all stages of production and ensure compliance with the product's cold chain from origin to final dispatch.

Sustainable use of resources

At Grupo Fuertes, we are sensitive to the treatment and use of a scarce resource such as water, especially in the territory where we develop most of our activity.



Water

One of the main lines of environmental activities of the company is **the protection of resources and the reduction of the water footprint**: our companies have the installation of treatment plants that facilitate the circular management of water, minimizing the consumption in its production processes and guaranteeing, as far as possible, zero discharge.



Good practices: Water utilization

- ElPozo Alimentación purifies 100% of the wastewater used for irrigation and has a project to expand the purification plant to allow greater water capacity and an improvement in the parameters of the purified water.
- Aquarius Fuente Arquillo also recovers all its water and uses it, after purification, to irrigate forest areas in its surroundings.



Energy consumption

At Grupo Fuertes, we aim to be more efficient from an energy point of view, reducing our consumption and the amount required to manufacture products. The company promotes the installation of ten new photovoltaic projects for self-consumption.



Good practices: Energy consumption

- In ElPozo Alimentación, the use of the photovoltaic installation has produced 91,255 Kwh in 2020. In general, technological change in compressed air generation equipment has made it possible to reduce electricity consumption in compressed air generation by 34 % (4,250,000 kWh / year) and total natural gas consumption in the factory by 3%. This change has also avoided emissions into the atmosphere of 1,400 tons of CO₂ per year.
- Palancares has a solar power plant for self-consumption of 400 Kwh.



100% of Grupo Fuertes's energy has guarantees of renewable origin



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5.3. Protection of biodiversity

Within this commitment, in Grupo Fuertes, we promote the conservation of rural areas and their surroundings with our activity. Thus, agricultural production spaces help preserve the natural landscape with cultivated areas and plantations that function as sinks for CO₂.



Good practices: Biodiversity

- Cefusa has proceeded to the installation of artificial wetlands that serve as a refuge for birds.



The year 2020 has been full of **challenges.**
For too many families, it has also been full of worries and goodbyes.

We have learned so much in this exercise, which has been one never to forget.
The famous Murcian thinker **Diego Saavedra Fajardo** said that

“**surrender to adversity
is showing yourself on their side**”.

So, far from giving up, from the great family of Grupo Fuertes.

**we wanted to do
our best**

in the most challenging moments of the pandemic.

From the **humility** of our origin, we can say that success
is not a goal, but a path, through which you are what you are doing
and how you are doing it.

It is **a shared path** with many other people.
**With our consumers, customers, employees,
shareholders and with Spanish society.**

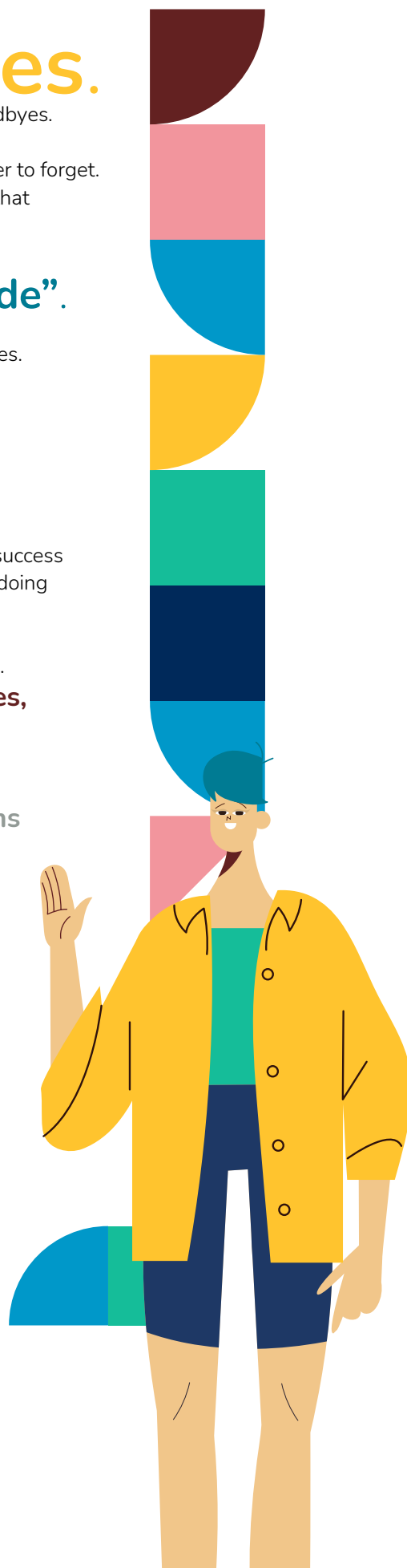
It is **a journey committed**
in social, environmental, and cultural terms
with the values of our time.

We have always wanted to do it with
common sense, in a
sustainable way.

**with integrity, effort,
responsibility, with transparency,
listening, contributing,
with closeness and with heart.**

To all of you who accompany us on this journey,

THANK YOU





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GRI TABLES¹

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	Markets in which it operates	102-6	17
Policies description	Procedures for the identification, evaluation, prevention, and mitigation of risks and significant impacts	102-15; 102-29; 102-30; 102-31; 103	8-9,15,34,44,53, 56-57,60
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1. This Sustainability Report incorporates data from the Non-Financial Information Statement (EINF), verified by AENOR, corresponding to 2019 and 2020.

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Description		GRI	Page
Management approach	Information on current and foreseeable effects of the company's activities on the environment. Environmental evaluation or certification procedures, application of the precautionary principle.	103; 102-11	60-61
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	Protocols against sexual and sex-based harassment	405-1	49
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Information on respect for human rights	Human rights due diligence procedures	412-1; 412-2; 412-3	50
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Information regarding the fight against corruption and bribery	Measures taken to prevent corruption and bribery	205-1; 205-2; 2015-3	56, 57
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Grupo Fuertes

Avenida Antonio Fuertes, 1.

30840 Alhama de Murcia

Murcia Region

968 636 800

www.grupofuertes.com