



2019

ANNUAL REPORT



At Cerealto Siro Foods we continue to cultivate a better future together, with dedication and passion



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A word from the Chairman



“ We cultivate dreams to nourish more people every day, a goal that demands the bold, daring spirit, capable of making the impossible a reality, for which we have always stood out”

I write these words at a difficult and uncertain time, marked by the Covid-19 pandemic which has triggered a huge health and socio-economic crisis. It is worth briefly reflecting first of all on the considerable level of responsibility, efficiency and solidarity that the agri-food sector has shown during these months, and in particular all our people, giving of their best and setting a clear example of their ability to react to unprecedented changes in consumption, in the operational capacity of the supply chain and the capillarity and efficiency of distribution.

Having said that, during the 2019 financial year the process of integrating Grupo Siro and Cerealto into one single multinational food group made successful progress, thanks to which we have the co-workers and leaders we need in order to be able to take on new challenges, with the bold, daring spirit capable of making the impossible a reality for which we have always stood out.

Our sustainable management model continues to permeate all our actions and decisions in order to create value for each of our stakeholders. With this goal in mind, our sustainability strategy focuses on the nutritional enhancement of our products and the promotion of healthier lifestyles, diversity and the inclusion of groups at risk of social exclusion, a leading role in the circular economy in the agri-food industry, support for a sustainable agricultural model for the primary sector, and ethical management.

At Cerealto Siro Foods we are leading the transition to the circular economy in our sector with a model which involves repurposing and granting a second lease of life to our by-products, thereby minimising environmental impacts and generating an economic return, while also contributing to reduced food waste.

An independent external body has confirmed that all our plants in Spain and Portugal are considered to be “zero waste”. The by-products generated at plants are converted into animal feed, energy for our own plants

Thanks to our Alma Prima project we are in a position to distribute value across all links in the chain: from farmer to consumer. This project not only helps us extend our understanding and development of the value chain of strategic raw materials for the company, so we can develop efficient, sustainable and traceable local value chains, but also allows us to offer our clients and consumers the very best produce in the biscuits, cereals, snacks and pasta categories, while likewise generating wealth and lending greater stability to our farmers.

I am especially proud of the work undertaken by the Grupo Siro Foundation to benefit people at risk of social exclusion, and in particular differently able people, a category to which more than 11% of our workforce belong. And then there are also the countless social initiatives supported by our Foundation: training excellence bursaries, exceptional medical treatments for our co-workers and their relatives, and the restoration of historical, artistic and environmental heritage, demonstrating the reality of a long-term commitment to the surroundings within which we operate

Everything that we do is done with the aim of fulfilling our goal: “cultivating dreams to nourish more people every day”. I would encourage you to explore through the pages of this report the efforts made by the company in our various managerial fields, with a renewed commitment to the ten principles of the Global Compact, aware of the contribution made by our operations in advancing towards the Sustainable Development Goals (SDGs) established in the 2030 Agenda.

Juan Manuel González Serna
CHAIRMAN

A Word from the CEO

“Our dedication to innovation can be seen in the 17 million euros invested in innovation projects and the continuous improvement of our products, representing 3% of turnover. This year we successfully launched 220 products in the different markets where we operate”

In 2019 the Cerealto Siro Foods business project continued to advance towards our goal of positioning ourselves in the global food market and fulfilling our 2030 Vision: concentrating on the global Biscuits, Cereals, Snacks and Pasta categories, 30 significant strategic clients worldwide, in the retail and B2B sector, giving us potential to increase our turnover by 2 billion euros by 2030, with a particular focus on nutrition and a clear commitment to innovation, quality, food safety and operational efficiency, with a sustainable financial model.

In order to continue consolidating our position as a leading group in the development and manufacture of food products at the global level, this year we implemented a number of changes in the company's model of governance and organisation. In this regard we strengthened our executive team through the addition of leading professionals with lengthy track records in the retail goods sector, including in particular the recruitment of professionals with extensive and acknowledged experience in key operational positions.

We are delighted to have fulfilled the economic goals we have set ourselves for the 2019 financial year, against a backdrop defined by the onset of the process of strategic divestment from the infant nutrition, bread and cakes businesses. We thus closed the first financial year with a turnover of 577 million euros, an EBITDA of 57 million and an output volume of 374,000 tonnes. Within the context of the investment plan we undertook initiatives amounting to 37 million euros, in particular the expansion of production capacity at our plants in Tepeji, Mexico, and Aguilar de Campoo, Spain.

We have one single operational model guaranteeing reliable, robust and attractive operations capable of permanently fulfilling the needs and expectations of our clients and consumers. This is achieved by guaranteeing the food safety, quality and competitiveness of our products as an agile and flexible company, prioritising the safety and well-being of our co-workers with a global and responsible Supply Chain and Purchasing policy, and leading the digital transformation of our plants.

The Cerealto Siro Foods team have put in place all the resources we need in order better to understand our clients and consumers and to anticipate their needs, tastes and demands. We base our approach in this regard on a rigorous analysis of consumer trends at the global level, the markets in which we operate and our competitors, leading on to the definition of specific plans for each of our product categories.

Our dedication to innovation can be seen in the 17 million euros invested in innovation projects and the continuous improvement of our products, representing 3% of turnover. This year we successfully launched 220 products in the different markets where we operate.

Business and operational growth will remain our major challenges and two of the levers on which the new 2020-2023 Strategic Plan is based.

In 2019 we defined certain shared values and a leadership style aligned with the 2030 Vision and a highly complex global context, to ensure that our co-workers and leaders act as guarantors in fulfilling the goals we have set.

The level of commitment by our people and the efforts dedicated to communication at every level have proved essential in the process of cultural transformation and integration of our company, which now totals 4,640 co-workers across Spain, Portugal, Italy, the United Kingdom, Mexico and the United States. We remain committed to the presence of women in executive positions and the integration of co-workers at risk of social exclusion, accounting for 35% and over 11%, respectively.

More than two million euros invested in training vouch for our commitment to personal development so as to achieve high-performance teams. Our corporate university, the San Pelayo Business School, continues to play a vital role in training our leadership teams.

The considerable challenges we have faced in fulfilling our company's goals have been added to by the serious health and socio-economic crisis triggered by Covid-19. Thanks to early, coordinated and efficient action both internally and with our clients and suppliers, we managed to respond to demand and fulfil our obligation to guarantee the supply of basic foodstuffs to our clients and consumers.

Despite the uncertain global landscape we have great leaders and professionals in place, who in such difficult times as those we are now experiencing are always capable of giving their best to continue cultivating dreams to nourish more people every day.

Many thanks to all of you for your dedication and commitment.

Luis Ángel López,
CEO

A top-down view of a bowl filled with yellow, spiral-shaped pasta. The bowl is set against a dark, textured background. A large, semi-transparent blue circle is centered over the pasta, containing the word "Growth" in white. A white line with three dots starts from the right side of the blue circle and extends towards the right edge of the frame. Several other circles in blue, orange, and yellow are scattered around the central blue circle, some overlapping it. A thin white arc is visible in the upper right corner of the image.

Growth

Cerealto Siro Foods in Figures

577
Million €
Net Sales

16
Factories
Spain (12)
Portugal (1)
Italy (1)
United Kingdom (1)
Mexico (1)

374,000
Tonnes Produced

37
Million €
Investments
Expansion of
production capacity.
2 cereal bar lines:
Aguilar de Campoo (Spain)
and Tepeji (Mexico) plants

220
Launches

17
Million €
**Innovation and continuous
improvement projects**

57
Million €
EBITDA

Presence in
50
Countries

100%
Factories in Spain and
Portugal
Zero Landfill Waste

**United Nations
Global Compact
Signatory Partner**



4,640
Co-workers

About us

We are a global company in the agri-food sector, born out of the merger between Grupo Siro and Cerealto and dedicated to the development and manufacture of cereal-based products, specialising in the **Biscuit, Breakfast Cereal, Snacks and Pasta** categories.

We thoroughly understand consumers and develop products in response to different nutritional needs with a high degree of innovation. We manufacture our products to high Quality and Food Safety standards to offer our clients the best products at an optimal price point.



Our Clients

Retail Sector

MAJOR SUPERMARKET CHAINS



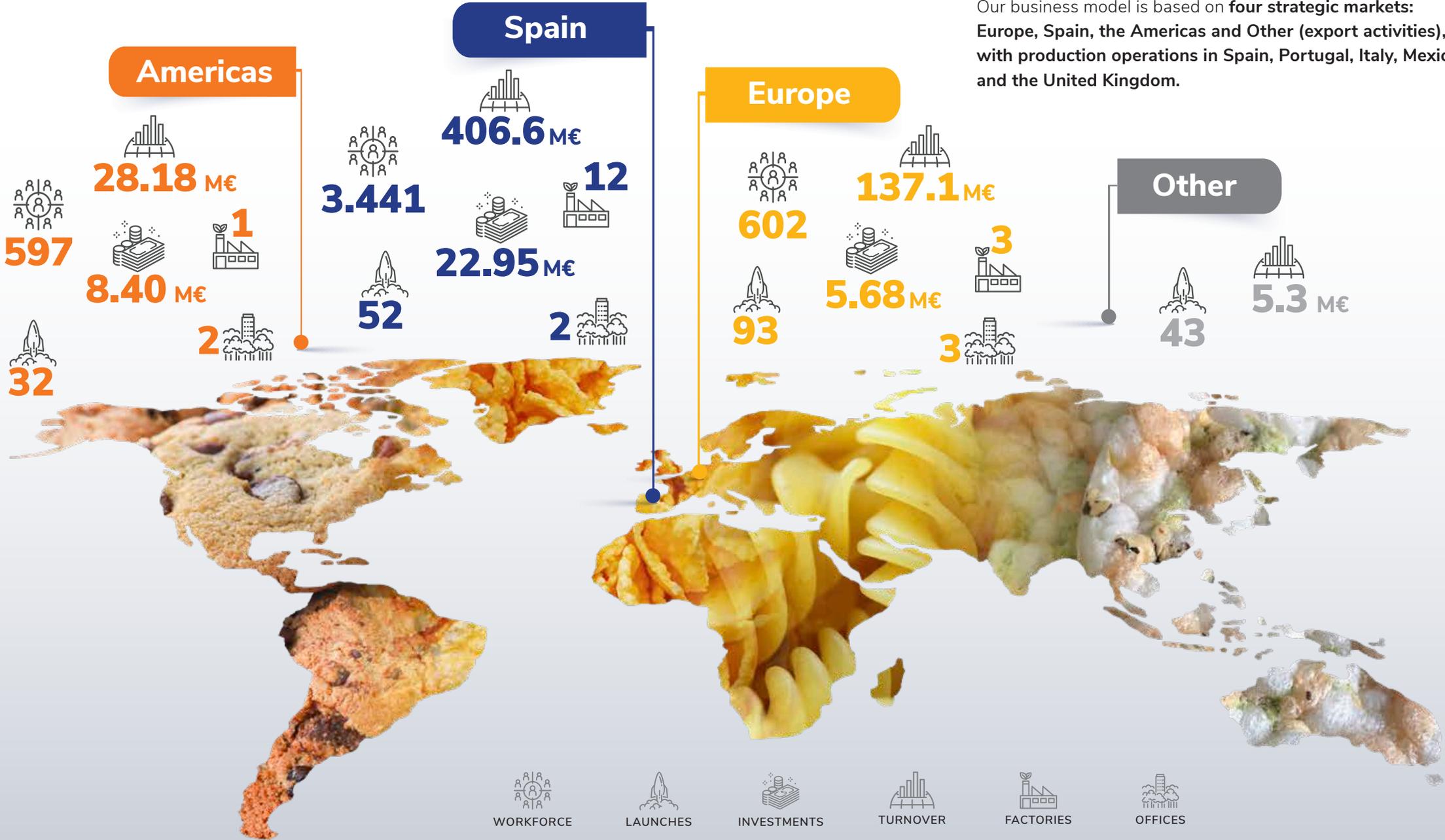
B2B

MAJOR FOOD BRANDS



Strategic markets

Our business model is based on **four strategic markets:** Europe, Spain, the Americas and Other (export activities), with production operations in Spain, Portugal, Italy, Mexico and the United Kingdom.



Model of governance and organisation

Advisory Board

We have added three new professionals with extensive experience

- **Juan Manuel González Serna**, *Chairman of the Board*
- **Lucía Urbán López**, *Vice-Chairperson of the Board*
- **Luis Ángel López**, *CEO*
- **Juan Pablo Rodríguez**, *Director*
- **Jordi Vilà i Bosch**, *Director*
- **Antonio J. Fernández**, *Director*
- **Xavier Orriols**, *Director*
- **José Miguel Isidro**, *Director*
- **Daniel Myers**, *Director*
- **Pedro Navarrete**, *(Secretary of the Board)*

Management Committee

- **Luis Ángel López**, *CEO*
- **Rut Aranda**, *Chief of Strategic Business Development*
- **Javier de la Viuda**, *Chief of Global Operations*
- **Javier Leal**, *Business Director Clients*
- **Jorge Espuny**, *Business Director Europe*
- **Eduardo Domínguez**, *Commercial Director América*
- **José Antonio Rodríguez**, *Chief Financial Officer*
- **Josep Tura**, *Chief of People & Organization*
- **Elena Pérez de Gracia**, *Director of Controlling*
- **Paola Castañeda**, *Director of Communication & Sustainability*

There are also **Executive Committees** in place: Strategic Business Development Committee, Business and Operations Committee, Economic/ Financial Committee, People and Organisation Committee...

Working to fulfil our goal: **cultivating dreams to nourish more people every day**

2030 Vision

“Achieve a turnover of 2 billion euros based on 30 significant strategic clients giving us huge potential for growth, with a particular focus on **nutrition**, a clear commitment to **innovation**, **specialisation** in the biscuits, snacks, cereals and pasta categories, **balance** between retail and B2B clients, with a **sustainable financial model**.”

Levers 2020-2023 strategic plan

Growth



Based on a rigorous, global analysis of consumer trends, markets and competitors.

Operations



Focused on continuous improvement of holistic performance through 5 operational strands: One standardised Operational Model; the best process technology and engineering; the global scope of our purchasing and supply chain; commitment to technology and industry 4.0; and trust in people and high-performance teams.

Culture and Leadership

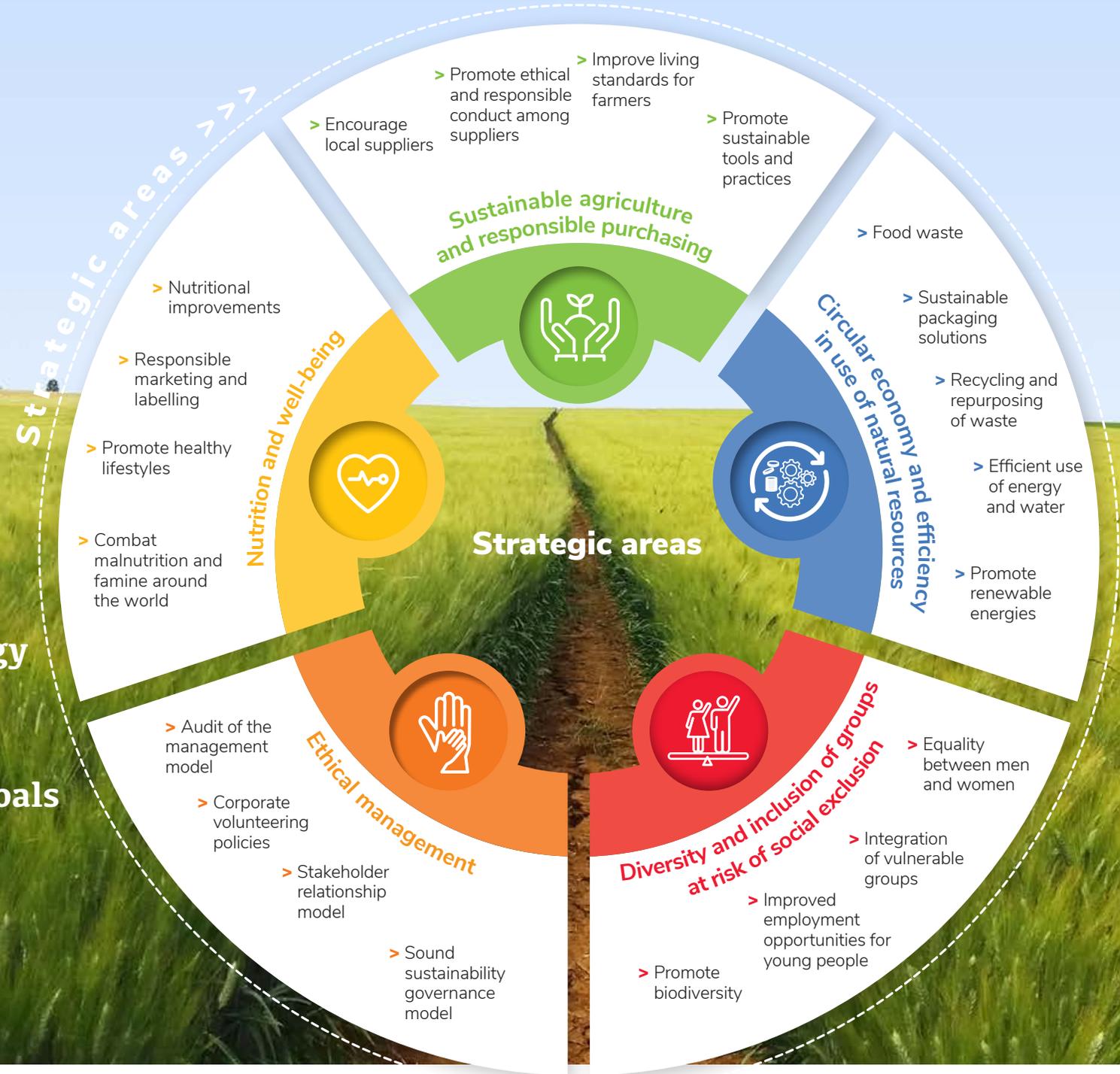


Aligned with the Vision and the new reality of the company, defining the values of co-workers and the attitudes of leaders, to guarantee that we achieve the targets set.



Our sustainability model

“A sustainability strategy aligned with our reality and vision, focused on the Sustainable Development Goals and sectoral Priorities”



Our 2019 Milestones

1st company in Spain signed up to The Valuable 500

Initiative launched at Davos to promote people with disability at companies globally



81-86% out of **100**

Key strengths: ethical conduct, research, innovation and development, circular economy and waste management, people management and diversity, stakeholder management, supply chain and local economy

Renewal of sustainable syndicated credit

100% of factories in España and Portugal are zero landfill waste

11,40% of co-workers with disability or at risk of social exclusion

47,30% women in management

22,10% grain from suppliers subscribing to Alma Prima

Reduced sugar in a selection of product categories ranging from

8,86% y el **31,43%**



#90
Merco businesses

#84
Merco Responsibility and Governance

#59
Merco Leaders Our Chairman

#61
Merco Talent



in the Major Company category for our **Circular Economy** leadership





Consumer Perspective

Nutrition and Healthy lifestyle

“ We put in place the resources needed to thoroughly understand clients and consumers and anticipate their needs, tastes and demands”

At Cerealto Siro Foods, **innovation** and **development** led by our I+dea innovation centre serve as the essential lever for our growth strategy. I+dea guarantees that we can promptly identify regulatory changes and scientific and technological knowledge, market trends and consumer needs.

Our Market Intelligence area



2025 Macrotrends

Perpetual convenience

Our consumers' time-poor lifestyles.

Offering experiences

Product design offering unique and different experiences.

Honest transparency

Response to concern and need for information as to food composition through labelling.

Listening to nature

Aware of the gifts that nature gives us, using them to design distinctive, healthy and functional products.

Genuine sustainability

Consumers demand options that minimise the impact on climate change, use of natural resources, accessibility to food and local development.

Nutrition for all

Healthier products tailored to specific needs.

Our iRadar tool

Nutrition and Healthy lifestyles



Greater concern among consumers, who in 2019 continued to demand products with less sugar, less salt, fewer additives, less fat, more fibre and more protein, as well as the use of traditional grains such as quinoa, sorghum, spelt, oats and chia seeds.

ASignatories to the AECOSAN partnership plan

Attached to the Ministry of Health

Committed to 10-15% reduction in sugar, fat and salt in our products

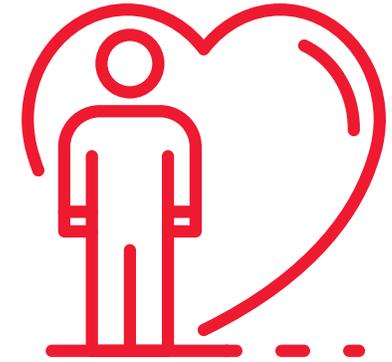
We have reduced sugar content



below 21.9 g
in cartoon and embossed biscuits,
and 30% in Chocodays cereals



Our products respond to the demand for healthier products



Cakes

Wholegrain rye cupcake and 100% wholewheat cupcake*



Wholegrain and with no added sugar

Wholegrain natural rice flakes, chocolate and berries**



Reduced sugar and salt

V Line chocolate bars, V Line cranberry bar and Milk chocolate bar**



Reduced sugar

Choco-hazelnut filling**



Free of palm oil

Chocolate bar and Berry bar**



Reduced sugar and fat

Cereals

Berry breakfast biscuits and Choco breakfast biscuits*



No added sugar

Tostada biscuit*



No added sugar

Cookies, Choco sandwich and Breakfast yoghurt sandwich*



With HOSO

Zoos Continente and Dinosaurus choco-milk biscuit



With HOSO

Dorada biscuit*



No added sugar and with HOSO

Biscuits

12-grain and seed bread and Gluten-free bread**



Reduced sugar

Wholegrain crust-free bread**



Reduced E numbers and reduced sugar

Wholegrain bread**



Allergens removed

Bread

*Improvements compared with the market

** Nutritional improvements of our products

Innovation indicators



17

Million €

Innovation and continuous improvement projects



220

Launches

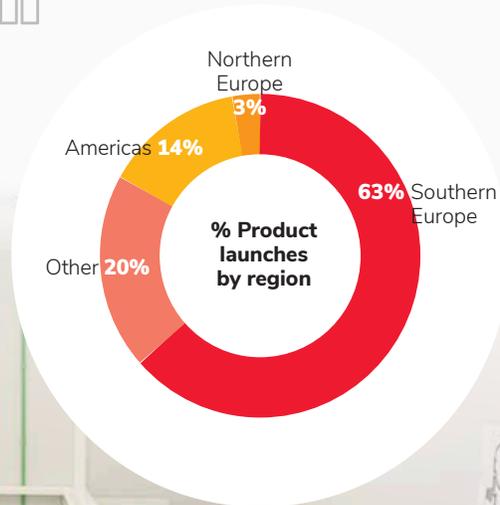
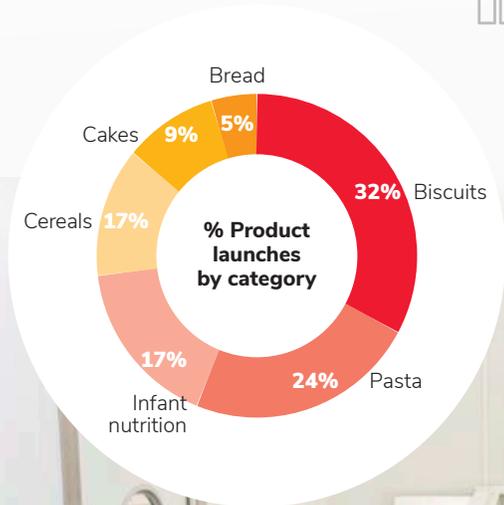
3 Innovation Shows
For B2B clients

1,135

Edible prototypes
Presented to clients

3%

Turnover



“ We lead the way in the agri-food industry in creating open innovation tools focused on promoting creativity, identifying talent and improving the response to strategic needs”

+500
Legal reviews
of Packaging



REGULATORY

+600
Technical specifications

+250
Legal consultations

122
Shelf life studies



SENSORY LABORATORY

1.500
Expert panel tastings

+80
Technical evaluations
Factory machinery (ovens)

+30
Technical reports
For quality and market consultations

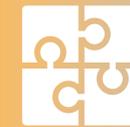
+30



CO-INNOVATION

Projects with universities, technology centers and external companies

12
Active projects



COLLABORATIVE PROJECTS

Completed
Completed SmartFoods
Biolabel Rancier
Healthy bread Cosebal

40
Studies with consumers
Opinion nuggets



MARKET INTELLIGENCE

35
Studies with iRadar

6
Editions of iNews

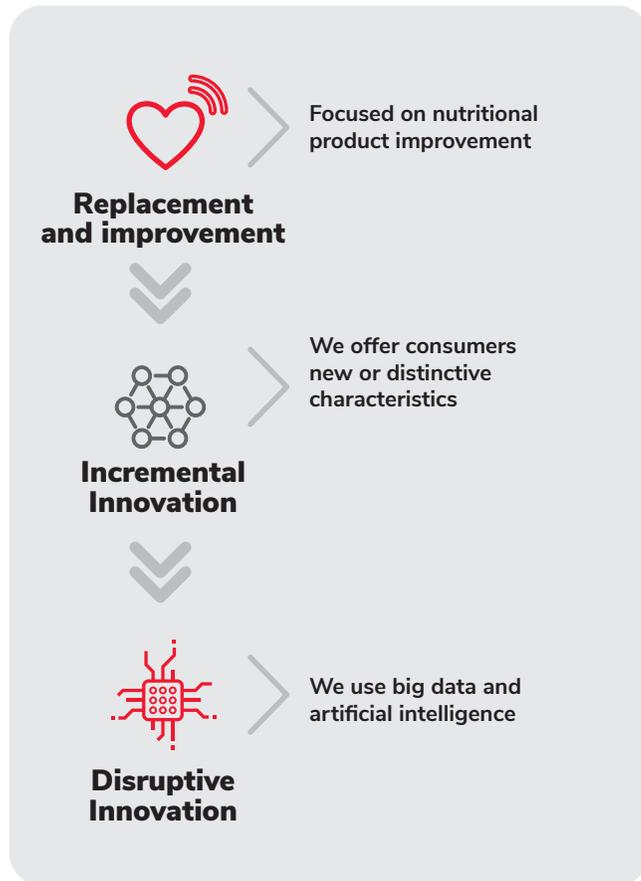
7
Open Forum external expert conferences

3
Innovation Days, Winter & International Challenge

Open Innovation

12 industry 4.0 challenges from the Ministry of Industry. Promote open innovation models and assemble twelve enterprise & start-up partnership success stories.

Cerealto Siro Foods innovation model



Operational approaches

- > Understanding of consumers through neuromarketing and neuroscience.
- > Development of technology serving to eliminate fossil fuels at our factories.
- > New On the Go product range based on natural, culinary recipes.



- > Elimination of palm oil
- > Reduced sugar and fat
- > Elimination of sugar without intensive sweetener use

Biscuits



- > Biscuits with ginger and amaranth
- > Crackers with new technology and texture
- > Digestive Thins with chocolate



- > Reduced sugar and fat
- > Reduction/Elimination of E numbers
- > Optimisation of recipe costs; Continuous product improvement
- > Use of fresh produce

Cakes



- > Berlinas de Navidad



- > Use of healthier fats
- > Use of fruit, wholegrain cereals, super foods and traditional grain crops

Infant Nutrition



- > Elimination of E numbers
- > Clean label products

Bread



- > Improved labelling
- > Elimination of palm oil. Reduced sugar and fat. Expanded range of mueslis and cereal bars with no added sugar
- > New muesli and cereal bar flavours and formats

Cereals



Pasta



- > Multigrain, lentil and quinoa spirals
- > Organic produce range



Snacks



- > Vacuum-fried sweet potato crisp snack



Rice cakes



- > Children's rice cakes with carrot and pumpkin, and with apple

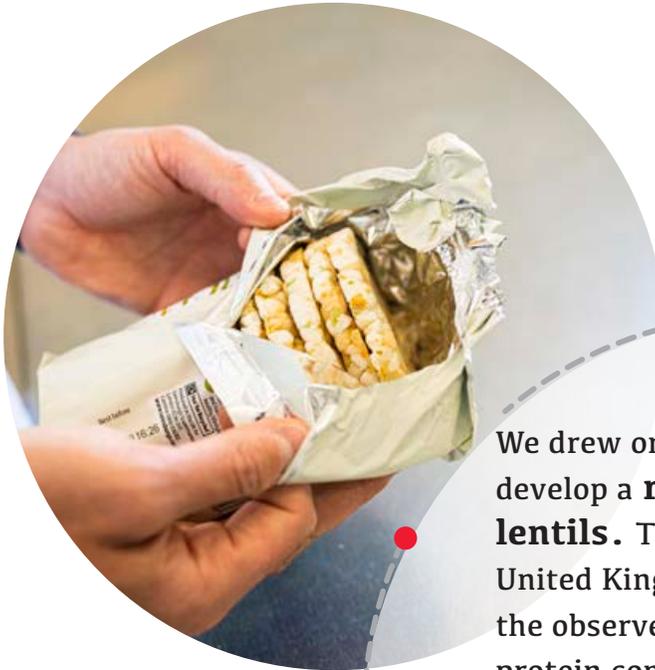


Smart food

“First “smart” snack: rice cake with peas and lentils. Artificial Intelligence at the service of our clients to improve our products and anticipate consumer needs”



Our artificial intelligence tool created together with IBM



We drew on the I+Radar analyses to develop a **rice cake with peas and lentils**. This new snack sold in the United Kingdom comes in response to the observed trend for increased quality protein consumption, in combination with cereals and pulses, **providing an offering for vegans, vegetarians, coeliac sufferers and consumers wishing to increase their fibre intake**

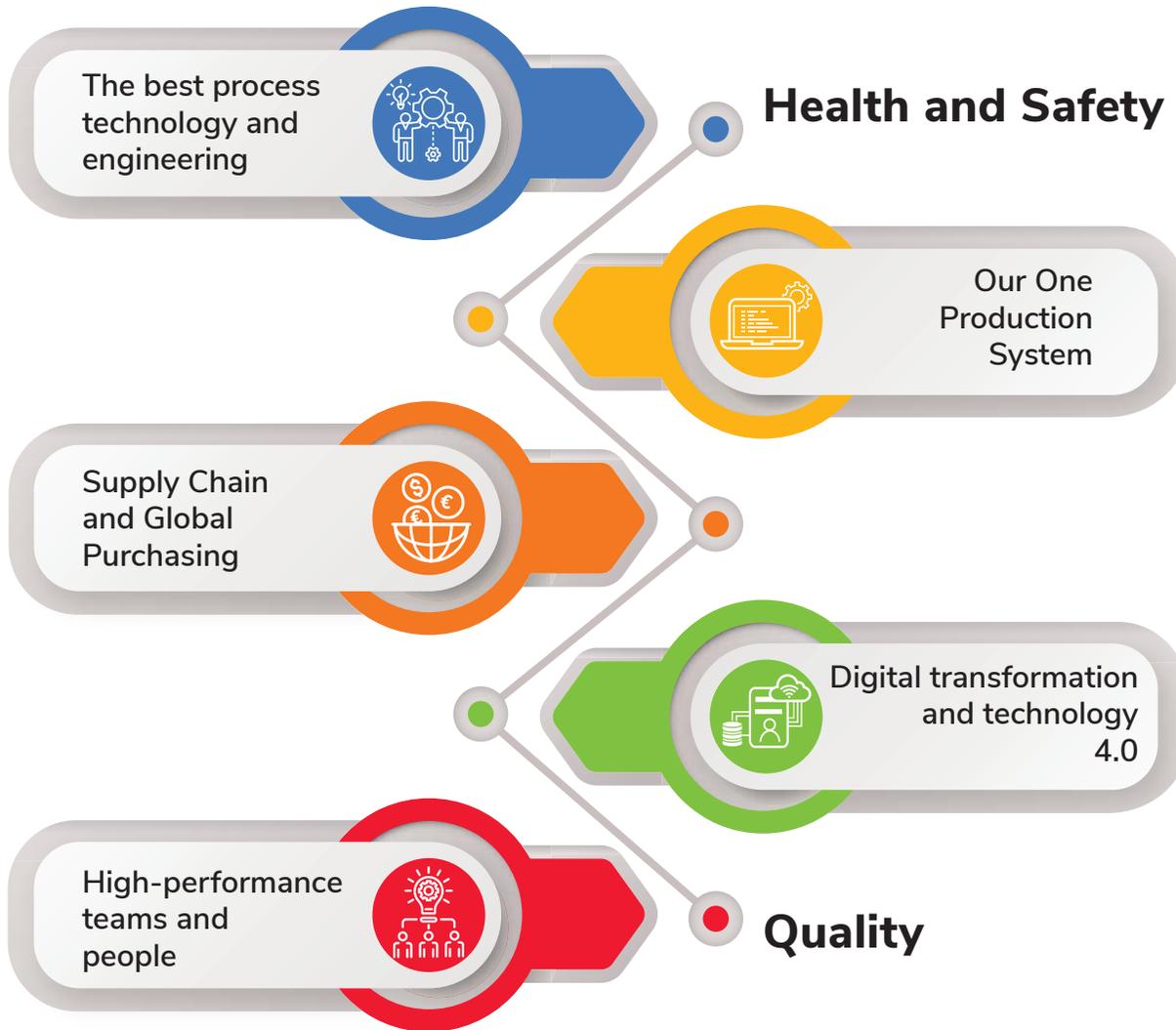
Capable of analysing and anticipating consumer tastes almost instantaneously and globally. This allows us to listen to what consumers and experts say on social media, blogs and expert forums, users and influencers, newspapers



**Reliable,
robust and
attractive
operations**

Our Operational Model

Cornerstones of the Cerealto Siro Foods Operational Model

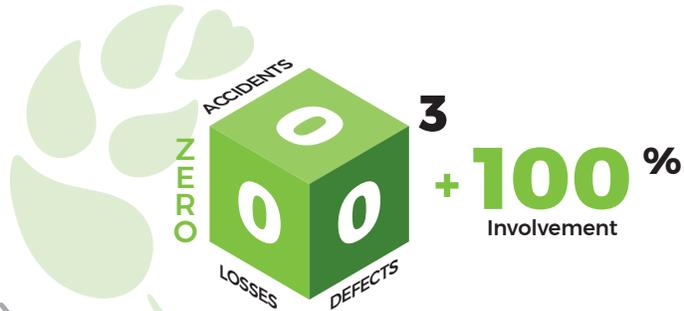


“ Our Operational Model has been structured with the aim of ensuring that every day we are a better company, permanently capable of creating value for our clients and consumers”

We strive to turn our operations into a competitive advantage. With this aim in mind **we invest in the best engineering and technology**, and have implemented our **One Production System** which means that all plants work the same way, in a structured format with the focus on continuous improvement to make us more competitive, efficient, agile and flexible. We are committed to **digital transformation** running horizontally throughout the value chain, focusing on successfully creating smart factories which result in greater competitiveness and agility. We have a **global and responsible supply chain** and purchasing model in place, and trust in our **high- performance teams and people**.

All while guaranteeing **food safety and quality** in our products, as well as **healthy and safe working environments** for our people, along with **environmental responsibility**.

Our **single Operational Model** has tools and processes in place to guarantee the safety of our people, to deliver produce to our clients and consumers every day in accordance with the quality they demand, and to eliminate losses of all kinds through continuous improvement and agility.



12%
Reduction in the number of complaints compared with the previous year

“ We strive to fulfil the needs and expectations of our clients and consumers, through product quality and safety.”

Quality and food safety

Assuring and improving the quality of processes, products and services is essential for the sustainable development of Cerealto Siro Foods, and so plays a key role in all actions we perform.

Our Quality and Food Safety Management System is based on the international benchmark standards: ISS, BRC and FSCC 22000, as well of the principles of the Codex Alimentarius.

		Certifications							
Factory		IFS	BRC	FSCC 22000	BIO	RSPO	KOSHER	HALAL	UTZ
Spain	VB1								
	VB2-VB6								
	VB3								
	Toro								
	Jaén								
	Aguilar								
	Medina								
	Brivesca								
	Navarrés								
	Paterna								
Antequera									
U. Kingdom	Worksop								
Portugal	Mem Martins								
Italy	Silvano d'Orba								
Mexico	Tepeji								

Specific product certifications

Digital transformation in pursuit of competitiveness

Digital transformation and new technologies represent a strategic cornerstone giving us greater efficiency, competitiveness and agility.

Our digital transformation process is developed through Technology (tailored to requirements), People (responsible for integration in their daily processes), and Simplification -through processes that are easy to manage.

Focused on increasing agility, traceability, reliability, robustness and the degree of process digitalisation:



Implementation of the **“Paperless Factory” model** at the VB1 plant (Biscuits) and the Pasta business, ensuring that all product categories are covered by this working model.



Implementation of a **centralised management platform for audit processes at plants** and the implementation of audits using mobile devices.



Design and start-up of the **SAP Ariba project** for integrated management of our suppliers.



Autonomous management of invoices by suppliers, using a web portal.
- The **payslip delivery process** uses a platform accessible from mobile devices.
- The **working tools provided to office workers** serve to eliminate repetitive tasks.



“Advancing towards smart factories”

The **Paperless Factory Project** is an example of optimising production processes by applying technology. It guarantees complete management of **factory information in real time** (stock control, traceability, process variables and quality), optimising material flows and allowing efficient control of the supply chain, from source to the end client.

One of our aims is to **systematise all information available (big data) with the goal of modelling the production process** and so achieving smart factories that can be predictive, understanding production processes in detail, identifying behavioural patterns and detecting production incidents more quickly.

We took part at the **Connected Industry 4.0 Convention** sharing our experience in:

- > **Application of artificial intelligence** to anticipate consumer demand.
- > **Digitalisation in the field** to obtain better yields and guarantee traceability.
- > **Installation of sensors at factories** to guarantee the process parameters and variables that need to be applied to products to ensure maximum quality.
- > **Co-worker training** to develop new skills and overcome technological barriers.



Safe environments

Our goal is to continue improving the health and safety conditions of our co-workers and to progress towards zero accidents.

- > New Global Quality & Health and Safety Department
- > Health and Safety Policy
- > Health and Safety Committees
- > Occupational Risk Prevention Supervisor at each plant



191
occupational
accidents causing
absence

Accident rates

Rates with breakdown by gender	Men	Women	Total
Frequency index	29.2	26.8	28.1
Seriousness index	0.63	0.72	0.67

Frequency Index: (Number of accidents causing absence/Number of hours worked) x 1,000,000
 Seriousness Index: (Number of days not worked/ Number of hours worked) x 1,000



“ We are committed to guaranteeing the health, safety and well-being of all co-workers employed at our sites”

Several initiatives

- > Execution of risk assessments
- > Installation of protective systems
- > Review of personal protective equipment
- > Delivery of specific training
- > Lighting and noise studies
- > Meetings with the Occupational Health and Safety Committee
- > Review and updating of working instructions

We have identified those groups more liable to suffer accidents at work and to contract professional illnesses, so as to provide a specific response to their occupational health and safety needs:

- > Co-workers who have a disability or a medical fitness letter with restrictions..
- > Maintenance personnel performing atypical jobs requiring specialisation and training.
- > Personnel exposed to risks of fire, burns, muscular-skeletal disorders, falls, thermal stress, etc.

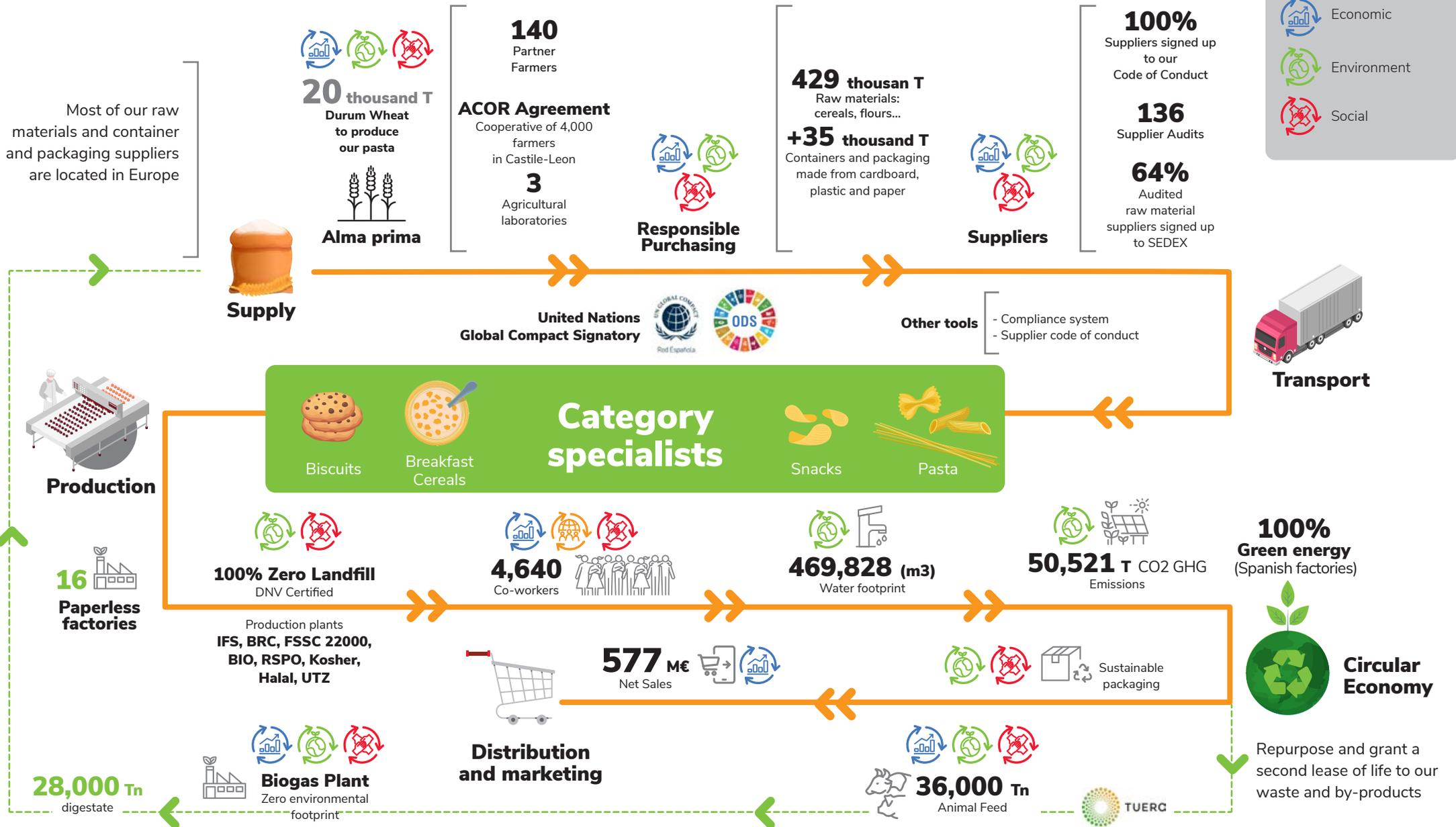


At Cerealto Siro Foods we strive for sustainability in our **value chain**, from raw materials to production and marketing, adopting an overview of economic, environmental and social impacts and optimising resources to deliver a quality product at the best possible price for society, our clients and consumers.

Our Value Chain

Main Impacts

- People
- Economic
- Environment
- Social



Alma Prima. Promoting a sustainable agricultural model

Our global strategic project, focused on optimising and understanding the value chain of strategic raw materials for the company which we will then use for our products in the Biscuits, Cereals, Snacks and Pasta categories to make them the best and most competitive products on the market.

This project gives us in-depth knowledge of different supply chains through rigorous analysis of the key actors and drivers on the market, allowing us to categorise each value chain and focus on the relevant variables for the group's business.

“With the focus on the development of efficient, sustainable and traceable local chains, fostering value across all links in the chain: from farmer to consumer”





Leading the Circular Economy

Leading the Circular Economy

All waste management is conducted by **Tuero**, our expert partner for the circular economy and environmental solutions.



100%
Plants in Spain and Portugal
ZERO LANDFILL



Certified by DNV



36,000 T
By-products from our factories
ANIMAL FEED

Waste processing



Paper, cardboard, plastic, metal packaging and scrap.
Recycling of oils and fats.
Biodiesel production. Sludge and remnants. Composting and biogas. Hazardous waste.
Recycling.

Our biogas plant
We generate fuel and organic fertiliser



Sustainable packaging



Committed to renewable energies



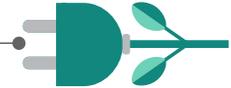
Water footprint



“Our circular economy model involves repurposing and granting a second lease of life to our waste and by-products, allowing us to minimise environmental impact and generate economic returns, while also contributing to reduced food waste.”



Sustainable use of resources



Energy consumption



Committed to renewable energies



Energy efficiency initiatives

The verification body DNV corroborated the zero waste status of our plants in Spain, confirming that management of the waste generated in our production activities is performed for recovery, reuse or repurposing, avoiding the use of landfill as a final destination.

Our biogas plant

We generate fuel and organic fertiliser



VB/7 Plant
Zero environmental footprint

300,000 t/year
Waste Managed

400
M³ of gas/hour

5M€
Investment

28.000 t/year
organic digestate or fertiliser

All energy consumed from
Renewable Sources

The Tuero biogas plant allows us to generate:

- > The natural gas needed for our production processes using waste derived from treatment plant sludge, organic waste, materials in poor condition...
- > Another by-product, digestate, is used as high-value organic fertiliser sent to the Alma Prima Project agricultural laboratories.

Waste generated at the plants in Spain and managed by Tuero in 2018 and 2019

Waste (Kg)	2018	2019
Hazardous waste	59,205	153,566
Non-hazardous waste	47,998,131	41,177,654*

* This figure includes a total of 36,633,860 kg of by-products used for animal feed

Sustainable packaging



Committed to reducing the environmental footprint of our operations



One of the operational approaches of our innovation centre is connected with generating less packaging and containers.

Initiatives undertaken:

- > Compostable and plastic-free packaging for pasta.
- > Single-material films for biscuits and cereal bars. The aim with new launches is to develop 100% recyclable single-material films.
- > Alternatives to PP/PET films to ensure recycling post-consumption.
- > Elimination/replacement of secondary plastic packaging, using film instead for rice cakes.

“ Environmental commitment is a keynote in the initiatives undertaken by the company ”

The group has a certified environmental management system in place at all its production sites in Spain based on **standard ISO 14001**, with the corresponding annual internal and external audits successfully passed in 2019.

Combating climate change



We aspire to become a key player in building a low-carbon in society

- > We are involved in the **Forética Climate Change Cluster**, comprising more than 50 companies working to achieve a leading strategic position in combating climate change as part of the business agenda, fostering dialogue and the exchange of opinions and good practice, taking part in the global debate and serving as key agents in decisions taken at the administrative level.
- > During 2019 the Cluster addressed the key requirements to transform business in response to **achieving a carbon-free economy by 2050**.
- > Our commitment **to reduce emissions by 15-20% by 2023** was already fulfilled two years ago.
- > All **electricity consumed** at the plants in Spain is derived from renewable sources, which means **our scope 2 emissions are zero**.

“ Our emissions amounted to 50,521 tonnes of CO2 equivalent, representing a considerable decrease compared with the previous year. ”

Carbon footprint (tonnes of CO₂ equivalent)

	2018	2019
Scope 1 (stationary and mobile combustion)	63,282	44,116
Scope 2 (electrical consumption)	6,065	6,405
Total tonnes of CO2 eq.	69,347	50,521
Total tonnes of CO2 eq./Tonnes of production	0.14	0.11

Carbon footprint by country



Sustainable use of resources

“ At Cerealto Siro Foods we have a tool allowing us to monitor consumption of electricity, gas and water at our different production sites.”

At Cerealto Siro Foods we set ourselves demanding targets in terms of reducing resource consumption, including a 15-20% reduction in water consumption by 2030, the “Paperless Factory” project, and progress in the use of renewable energy sources.



Energy consumption

Energy consumption (GJ)

	2018	2019
Electricity	441,380	428,974
Natural gas	874,060	698,021
Total	1,315,440	1,126,995
Total per tonne of output	2.60	2.62



Committed to renewable energies

- > All electricity consumed in Spain is derived from renewable energy sources, representing 84.92% of electricity consumption in 2019.
- > Installation of 72 photovoltaic modules in Los Alfoces, Palencia, which will cover all the energy demands of three homes and the agri-livestock farm.
- > Biomass boiler in Cristo de Villahizán and Torrepadierne making use of pruning and cleaning waste to provide heating and domestic hot water for homes.



Energy efficiency initiatives

- > Over the course of 2019 the existing fluorescent light bulbs and plants were replaced with energy-saving LED devices, considerably reducing energy consumption and atmospheric CO2 emissions from lighting.
- > This initiative follows on from others implemented in 2018: installation of presence detectors to control lighting according to production, and installation of variable drive motors to reduce electrical consumption.



Water footprint

Water footprint (m³)

	2018	2019
Direct water footprint	351,065	374,790
Indirect water footprint	113,776	95,038
Total	464,841	469,828

In order to achieve the consumption reduction target, measures are applied to cleaning methods, along with the adaptation of equipment to avoid water losses and leaks.





**Share the
commitment**

Leadership model and culture

“Great co-workers,
great leaders,
great company”

Following the merger process the need was to define the **new values** and **leadership model** of our company in line with the 2030 Vision and the new reality. We therefore launched a participatory project to define the values of our co-workers and the attitudes of our leaders, to guarantee that we meet the targets set.



Positive attitude
Our way of **seeing the world**.
We transform problems into opportunities and view events with optimism and enthusiasm, conveying our passion.



Commitment
The **way we feel**.
We get involved, we trust, take on responsibilities and are proud to belong.

“Our values
a summary
of how we see
the world”



Results focus
Results focus
How we **direct our action**.
We focus on what matters, and are efficient. We do what we say and say what we do.



Consumer focus
The **raison d'être** of our daily work. Client and consumer satisfaction is at the heart of all our decisions



Teamwork
Our way of bonding.
We all pull in the same direction, sharing objectives and generating synergies.

Our **Leadership Model** defines the attitudes of our great leaders, driving us to the next level.

-  **I explore to progress**
-  **I adapt with agility**
-  **I strengthen the team**
-  **I communicate with impact**
-  **I act as owner**

Cerealto Siro Foods Profile

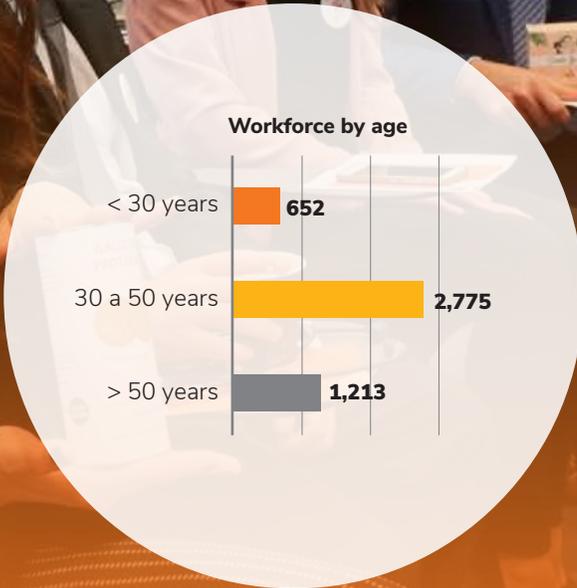
An international profile



41
Nationalities
6
Countries

4,640
Co-workers

2,540 **2,100**



75%
Permanent Contracts

35%
Women in Executive positions

158
New Permanent Contracts

95%
Local recruitment

11%
Groups at risk of exclusion

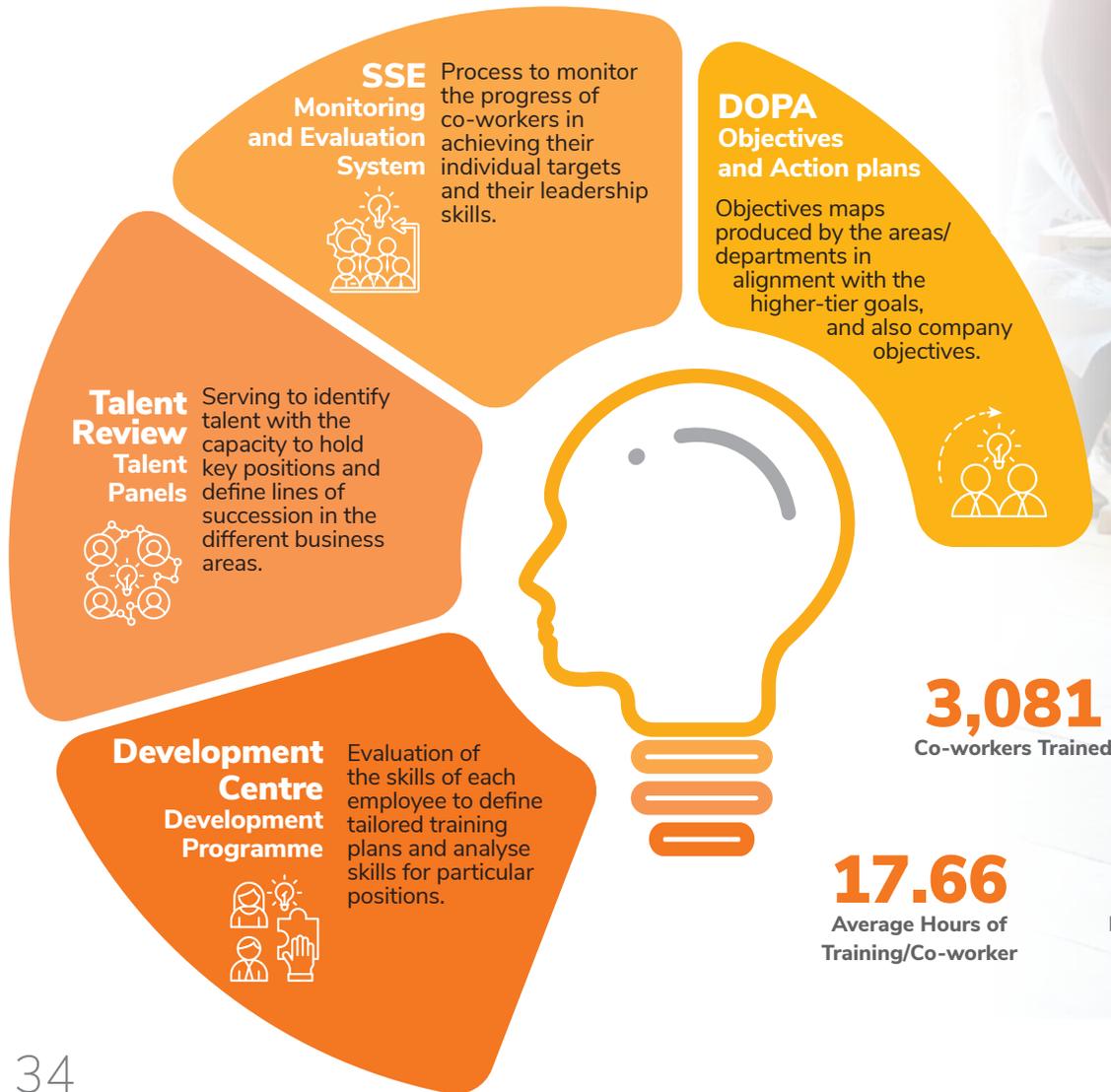
mE

#61
Merco Talent

We are committed to developing our co-workers

We have in place a comprehensive system comprising different tools that serve to identify co-workers with high development potential or strategic talent, and also to evaluate the individual performance of our professionals.

“ We believe in our professionals and are concerned with the development of our people, promoting opportunities for internal promotion and growth”



Talent management indicators

Interns		77
Promotion to executive positions	2	2
Internal promotion	33	96
Talent Review. High-potential individuals	65	127
People evaluated (SSE)	819	741
DOPA sessions	125	125

Legend: 2018 (Grey), 2019 (Orange)



> **Leadership School.** We develop and train the leadership capacities of our Leaders.



> **Language School.** Intended for those requiring a specific language level in order to perform their job effectively. Up to 7 languages in a flexible format tailored to the needs of each co-worker.



> **Operations School.** Guaranteeing knowledge of our Operational Model. Intended above all for Production, Quality, Engineering, Management Control and HR teams.



> **BCN School.** With the mission of developing capacities and extending knowledge to develop our Clients' business.

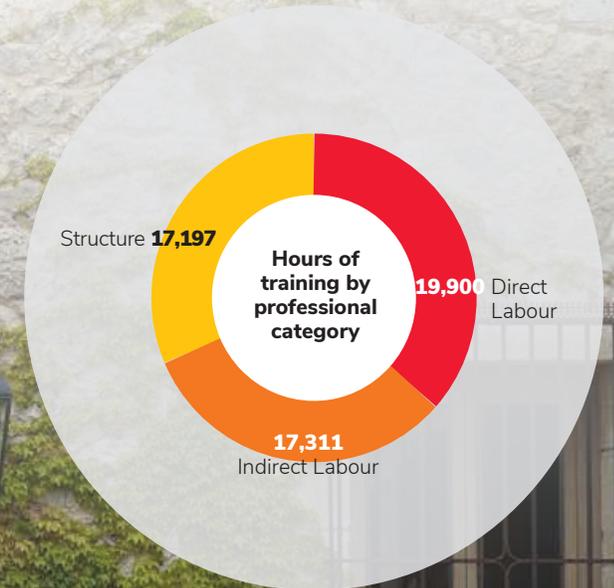
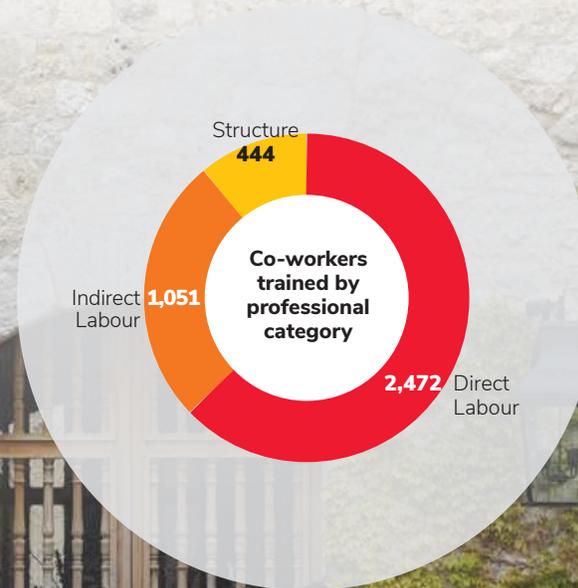


> **P&O School.** Facilitating advanced handling of people management.

We also have various training platforms available to leaders and co-workers.



Our Corporate University, San Pelayo Business School, plays a key role in training our leaders”



San Pelayo Business School

Integrating cultures, generating commitment

At Cerealto Siro Foods we aim to foster interaction and relationships among our co-workers so as to create environments of commitment, approachability, understanding and pride in belonging, generating a positive impact on the company.

Key initiatives with our co-workers and their relatives.



“Commitment and communication are vital in the process of integration and cultural transformation at our company”

- > **Promotion of sport and healthy lifestyles.** More than 60 co-workers and relatives took part in at least 10 races in Spain during 2019. In some of them we also supported charitable causes such as the 8th Caja Rural de Segovia Fun Run/Walk to support the Food Bank, the Venta de Baños International Fun Run and Charity Cross Country Race and the San Telmo Frómista Charity Race.
- > **Open Days** for children and relatives of co-workers aged between 4 and 14. On this occasion talks about Nutrition and Food Waste were included, with volunteers from I+dea and AECOC support, to raise awareness of the need to reduce food waste. More than 350 children took part at the plants in Venta de Baños (Palencia), Aguilar de Campoo (Palencia), Toro (Zamora), El Espinar (Segovia), Madrid, Jaén and Worksop.
- > **1st Family Day in Worksop**, involving 43 attendees, including co-workers and relatives.
- > **2nd “My Christmas with Cerealto Siro Foods” Drawing Competition.** We received a total of 274 drawings from the children of our co-workers at all the group’s sites, with prizes awarded to 9 of them.
- > **Children’s Day celebrated in Tepeji** together with our co-workers and 250 of their children aged between 4 and 12.
- > **Brazilian barbecue and Family Day** staged at I+dea.

Channels for communication with our co-workers

We ensure that corporate information reaches all co-workers clearly and transparently, to make them feel part of Cerealto Siro Foods. Company Ambassadors play a notable role as allies and channels for communication between management and co-workers, and in promoting cultural transformation.

- > **Monthly newsletter** > **Internet** > **Outlook**
- > **Yearly Gathering and Twice-yearly Gathering**
- > **Initiatives at factories** > **Ambassadors**





**Social
value.**

Grupo Siro Foundation.

A better future



“Future owner, guarantor of group continuity and sustainability, and icon of the far-reaching vision of our founders: Juan Manuel González Serna and Lucia Urbán López”

Foundation aims



We support and believe in the integration of people at risk of social exclusion

This is one of our hallmarks. We have always been proactive in recruiting them onto our workforce as a natural process.

 **386**

Co-workers are differently able

10.81% of the Workforce in Spain

 **109**

Co-workers at risk of exclusion

10.67% of the overall Workforce

First companies with the Disability Confident Employer designation

in the United Kingdom. “Committed” designation (Level 1) at the sites in Spain, Portugal, Italy and Mexico



Signatories to The Valuable 500



Accessible Website

Several key initiatives

- > Support for the **Spanish Paralympic Committee** through the ADOP Plan, which assists high-performance Paralympic athletes, and the **ONCE Foundation’s INSERTA programme**.
- > **Subscription to the ECOEMBES** project in partnership with the La Caixa Social Fund, aiming under the slogan **“Recycle to change lives”** to foster the employability of people in vulnerable situations and at risk of social exclusion, through green, inclusive employment.
- > Collaboration with the **AXA Paralympic Hopefuls swimming championship**.





Training excellence bursaries

To contribute to the training of co-workers' children and detect new professional talents



31

Co-workers

Children of co-workers completing their university studies

22

Mexico

1

Italy

8

Italy

INEA. Master's in Connected Agri-Industry and Sustainability

4

Part bursaries

External students with option of work placements

2

Full bursaries

Co-workers

Several key initiatives

- We formalised a partnership agreement with INEA, the Valladolid Agricultural Engineering University School, to promote sustainability in the agri-food industry and digital transformation, through its Master's in Connected Agri-Industry and Sustainability.



Exceptional medical treatments

Support for exceptional medical treatments for co-workers and their relatives

We are committed to the health and well-being of our co-workers and their relatives.

We are truly proud to have provided **21 co-workers and relatives** with support for exceptional medical treatments since the programme began.



Restoration of Historical, Artistic and Environmental Heritage in the areas where we operate

The Grupo Siro Foundation maintains its partnership with the Ages of Man Foundation, the aim of which is to safeguard the culture and history of the regions of Castile-Leon.

Key players in the **social development**

Committed to the Sustainable Development Goals (SDGs)

We have signed up to a new commitment: A New Deal for Europe, a call for action launched by CSR Europe at the SDG Summit held in Brussels. Its aim is to prompt European leaders to integrate sustainability within the political agenda.

During 2019 we took part in numerous initiatives connected with the following SDGs:



“We aim within our sphere of operations to make a positive contribution to fulfilling the SDGs and 2030 Agenda”



- > Contribution to **nutrition and food waste workshops** within the context of presentation of the report “Agri-Food Sector Working Together to achieve SDG 2 (Zero Hunger)”.
- > Participation at the 7th **AECOC Gathering to Combat Food Waste**.



- > **The Valuable 500**. Initiative to promote people with disability at companies worldwide.
- > **Forética Social Impact Cluster**. Presentation of the report on the salary gap.



- > **Forética Circular Economy Action Group (GAEC)**. Presentation of the Tuero success story and the report “Measuring the circular economy. Frameworks, Indicators and Impact on business management”, published through the European Circular Economy Stakeholder Platform.



- > **Forética Climate Change Cluster**. At the third meeting of the year held within the context of COP 25, a report was presented setting out the key issues in transforming business towards a low-carbon economy.



- > **Forética Transparency, Good Governance and Integrity Cluster**.
- > Subscription to the **New Deal for Europe**.

Social initiatives

- > **Food banks** in Valladolid, Palencia, Jaén and Burgos. Atapuerca Foundation, Triana Fellowship, etc.
- > Local councils and associations, etc. for **sporting, cultural and social events.**
- > In the United Kingdom **funds were raised for Macmillan**, a charity providing comprehensive support for cancer patients and their families. Some **also took part in the Worksop Half Marathon** to raise funds for various charitable associations.



“ We have donated a total of 1.3 million euros to various charitable organisations and foundations”

17
Thousand Kilos
Product donations



Cereal is Life
Corporate Volunteering

I+dea co-workers organised a number of pastry workshops with **ADISIL (San Ildefonso Disabled People’s Association)** and a **group of children from the Segovia Red Cross** to share knowledge with underprivileged groups.

We generate value in the local economy

At Cerealto Siro Foods we aim to contribute to the growth of the communities where we operate by generating quality employment and contracting local suppliers. Wherever we can, we favour local procurement.



% local suppliers by country

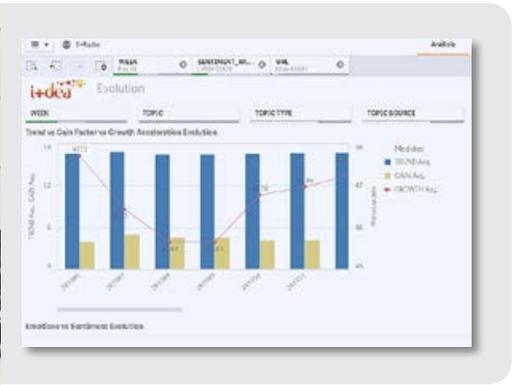
Country	2018	2019
Spain	82%	82%
Portugal	29%	28%
Italy	98%	95%
Mexico	98%	90%
United Kingdom	70%	70%

Social recognition

Co-responsible Award
in the Big Business
category for our leadership
in the Circular Economy.



**I+ Radar chosen
among 20 best
innovations** by the
Institut Cerdà Major
Retail Innovation
Observatory.



Award for the company's
**social track record and
commitment** from the
Special Employment
Centres association,
at the 17th CONACEE
Congress in 2019.



Recognition from
MERCÓ, the
**Responsibility and
Corporate Governance
Business Monitor**
merco CORPORATE
REPUTATION
BUSINESS MONITOR.



**Woman
Entrepreneur
Award at the North
Castile and Leon
Enterprise Awards**
for Lucia Urbán.



A better future

We cultivate dreams to nourish more people every day



**With the
commitment,
bravery and effort
of each of our
co-workers
and leaders**



**2030 Vision:
A vision taking us
forward in time**

- Turnover of 2 billion euros
- Base of 30 strategic clients
- Focus on nutrition
- Clear commitment to innovation
- Specialisation in the biscuits, snacks, cereals and pasta categories
- Balance between retail and B2B clients
- A sustainable financial model



**With a strategy based
on the cornerstones
of Growth, Robust,
reliable and attractive
operations, and a
Leadership Model
and Culture**



www.cerealtosirofoods.com

