

SUS TAIN

ABILITY

REPORT





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MESSAGE FROM THE CEO

I am pleased to address you all in this 2023 sustainability report.

June 2022 marked the start of a new era for the company following the arrival of new owners Afendis and Davidson Kempner (DK). This change has provided a significant boost, allowing us to tackle new projects with greater financial strength. A year and a half later, we can already see positive and tangible results heading in the right direction. Thanks to everyone's efforts, Cerealto is driving forward to become a benchmark in the production of Biscuits/Crackers, Breakfast Cereals, Cereal Bars, Snacks, Corn and Rice Cakes, Pasta and Gluten-free Bread.

Accordingly, 2023 has been a year of transformation and growth for our company, marked by significant strategic decisions and a renewed commitment to our corporate values and sustainability aspects (Environmental, Social and Governance).

We have continued with the reorganisation initiated in previous years to optimise our structure and activities and strengthen our market position. To this end, an important Strategic Plan has been implemented in which competitiveness, efficiency, quality, innovation and sustainability are consolidated as key pillars. Within the framework of the Investment Plan, we have made investments of approximately 16 million euros with the aim of further expanding our production capacities and improving the technology at our plants.

Our commitment to sustainability continues to be a priority at Cerealto. An important milestone has been the design of the new Sustainability Strategy, which is currently being implemented based on four pillars: Good Governance, Environmental Care, Social Welfare and Product.

We have revised and updated our responsible management policies to reflect our ethics and compliance principles, which has included updating our Code of Conduct.

In 2023, we responded to consumer demand for innovative and healthier products by launching 229 new products, including improvements, range extensions, and new products in the different markets where we operate.

We also further developed the transition towards a carbon neutral company model, highlighting our commitment to the use of renewable energies and minimising the use of resources.

Health and Safety continues to be a clear commitment for Cerealto, as well as the development of the leadership of our people. We have also worked on drawing closer to our colleagues and society through constant and transparent communication. The corporate areas and the management of all our centres, we have developed initiatives for the people who make up Cerealto and our families, as well as many others, to benefit the residents in the localities where we operate. An example of these is our collaboration with the most disadvantaged groups and our support for certain sporting and cultural events. The company has donated products and resources for these events.

All these achievements have resulted from the efforts of all those who make up Cerealto's day-to-day work. For this reason, I would like to express special thanks to all our colleagues for their dedication and commitment. I am aware that the last few years have been challenging and I am sure that we will continue to develop towards a promising future, with the same determination and spirit of collaboration that has always characterised this company.

Best regards

Bosco Fonts
CEO of Cerealto





WE
ARE
CEREALTO

CEREALTO

Specialists in the categories of Biscuits/Crackers,
Breakfast Cereals, Cereal Bars, Snacks, Rice
and Corn Cakes, Pasta and Gluten-free
Bread with production capacities in
five countries

We sell
products in
35
countries

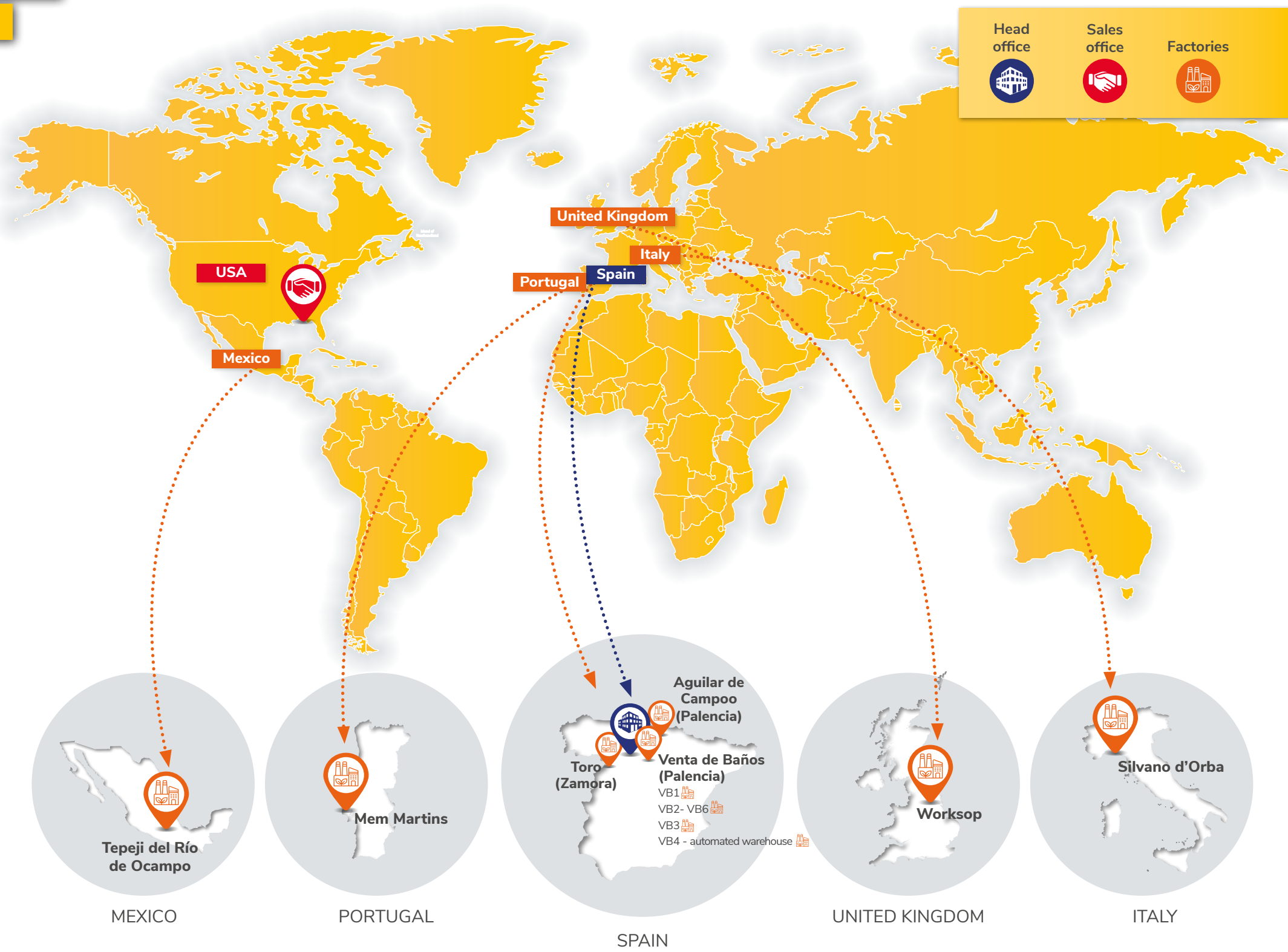
375,000
tonnes
of production capacity

Turnover
of
496
million
euros

EBITDA of
32.8
million
euros

2,827
professionals

Investment Plan worth
100
million
euros



We want to be the preferred partner
of our strategic clients based on quality,
price and innovation

Biscuits/Crackers
Breakfast Cereals
Cereal Bars
Snacks
Rice and Corn Cakes
Gluten-free Bread and Pasta



Leading European manufacturer of cereal based products



We work with the largest food brands in Europe and the world



Maximum quality and food safety



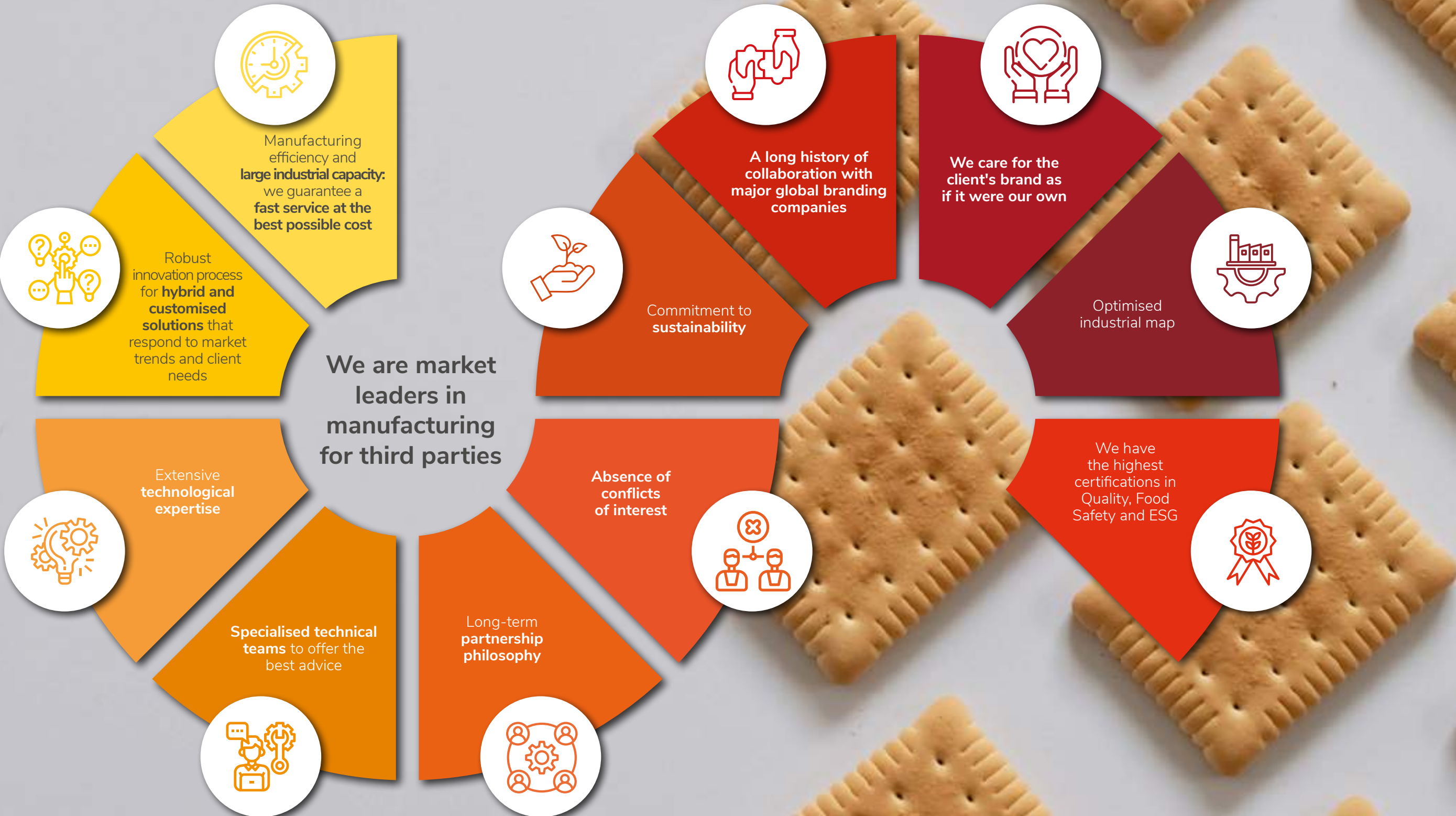
Confidentiality is assured in our processes



The fastest to reach the market



SUCCESS FACTORS





COMMITMENT
TO **SUS**
TAIN
ABI
LITY

Sustainability has always been a core element of Cerealto's identity. For the last 10 years, we have been implementing initiatives that reflect our commitment to the environment and society.

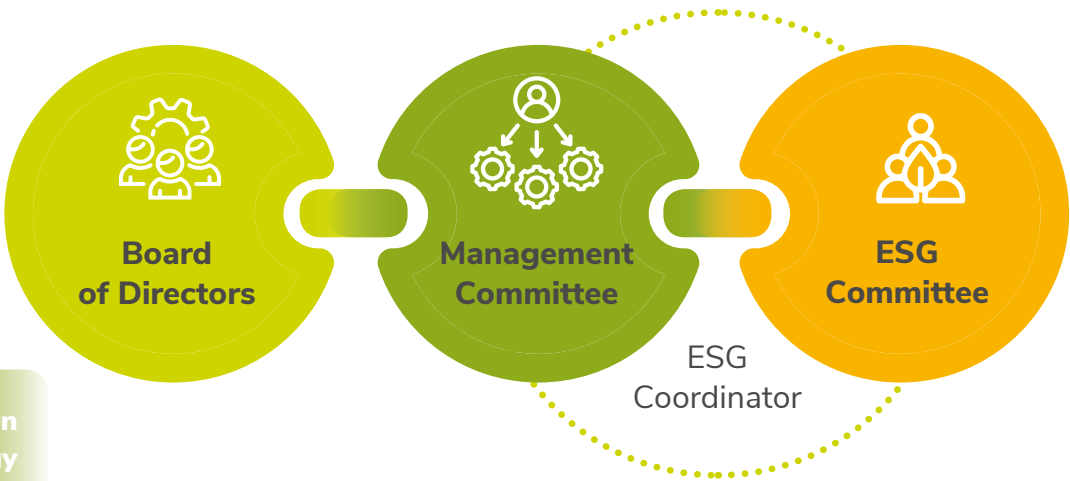
This year, we decided to revitalise and update our commitment and roadmap to sustainability to take it to the next level, which will allow us to continue to be a benchmark in this area.

On our path to this ambition, the following milestones were achieved this year:



SUSTAINABILITY COMMITTEE

In 2023, we set up our Sustainability Committee, responsible for the design and implementation of the ESG strategy, the approval of new policies and the definition of KPIs.

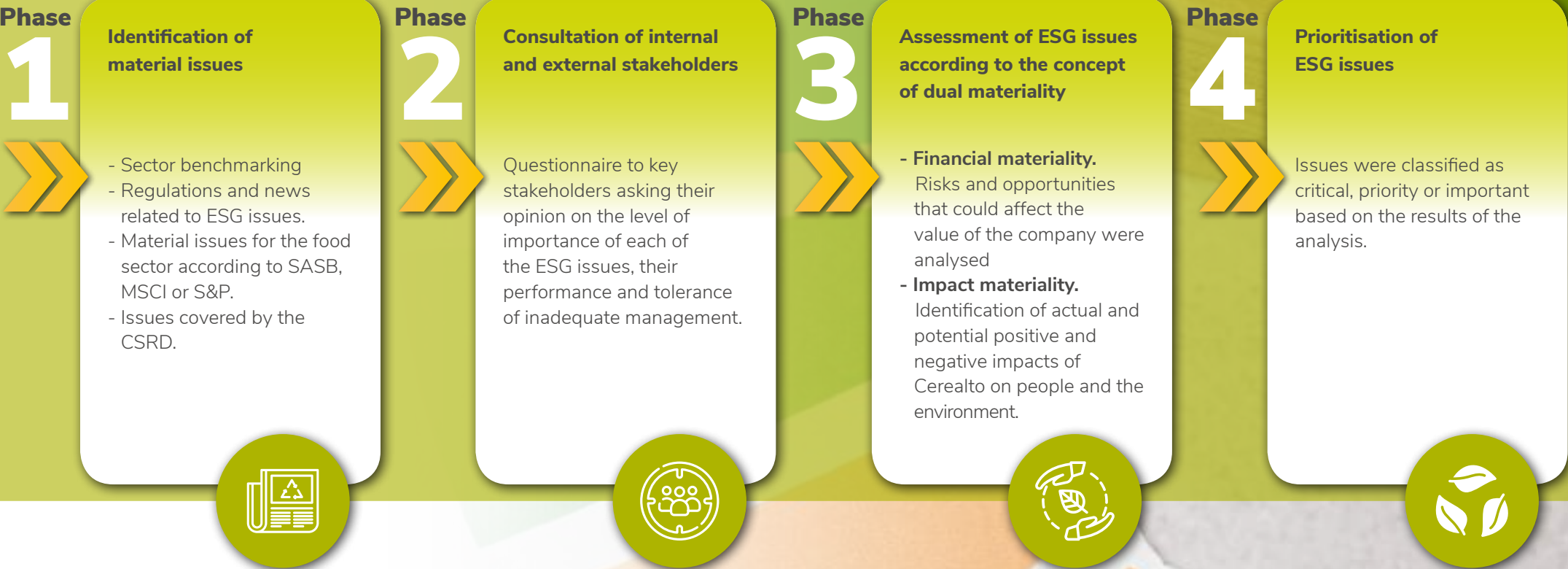


The cross-cutting nature of the Sustainability Committee ensures that sustainability is integrated into all areas and levels of the organisation

- CFO, Finance Director >> **Marta González**
- Strategic Projects Director >> **Lucía Fuentes**
- Director of Communication / ESG Committee Coordinator >> **Julia Gallego**
- People and Organisation Director >> **Mila Herrero**
- Health and Safety and Environment Director >> **Jorge del Barrio**
- Procurement Director >> **Sergi Varea**
- External Audit and Risks Director >> **María del Mar Redondo**
- Director de Desarrollo de Producto >> **Alfonso Arroyo**

DUAL MATERIALITY ANALYSIS

Cerealto has identified the material ESG aspects through the design of its own dual materiality study, with the aim of defining the relevant sustainability issues for Cerealto, which have served as the basis for the design of the ESG Strategy.



Materiality matrix



ASG	Classification	Material issues
G	Critical	Product quality and safety
G		Innovation/Technologies
G		Raw material sourcing
G		Responsible labelling
S		Occupational health and safety
S		Quality employment
A		Energy management
A		Climate change
A		Circular Economy
G	Priority	Information privacy, security and data protection
G		Client satisfaction
S		Management of stakeholder dialogue
S		Talent management
S	Important	Nutrition and health
G		Supply chain management
S		Diversity, equality and inclusion
S		Community impact
A		Biodiversity

491
online
questionnaires
to owners, public
authorities, clients,
suppliers, colleagues,
media, etc.

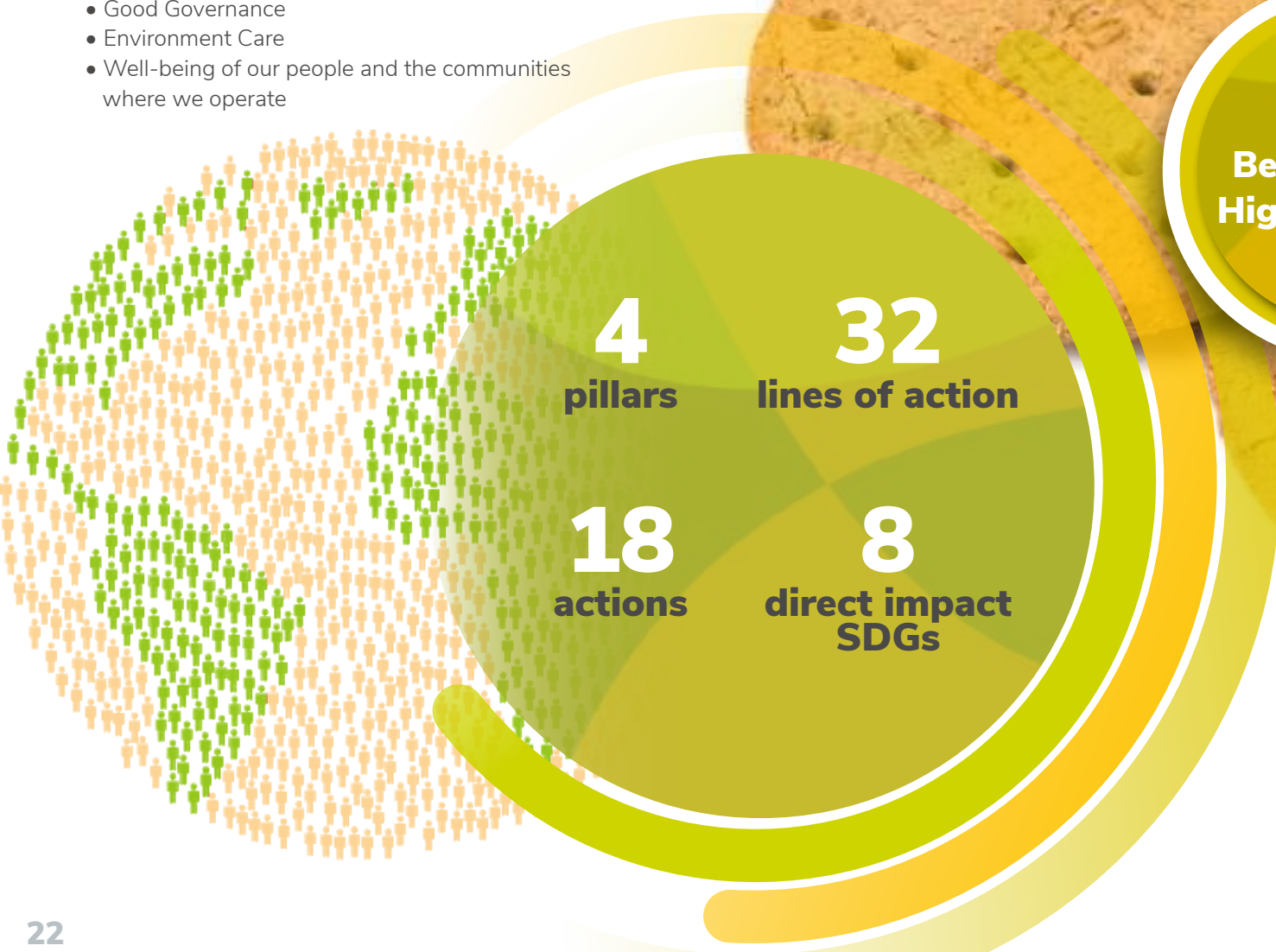
OUR ESG STRATEGY

At Cerealto, we are driven by the ambition to be **‘Leaders in the efficient, safe, innovative and quality manufacture of Biscuits/ Crackers, Breakfast Cereals, Cereal Bars, Snacks, Rice and Corn Cakes, Pasta and Gluten-free Bread for our clients, taking care of the well-being of people and the planet’.**

This ambition, which defines what we do and how we do it, always from a sustainable vision, has been embodied in the ESG Strategy.

Our Strategy focuses on four fundamental pillars:

- Producing products of the highest quality
- Good Governance
- Environment Care
- Well-being of our people and the communities where we operate



Good Governance

We work to integrate ESG management into our decisions and operations, as well as to ensure ethics and compliance in our people and activity.

- ESG governance
- Ethics and compliance
- Sustainable finance
- Efficiency and digitalisation
- Resilient supply chain management

Environmental Care

We work to protect, preserve and care for the environment in the development of our activity, with the ambition of leaving a better planet for future generations

- Circular Economy
- Packaging and waste
- Carbon footprint
- Hydric footprint

Best product. Highest quality

Our maxim is to produce the best product of the highest quality.

- Quality and safety
- Responsible labelling
- Innovation and technology

Social Welfare

We are committed to the Social Welfare of our colleagues and the society in which we work.

PEOPLE

- Commitment
- Talent management
- Health and Safety

SOCIETY

- Stakeholder dialogue
- Impact on communities





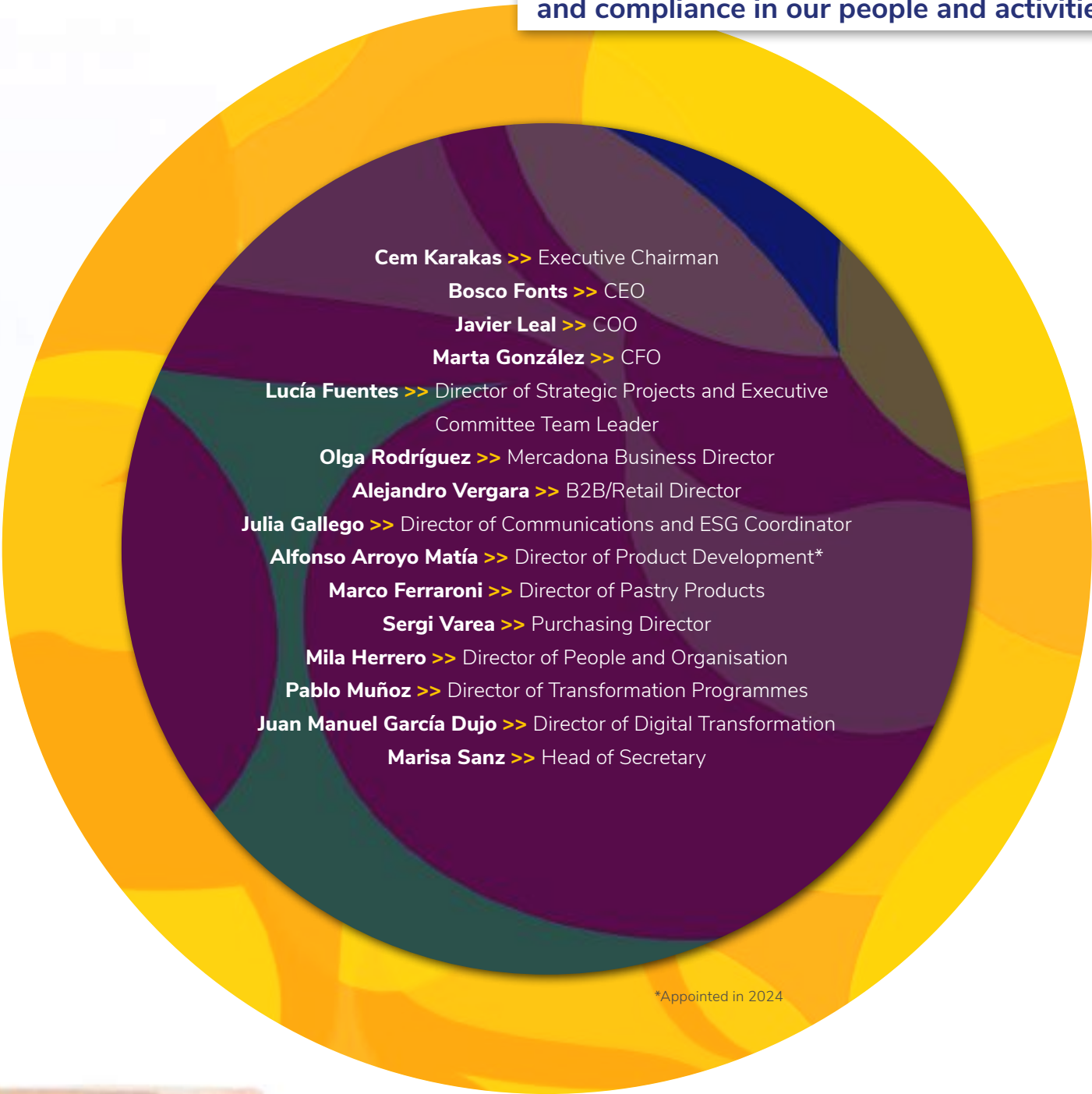
OUR GOVERNANCE MODEL

Cerealto's Good Governance lies with the Board of Directors and the Management Committee

The **Management Committee** is the highest management body for defining and implementing strategies to achieve the targets set. The current Management Committee responds to the strategic needs and challenges of the Group and is made up of the following members:



We work to integrate ESG management into our decisions and operations and ensure ethics and compliance in our people and activities



In addition, there are Executive Committees to ensure compliance with the missions of the different areas and alignment with the teams, such as the Operations Committee and the Sustainability Committee, among others.

ETHICAL MANAGEMENT AND COMPLIANCE

Cerealto's ethical culture is geared towards guaranteeing healthy, stable and valuable relationships, attributing maximum importance to responsible management and the ethical, honest and transparent behaviour of all our colleagues with stakeholders.

Along these lines, the Group has ethical management and regulatory compliance systems that guarantee compliance with prevailing legislation and a responsible management style in line with its values and principles.



Zero
Complaints 2023

In 2024, Cerealto will renew its commitment to the ten principles of the **Global Compact**, in which it commits to respect recognised standards and principles on human rights, labour, environment and anti-corruption standards.

Human Rights



We oversee compliance with fundamental human rights, avoiding engaging in activities of any nature that do not respect compliance with these rights. To this end, there is a firm commitment not to employ, either directly or indirectly, child labour or people who perform forced labour, nor to allow any form of discrimination or inhumane treatment both at Cerealto and in our value chain.



- Code of Conduct
- Equality Policy
- Public statement against slavery and forced labour
- Complaints Channel

- Code of Conduct for colleagues
- Ethical and Responsible Management Policy
- Anti-corruption and Bribery Policy
- Complaints Channel



Corruption and bribery (both to public and private persons) are illegal, and the offer and acceptance of these by Cerealto people, even under the misunderstanding that they are favourable to the company, are severely sanctioned. Accordingly, colleagues are expected not to admit or offer gifts, attention, services or any other kind of favour or compensation, in cash or in kind, that may affect their objectivity or illicitly influence commercial or professional relationships.



Anti-corruption, bribery and money laundering

Money laundering



We ensure that any illegal and/or criminal conduct is avoided through a series of commitments relating to bearer payments, formal identification of clients and suppliers involved in operations, documents and records of sales or partnerships, legal advice in the event of doubt, knowledge of regulations, structure of proxies in collection and payment processes, etc.

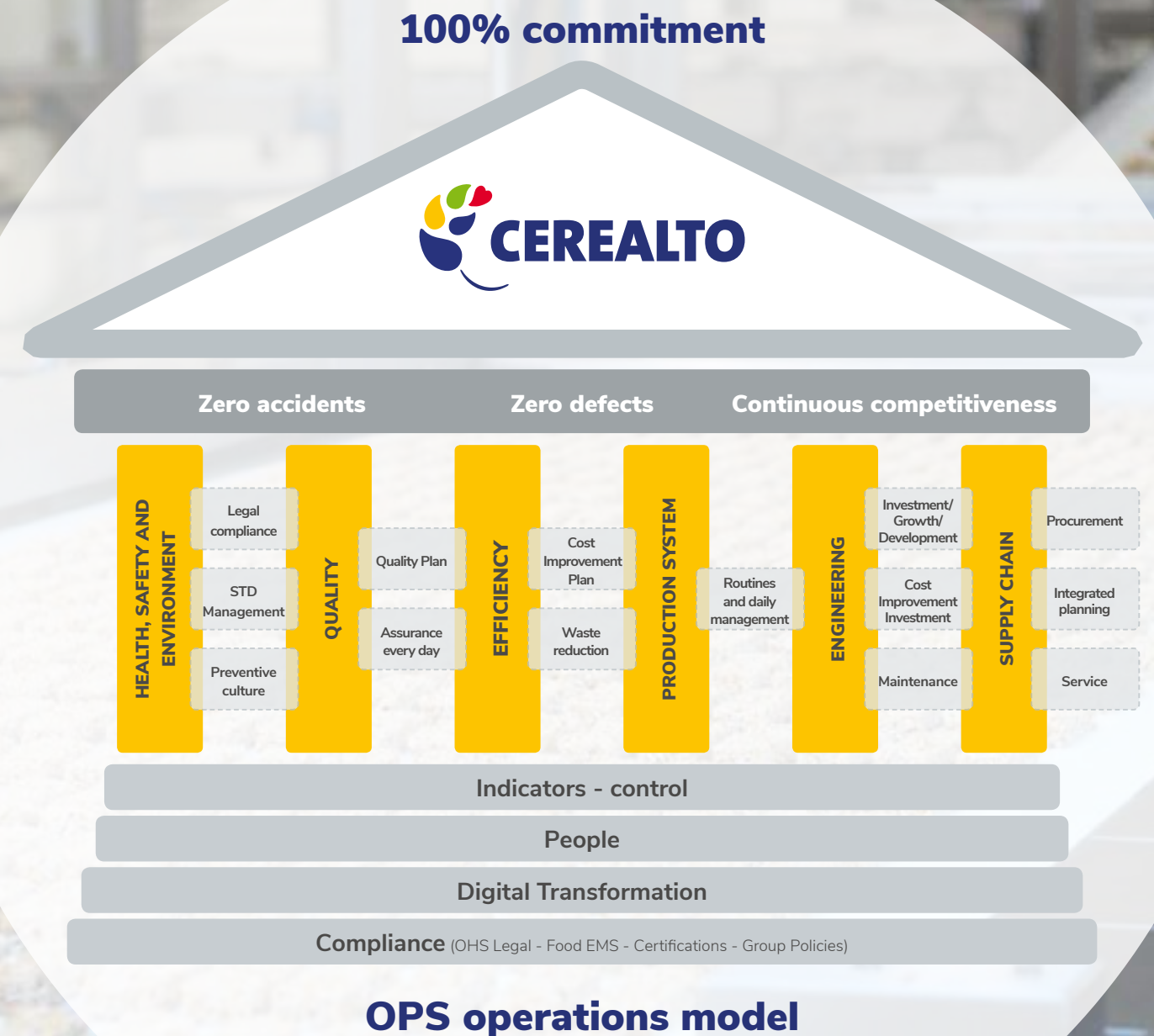
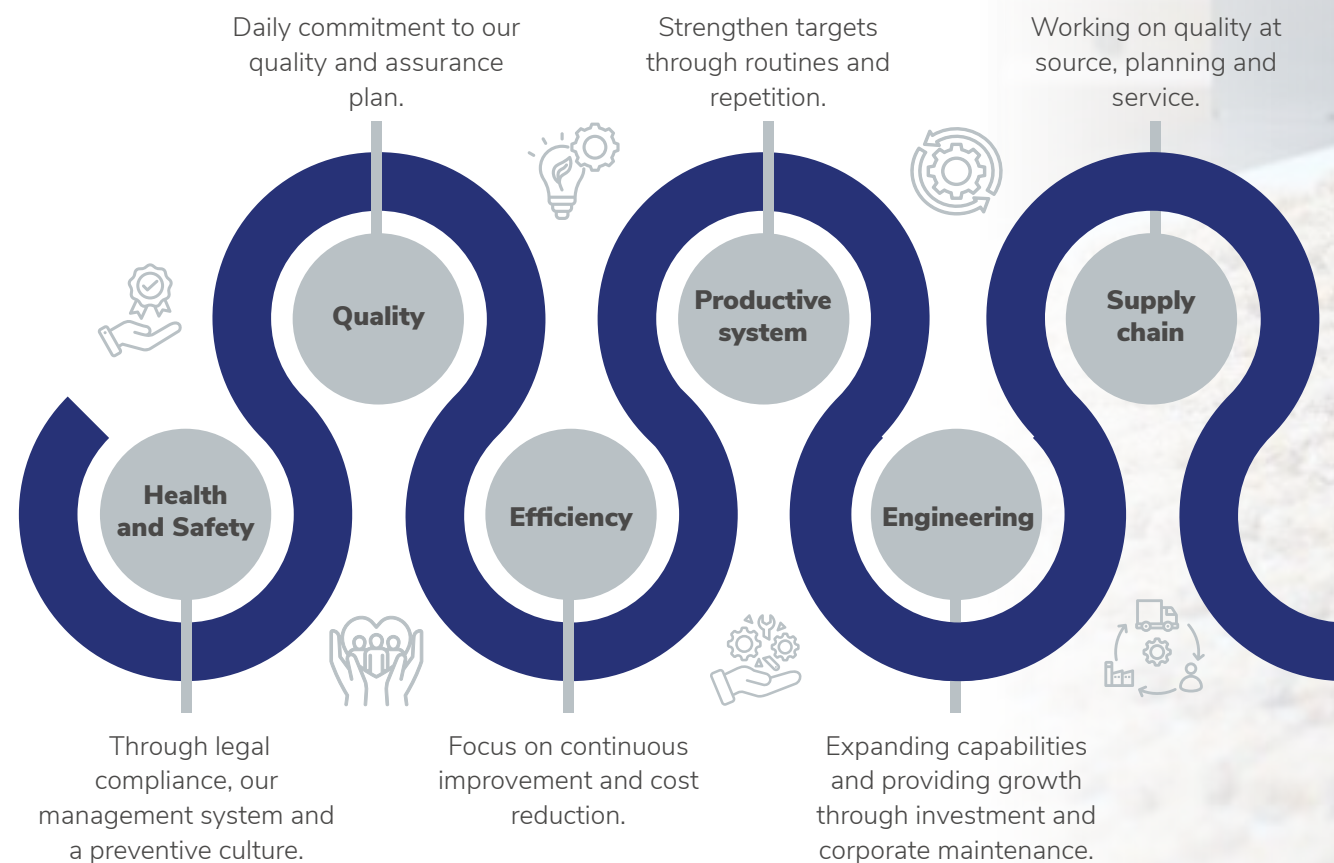


- Prevention of Money Laundering and Financing of Terrorism Policy

+ COMPETITIVE

OUR OPERATIONS MODEL

Cerealto has an operations model geared towards growth, efficiency, quality and maximisation of resources, supported by the commitment of people, technology and metrics. The main pillars of the model are:



DIGITAL TRANSFORMATION AT THE SERVICE OF EFFICIENCY

In 2023, work continued on consolidating Digital Transformation as an important enabler in achieving the Group's efficiency.



Cybersecurity

The Group is aware of the importance of information in business processes and the increased cyber risks to which it is subject.

In this regard, we have an **Information Security Policy**, a framework for action to protect the Group's information in a responsible and secure manner, always seeking to protect knowledge and reputation.

The Group has an **Information Security Management System (ISMS)** based on the ISO 27001 standard.

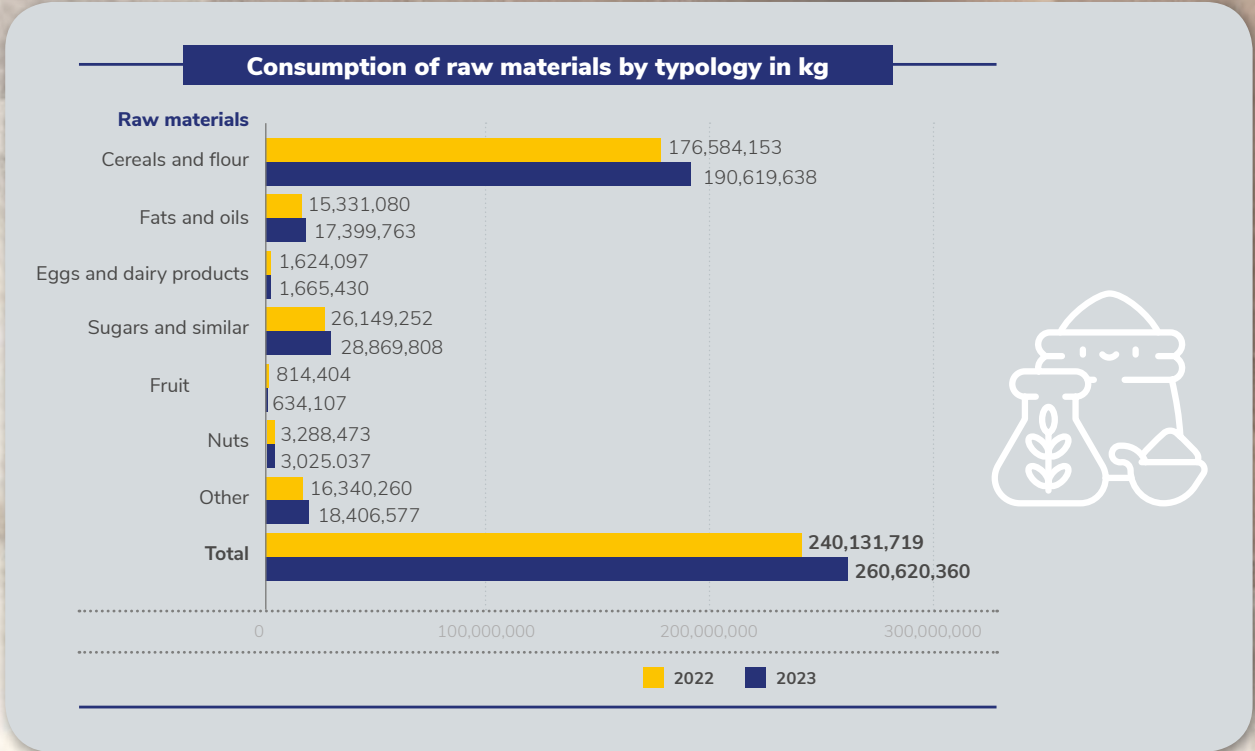


RESILIENT SUPPLY CHAIN

One of our greatest challenges is to build a sustainable supply chain. We work with suppliers as an integral part of the value chain to ensure food safety, product quality, service levels and competitive pricing for our clients, while ensuring they behave ethically and responsibly.



We expect our suppliers to maintain and promote the same standards of conduct as Cerealto and to assume the values described in our Code of Conduct as their own.



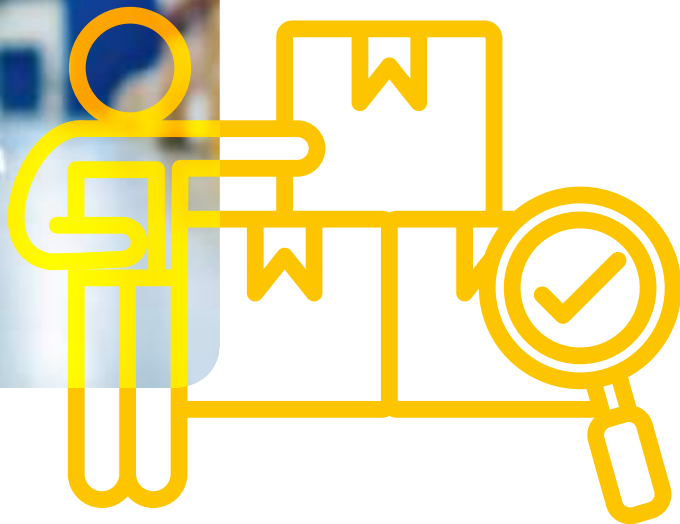
In the I+dea area, we continue to develop and implement initiatives that favour the reduction of material consumption in packaging.

Evaluation and approval of suppliers

The Group's Supply Chain and Global Purchasing model includes a supplier approval and evaluation system.

Approval consists of a process that, once passed, qualifies the supplier to supply goods to the Group. This process includes stringent quality and food safety requirements and material testing. In some cases, on-site audits are also required.

Suppliers are also audited, and in addition to reviewing health and food safety aspects, aspects relating to environmental management (waste treatment, policies and certificates) and ethical conduct (Code of Conduct) are audited.



SUPPLIERS 2023



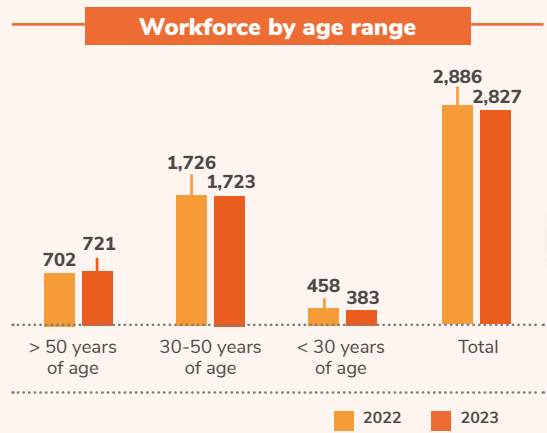
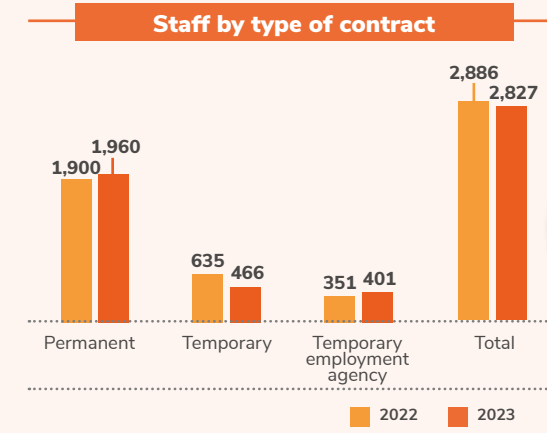
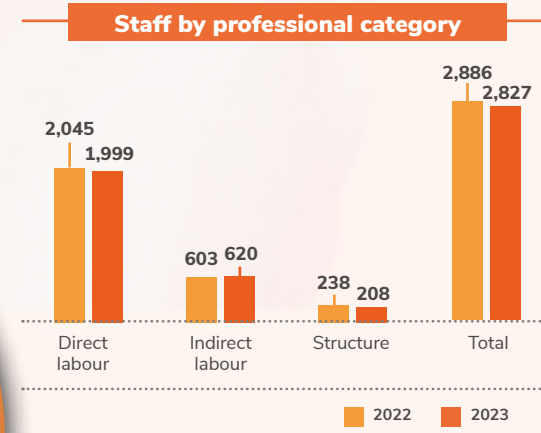
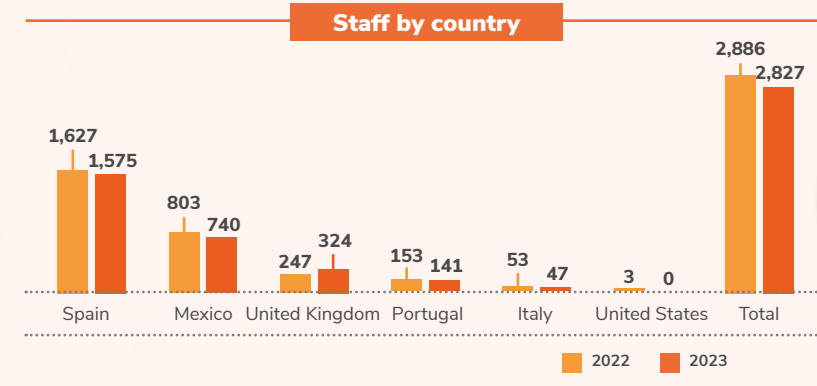


SOCIAL WEL FARE

PEOPLE

Focused on the social welfare of
our colleagues

PROFILE OF OUR PEOPLE



% staff by gender

49%
men

51%
women

**% Colleagues
at risk of social
exclusion**

8%

**Workforce
Indicators
31/12/2023**

**% women in
management
positions**

36%

**% permanent
contracts**

69%

**New permanent
employment
contracts**

163

% of local hiring

94%

An international profile

**41
nationalities**

¹This includes colleagues hired through temporary employment agencies.

COMMITMENT TO TALENT

We have a comprehensive management system that includes various tools to identify colleagues with a high potential for development or strategic talent, as well as to evaluate their individual performance.

DOAP
(Definition of Objectives and Action Plans). Maps of objectives drawn up by the areas/departments aligned with the Group's strategy

MES (Monitoring and Evaluation System) Process of monitoring the progress of colleagues, through a platform, in achieving their individual objectives and leadership skills. The achievement of these objectives and of the Group's general objectives determines the variable remuneration of each colleague.

Talent Review
(Talent Tables). This identifies the talent with the greatest potential for key positions and defines the lines of succession in the different areas of the business. In 2023, two Talent Review calibration panels were held for the Management Committee and leaders.

360°-180° Feedback.
This **new tool** consists of assessing the leadership values and attitudes of each person assessed in order to obtain information on their strengths and possible areas for improvement, and to be able to carry out an action plan to help them in their professional and personal development.

In an agreement with **IES Lasalle Managua**, Cerealto launched a **pioneering Dual VT integration project** in Castile and Leon, incorporating a student with a recognised visual disability of 79% to carry out Dual VT practices.

We care about the development of our people, promoting opportunities for internal promotion and growth.

Talent management indicators	2022	2023
DOAP sessions	35	30
People evaluated (MES)	403	350
Talent Review. People with strategic talent/high potential	-	9
Internal promotion	65	77
Men	40	48
Women	25	29
Promotion to management positions	5	3
Men	4	2
Women	1	1
Interns	15	21
% interns hired at the end of the internship	27%	19%

We are committed to **young talent**. We welcome university students from the various business schools and vocational training centres with which we have agreements for internships. After the internship, some of the students join our staff.

We offer our colleagues a variety of **innovative and accessible training activities**, whether face-to-face, online, or blended. These training programmes are designed to help them acquire the necessary knowledge, develop their skills, and apply essential procedures. This enables them to perform their duties effectively and efficiently and thus meet the Group's ambitious objectives.



Training indicators	2022	2023
Investment	€ 0,5 millions	€ 0,4 millions
Hours of training	24,305	27,488
Colleagues trained (*)	2,643	4,944
Average hours of training per colleague	9.2	5.6
Training actions	2,573	2,907

(*) One colleague participated in more than one training action.

We have various **training platforms**:

E-LO

Access with the following functionalities: history of training carried out, signing of training sessions, downloading of attendance certificates and consultation of the objectives and contents of the training programme of each training action in which they participate.

EDUCATIVA

(Cerealto Online Campus)

Portal is enabled when online courses need to be carried out through SCORM tracking, organised and streamlined internally. The active courses in 2023 were Cybersecurity, GDPR, Awareness of equality between women and men, Ergonomics in the office and stress management, and Corporate Onboarding for new hirings. A total of 316 colleagues have been trained.

ARTICULATE

Online tool that allows the training department to create online courses with SCORM tracking and with a simple and visual format. This tool enables us to develop ad hoc online training courses with the necessary content to cover the Group's internal needs and to be able to train colleagues.

GoFLUENT

A new language training platform that involves carrying out activities, watching videos and reading, and participating in group classes independently at a time that best suits the student's needs.

PROMOTING DIVERSITY, WORK-LIFE BALANCE AND EQUALITY

The integration of people at risk of social exclusion (especially those with disabilities) is one of our hallmarks and an aspect that our stakeholders highly value.



203
people with
disabilities



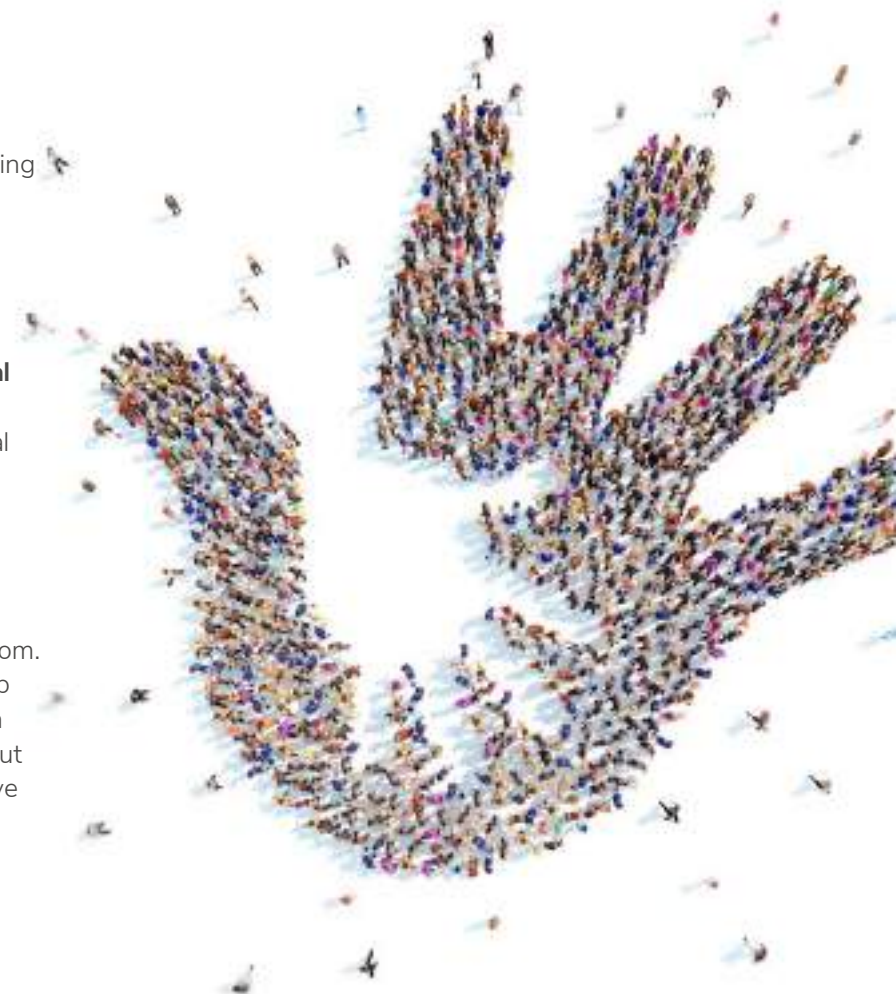
- We collaborate with the **ONCE Foundation's INSERTA programme**, whose main focus is creating direct employment and promoting training for people with disabilities.



- Agreement with the **La Salle Managua educational centre (Palencia)** to incorporate a visually impaired pupil from this educational centre to carry out a Dual VT internship.



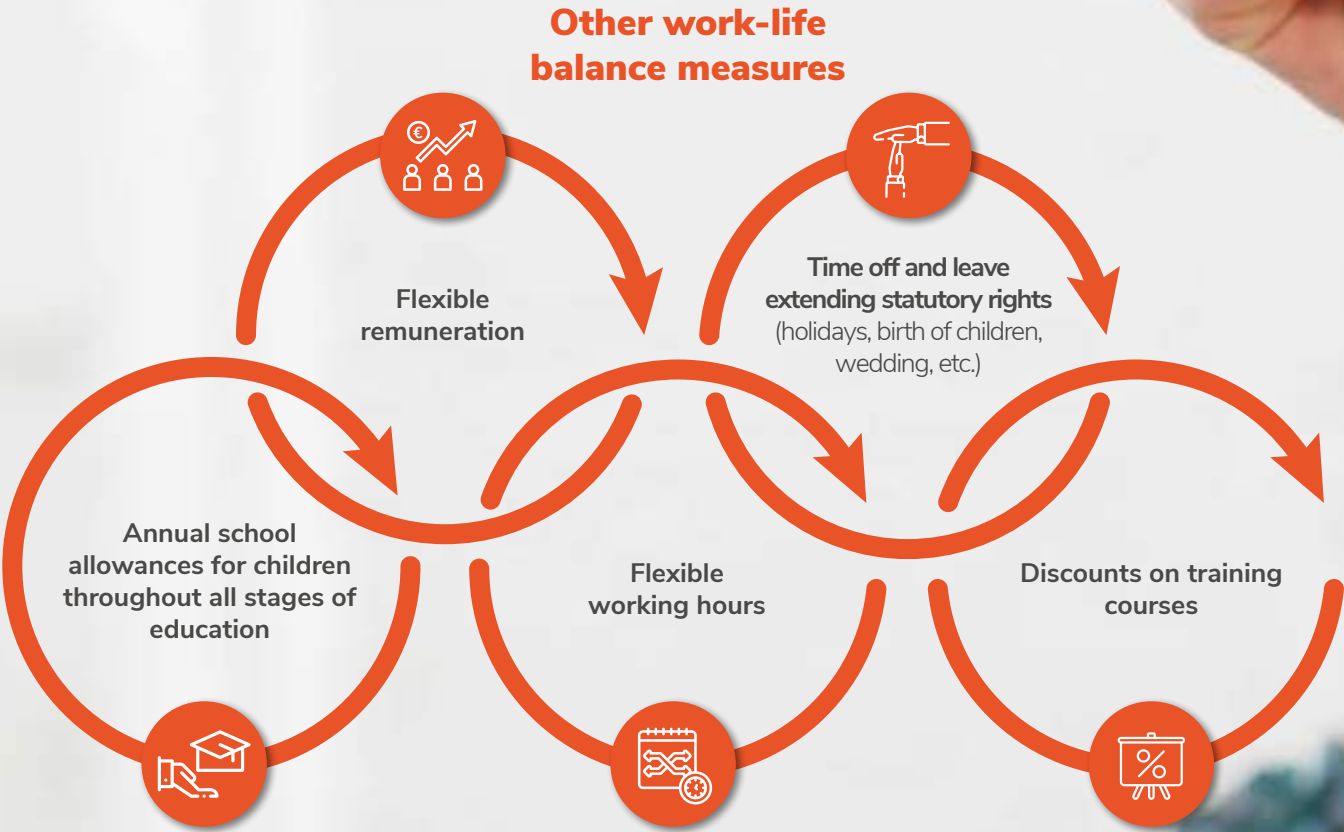
- **Disability Confident** badge in the United Kingdom.
- Colleagues with disabilities. Tables are drawn up with their restrictions and the positions they can occupy in order to prevent them from carrying out a position for which they are not qualified or have are restricted.



We have a **Policy on Flexibility in Remote and On-Site Services**, applicable to the Corporate/Central Services areas (with a minimum seniority of six months) who can perform tasks that do not depend on their physical presence and who have the appropriate skills to work remotely.

Number of people who have signed up to a remote working agreement									
Country	% hours of remote working								
	15%	30%	40%	60%	70%	80%	90%	100%	Total
Spain	1	31	98	28	3	1	2	18	182
Italy	-	-	-	-	-	-	-	3	3
Mexico	-	7	-	-	1	-	2	3	13
Portugal	-	1	7	1	-	-	-	-	9
UK	-	-	4	-	-	-	1	-	5
Total	1	39	109	29	4	1	5	24	212

Work-life balance		
Type of leave	2022	2023
Reduced working hours	154	110
Maternity and paternity leave	66	178
Unpaid leave to care for family members and children	10	48
Total	230	336



The plants in Spain have an **Equality Plan** that includes a protocol against sexual and gender-based harassment. The actions and measures provided for in the Equality Plan are monitored periodically.

36%
of women
in management positions

CLOSE TO OUR COLLEAGUES

We believe that close, constant and transparent communication strengthens the cohesion and commitment of our colleagues, fosters an environment of trust and collaboration, and helps us all to align ourselves towards the same objectives.



TOWARDS ZERO ACCIDENTS

We are committed to ensuring that everyone who works in our workplaces can do so in a safe and healthy environment, with the firm aim of moving towards an accident-free future. Accordingly, we are committed to a proactive culture focused on protection and social welfare.

The Group promotes a **culture of preventive solidarity**, making every effort to ensure that health and safety become everyone's business. To this end, we have established the guidelines that shape our health and safety culture:



The Health and Safety Department (integrated into the Operations Department) is responsible for ensuring excellence in protecting the health and safety of our colleagues.

The Group encourages the right of colleagues to participate in preventive activities. Consultation and participation mechanisms are implemented through prevention delegates and health and safety committees.



	2022	2023
Frequency index ²	21.03	15.08
Severity index ³	0.54	0.54

Frequency index
-28%
vs 2022

We have significantly reduced the frequency rate thanks to our perseverance, effective communication and the measures implemented.

Milestones

- Design of a Health and Safety Integration Audit Plan that evaluates the degree of compliance with the health and safety model and the corresponding procedures and instructions.
- SMETA audits at the Toro, Aguilar de Campoo and Sintra plants with satisfactory results.
 - Training plans for each work centre.
 - Safety routines (safety rounds, preventive observations, integrated audits, inspections, etc.)
 - Promotion of health and safety communication: Corporate App, audiovisual media in common areas, information points at plants, etc.

Rates broken down by gender	2022		2023	
	Men	Women	Men	Women
Frequency index	23.94	18.29	19.16	12.76
Severity index	0.61	0.48	0.61	0.34

² Frequency index (FI): (No. accidents with sick leave / No. of hours worked) x 1,000,000.
³ Severity index (SI): (No. of days not worked / No. of hours worked) x 1,000.

SOCIAL COMMITMENT

We support people's well-being and development by ensuring that we generate a positive impact on the environment, especially in areas close to our production centres.

We generate value in the communities through the creation of employment and the hiring of local suppliers.

Percentage of local suppliers by country		
Country	2022	2023
Spain	85%	81%
Portugal	56%	27%
Italy	85%	97%
Mexico	89%	76%
United Kingdom	84%	65%



70%
local
partners

Concerned with the welfare of the society

in which we work

SOCIAL PROJECTS



Donations

We help underprivileged groups through donations of our own products and financial contributions

Solidarity campaigns



The 1st Solidarity Run was organised by the AECC (Spanish Association Against Cancer) of Palencia.



2nd Solidarity Padel Tournament of the Cystic Fibrosis Association



6th Anniversary of the Toro United Against Cancer Association

We show our solidarity with different social realities

269 internships

in Spain
(€ 90.000)
Study grants

Granting of internships



We support the education of the children of our colleagues

Sponsorship



Atlético Aguilar Club



Venta de Baños FC



Torresana Sports Union



43rd Venta de Baños Cross-country Race

As part of our commitment to promoting an active and healthy life for young people, we sponsor sports clubs in the towns where we operate

COMMITTED TO THE SUSTAINABLE DEVELOPMENT (SDGS) GOALS

Within our field of action, we try to contribute positively to the attainment of the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

We act more actively in areas related to the following SDGs:

- Donations to Food Banks.
- Collaboration with NGOs.
- International Food Loss and Waste Awareness Day by sharing some reasons to avoid food loss.



- Food Quality and Safety Certifications.
- Promotion of sporting events.
- Occupational health and safety actions.



- Sustainable products (sugar-free, gluten-free...).



- INSERTA Forum ONCE Foundation.



- Disability Confident badge in the United Kingdom.
- Agreement with IES Lasalle Managua, a pioneer project in Dual Vocational Training for integration in Castile and Leon.



- Use of renewable energy sources at plants.



- Sustainable procurement certificates.
- Commitment to a gradual reduction of the purchase of caged egg products in all operations at a global level (10% reduction in 2023, 50% in 2024 and 100% in 2025 compared with 2020).
- Circular Economy Model.
- Sustainable packaging.



- Decarbonisation and energy efficiency plan at all plants in Spain Installation of more than 12,000 solar panels at all plants.



- Installation of photovoltaic panels at the plant in Italy.



PARTICIPATION IN FORUMS AND ASSOCIATIONS

We establish valuable relationships with a wide range of influential stakeholders, covering both the agri-food industry and the field of sustainability and integration of people with diverse abilities.

AECOC
(Spanish Trade Coding Association)



PRODULCE
(Spanish Confectionery Association)



AEFC
(Spanish Association of Cereal Manufacturers)



ECOEMBES



FIAB (Federation of Food and Drink Industries)



Inserta Forum.
ONCE Foundation



AWARDS AND RECOGNITIONS

Most important company in Palencia, according to the study '**Top Spanish companies by province 2023**' carried out by the data consultancy firm Deyde DataCentric



Recognition from the **Observatory of Innovation in FMCG in Spain of the Cerdà** Institute for the Open Innovation Platform of AECOC (Association of Manufacturers and Distributors) in which we collaborate as one of the 20 FMCG projects that drive the growth of the sector



Recognition as the 9th ranked company in the food sector in the **Merco Talent University ranking** and 190th in the global ranking





BEST
PRODUCT,
BEST
QUALITY

Our priority is to produce the best product of the highest quality.

QUALITY AND FOOD SAFETY

Our ambition is to ensure the delivery of products with the quality expected by our clients and consumers every day.

Guaranteeing safe products with the highest quality standards is a must.



Our high-quality products are backed by certifications demonstrating our commitment to the highest standards and excellence.



- The Food Safety and Quality Management System is externally accredited to the highest international standards:

GFSI Food Safety Certifications				
Country	Plant	IFS	BRC	FSSC 22000
Spain	VB1	X		
	VB2/VB6	X		
	VB3	X		
	Toro	X		
	Aguilar	X		
	VB4			
Portugal	Mem Martins	X	X	
Italy	Pastificio	X		
United Kingdom	Worksop	X		
Mexico	Tepeji			X



- Other product-specific certifications required by our clients:

Product-specific certifications						
Country	Plant	HALAL	KOSHER	RSPO	Rainforest	BIO
Spain	VB1		X	X	X	
	VB2				X	
	VB3					X
	Toro		X		X	
	Aguilar	X	X		X	
	VB4					X
Portugal	Mem Martins			X	X	
Italy	Pastificio					X
United Kingdom	Worksop					
Mexico	Tepeji					

These globally recognised certifications help consumers identify products that have been produced sustainably and responsibly.

1,808
quality training
actions



Some of the most important actions

Simplification and improvement in the efficiency of the traceability process as well as in the improvement of traceability exercises, updating of food safety checklists, and updating and simplification of documentation.

Performance of internal audits focused on products and processes.

-14%
complaints per million units
manufactured
vs 2022



Training on good manufacturing practices and food safety, supplier audits, HACCP (Hazard Analysis of Critical Control Points), metrological control, lean manufacturing, and pest management.

Total quality project based on lean methodology at some of our plants.

9.15
(out of 10)

Average satisfaction
Top 5 clients



We have a digitalised system for registering and monitoring claims, complaints and resolutions

Complaints	2022	2023
Number of complaints per million units manufactured	5.54	4.76

NUTRITION AND HEALTH

We provide a differentiated and valuable offer, based on innovation, efficiency, consumer preferences and knowledge of the latest trends.

We transform ideas into reality by creating competitive and sustainable products and processes for consumers and society.

Internally, we have an R&D&I team with specialists and experts in:

- Different manufacturing technologies: biscuits and crackers, cereal bars, breakfast cereals, snacks, corn and rice cakes, pasta and gluten-free bread.
- Cross-cutting knowledge that allows us to offer a complete solution to our clients and consumers, such as knowledge in packaging, collaborative innovation and consumer, market, physicochemical and sensory analysis.

Externally, we participate in the following working groups:

- **FIAB – Food for Life Platform**
- **The AECOC Platform for Open and Collaborative Innovation (#PIA)**, as one of the 18 companies that make it the platform. The PIA project makes it possible to carry out collaborative projects with an impact on the entire FMCG and Horeca chain, as the open innovation initiative that brings together all the agents in these sectors.
- **Spanish Association of Cereal Manufacturers.**
- **PRODULCE**, Spanish Confectionery Association.



Improvements

LEVEL 1 PROJECTS
Aimed at organoleptic and nutritional improvements and affordable products.



New products

LEVEL 2 PROJECTS
We offer a new or differentiating feature in response to new consumer needs.

Cerealto Innovation Model



Disruptive research and innovation

LEVEL 3 PROJECTS
These are research projects that we carry out in collaboration with all the agents in the ecosystem, such as universities and technology centres.

Our **Innovation Strategy** is based on the three key macro-trends identified:

- **Circular Sustainability.** with a global sense of guaranteeing the future of our species and the planet we live on, we work to create a sustainable and healthy food environment that educates responsible consumption and facilitates consumer choice.
- **Awakening Social Welfare.** People's health and welfare through accessible, indulgent and sustainable food.
- **Resilient Lifestyle.** We adapt to a changing environment, with new elements that make life easier, while always maintaining the experience and pleasure of consumption.



2023 LAUNCHES

**45**
Cereals/
Snacks

**71**
Pasta

**113**
Biscuits/GFB
(Gluten-free Bread)

We continue to respond to consumer demand with indulgent, healthy and differentiating products.

Replacement and improvement projects



2023 LAUNCHES

Incremental innovation projects

>> Wholemeal Pasta



- >> Chocolate Biscuits
- >> Ice Cream biscuits
- >> Children's Biscuits for different markets
- >> In&Out Biscuits US
- >> New B2B Biscuits
- >> Savoury Biscuit
- >> SAA Biscuits



- >> Bars with no artificial sweeteners
- >> Peanut and Chocolate Protein Bars
- >> Nut Bars
- >> Caramel Bars
- >> New B2B client Chewy Cereal Bars



- >> Serrano Flavoured Corn Cakes
- >> Vegetable and Rice Cakes with high fibre and protein content



- >> Spelt Cereals for Bars
- >> Hazelnut Filled Cereals



229

product launches
including improvements, range extensions and new products

Most disruptive products

- Cereal Bars and Breakfast Cereals without added sugar or sweeteners
- Rice and Vegetable Cakes, high in fibre and protein
 - Serrano flavoured Corn Cakes
 - New range of Wholemeal Pasta
 - Gluten-free Bread production, eliminating allergens

INNOVATION

INDICATORS

4.1
million euros
**Innovation and
continuous
improvement projects**

Launches



177
product improvement
launches



52
new products and
range extensions



Participation in
+300
R&D projects

Laboratory and sensory



+100
sensory
studies



more than
400
finished product
characterisations



Support
in resolving
+ than 40
quality
incidents



Scientific and
methodological
support in the
quality plans of
raw materials and
finished products at
all plants



10
new tools/methods
were developed
(texture, spectroscopy,
RVA...)



more than
20
Scorpion services
for all plants

Open Innovation



**External funding:
Conoce project**
(new food products
obtained based on
disruptive technologies and
neuroscience by knowing the
consumer)



**THE AECOC
PIA CHALLENGE**



+two
externally-funded
project proposals



Six
consumer
studies
using disruptive
neuroscience techniques
and traditional shopping
experience techniques



1
Open
Forum study
'Consumer, trends,
market and technology of
Breakfast Cereals'

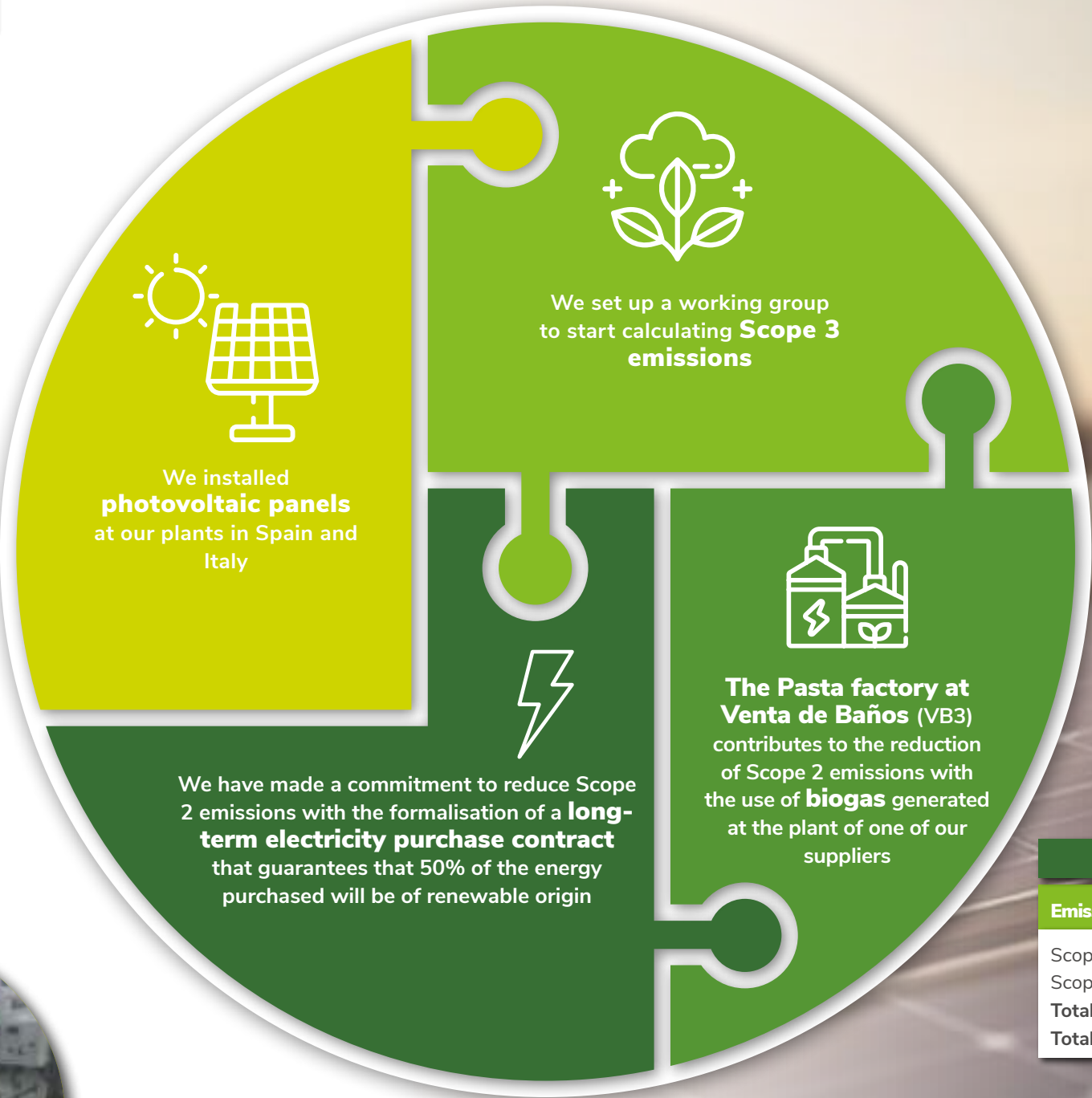
ENVIRONMENTAL CARE



FIGHTING CLIMATE CHANGE

We work to protect, preserve and care for the environment in the development of our activity, with the ambition of leaving a better planet for future generations.

Our environmental commitments, set out in our Environmental Policy, are inspired by the basic principles of compliance with applicable regulations and the continuous improvement of the activities carried out in order to reduce the ecological footprint of our operations.



We are committed to the use of renewable energies with the installation of photovoltaic panels and long-term power purchase agreements

We are working on initiatives that contribute to building a low-carbon society

0.18 tCO₂/tn produced

We calculate the ratio of emissions generated per tonne manufactured to monitor their evolution and propose reduction actions

Carbon footprint (tonnes of CO2 Eq.)	
Emissions TnCO2 Eq.	2023
Scope 1 (stationary and mobile combustion)	22,717
Scope 2 (electricity consumption)	18,120
Total Tn CO2 Eq.	40,837
Total Tn CO2 Eq. / Tn manufactured	0.18

-15% Reduction

Reduction in the Scope 1 carbon footprint compared with 2021 as a result of the improvement in the environmental performance of the factories



Our production centres in Spain are all certified under the ISO 14001 standard.

SUSTAINABLE USE OF RESOURCES

We are committed to protecting the environment through the efficient use of the main resources we consume: energy and water.

Accordingly, we monitor the consumption of electricity, gas and water at the different production centres, with the aim of achieving more efficient and sustainable use.



2.91
GJ/tn
manufactured

-7%
vs 2022

Energy consumption

Over the last three years, we have reduced the energy intensity ratio.

Energy consumption (GJ)			
	2021	2022	2023
Electricity	254,428	237,706	232,926
Natural gas	468,239	418,654	428,813
Total	722,667	656,360	661,739
Total energy (GJ)/tonne manufactured	3.18	3.14	2.91

The reduction in consumption resulting from the installation of solar panels will be reflected in 2024

Energy efficiency initiatives

We are implementing energy monitoring and action plans for energy reduction at the Toro plant, which will be rolled out to the rest of the production plants

Installation of photovoltaic solar panels

In 2023, photovoltaic solar panels were installed on the roofs of all our factories in Spain and on the surrounding plots of land (also owned by the Group) for self-consumption and potential feed-in tariffs. In addition, photovoltaic panels have been installed at the Silvano d'Orba plant (Italy) to cover part of its electricity consumption needs for Pasta production

Of note is the implementation, together with Telefónica Tech and EKIOM, of the monitoring project at the Toro plant, the main focuses of which are energy efficiency, industrial equipment management and process digitalisation.



Water footprint

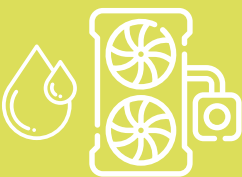


Hydric footprint (m³)			
	2021	2022	2023
Direct hydric footprint	198,595	140,151	158,730
Indirect hydric footprint	44,630	42,666	31,939
Total	243,225	182,817	190,669
Total water (m3)/tonne produced	1.07	0.87	0.84

0,84
M³/tn
manufactured

-21%
vs 2021

Initiatives to reduce water consumption at the plants seek to:



Adaptation of equipment with water cooling systems. Recirculation and use of water from the cooling circuit.



Use pressurised water equipment to improve the efficiency of cleaning, especially at those plants with value-added products.



Optimal manufacturing batches to reduce format changes and cleaning.



Optimise cleaning and provide a hot water circuit in laundries.

0.84
M³/Tn
manufactured

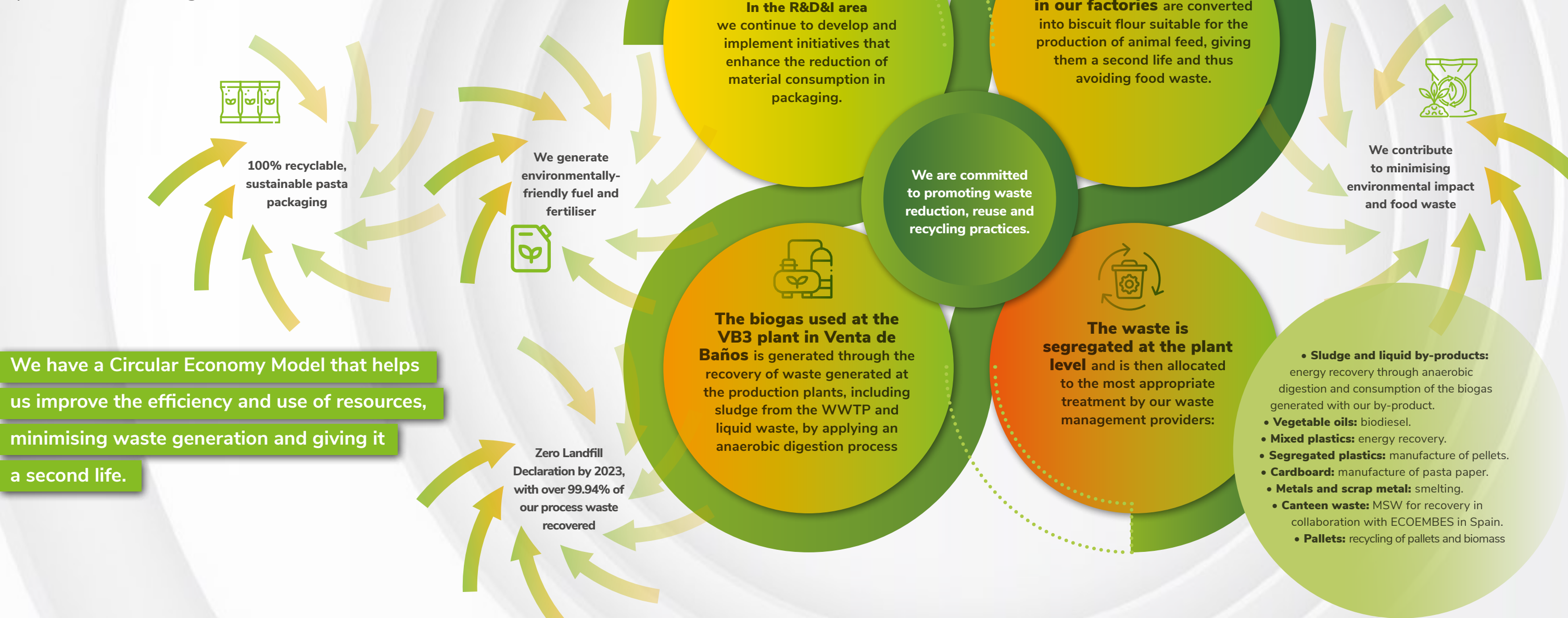
-21%
vs 2021

CIRCULAR ECONOMY MODEL

Waste management at Cerealto is carried out through authorised waste managers, highlighting our collaboration with a supplier specialised in the Circular Economy and environmental solutions at the plants in Spain and Portugal.

Waste (Tn)		
	2022	2023
Hazardous waste	11.26	30.91
Non-hazardous waste	18,440.46	18,920.49
Total waste	18,451.72	18,951.39

0,083
Tn waste/Tn
manufactured





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