



Sustainability Report

Financial Year 2019-2020

EmilioEsteban®



About us

Emilio Esteban is a family company dedicated to the **manufacture, marketing and distribution of products derived from wheat and other cereals**, currently managed by the third and fourth generations of the family. In 1941, our grandfather acquired a small flour factory five years after it was built, and the limited company EMILIO ESTEBAN SA was established in March 1979.

Our facilities and operations centre are located in Renedo de Esgueva (Valladolid, Spain) and comprise **a wheat flour factory, another factory for special and organic flours, a third line for the heat treatment of all kinds of cereals and flakes and a stone mill line.**

A MILL means tradition and, for the rest of Europe, it is also the current name of our sector.

A FLOUR FACTORY was the concept coined in the early 20th century to distinguish them from the existing old mills.

A FLOUR PRODUCER is the term used to describe a facility or entity that makes the flour.

Significant figures, 2019-2020



50,000+

t of milled cereal



> 75%

cereal from Castile and Leon



> 95%

cereal of domestic origin



14

organic products



33

employees as at 30 June 2020



1100+ hrs

of employee training



500+

customers



98%

customer satisfaction



6500 kg

donated to the community



11

contribution to the SDGs

About this report

We at Emilio Esteban have prepared this Sustainability Report with the aim of informing all of our stakeholders about the impacts of our activities in the economic, environmental and social spheres.

Since 2014, with the publication of the first sustainability report, our company has participated in the **United Nations Global Compact** and has been committed to fulfilling the 10 principles included in it. Every year, we send in a *Progress Report* where we report on the actions carried out in implementing the [Ten Principles of the United Nations Global Compact](#).



United Nations
Global Compact

Stakeholders



Company values

- RESPONSIBILITY
- OPEN TO CHANGE
- MANAGEMENT'S LEADERSHIP
- PROFESSIONALISM
- MISTAKE = OPPORTUNITY TO IMPROVE



Contribution to Sustainable Development

At Emilio Esteban, we are committed to the Sustainable Development Goals (SDGs) included in the United Nations 2030 Agenda.

Given the nature of our activity, **our contribution is most prominent in Goal 2: Zero Hunger**. We make our flours and flakes with the utmost thoroughness in food safety and, thanks to our awareness of environmentally friendly production methods, our products grown using sustainable agriculture increase every year.



Ending hunger, achieving food security and the improvement of nutrition and promoting sustainable agriculture.

EMILIO ESTEBAN'S CUSTOMERS



SUSTAINABILITY FROM THE BEGINNING



EFFICIENT USE OF RESOURCES



EMILIO ESTEBAN'S PEOPLE



EXCELLENCE IN OUR PRODUCTS



CONTRIBUTION TO COMMUNITY WELL-BEING





1

Emilio Esteban's customers



1. Our customers

Customers are at the core of Emilio Esteban's business model and form the focus for all of our activity. **In terms of our technology, we have grown and developed around our customers' needs, building a production model in line with their expectations.**

The best way to properly manage our customer care is **by dividing our customers according to activity type** (baby food, conventional food, flour manufacturers, baking industry, animal food and distributors).

As a place to connect with our customers, Emilio Esteban uses the **SEDEX platform to share company ethics information**. The main aim of SEDEX is to encourage the business application of responsible and ethical commercial practices in supply chains around the world.

Every three years, we carry out a **SMETA** (*Sedex Members Ethical Trade Audit*), an internationally recognised social audit procedure that evaluates **responsible supply chain activities**.

20%
of sales
exported

9
export
countries

98%
customer
satisfaction





2 Emilio Esteban's people



2. Our people

Our aim with our employees is for them to **develop their maximum capability** regardless of their sex, race, colour, religion, age, sexual orientation, political affiliation or other essential criteria, in accordance with ILO Convention No. 111 concerning Discrimination.

At Emilio Esteban, we advocate that **professional and personal spheres must be balanced** to ensure that employees stay productive and, at the same time, happier and more fulfilled.

The growth of our people is key and is closely linked to the growth of Emilio Esteban. As part of our commitment to this relationship, our employees receive at least one training course per year, mainly related to **food safety, quality, occupational risk prevention and the environment**.

In terms of salary, the people at Emilio Esteban have salaries and benefits governed by the **collective agreement** for companies in **Spain's bread flour and meal** sector.

In terms of occupational risk prevention, Emilio Esteban has a **designated internal resource for prevention** with extensive experience and specific training in explosive atmospheres, fire risk management, emergency planning, industrial hygiene, etc.

100%
of our employees received
training during the financial
year 2019-2020

1181 hrs
of training

4 more additions than
departures



21% women



79% men

4 recordable
occupational injuries,
none serious





3 Sustainability from the beginning



3. Sustainability from the beginning

75% of cereal acquired from Castile and Leon

95% of cereal acquired of domestic origin



Emilio Esteban prioritises the choice of **local farmers** as suppliers of cereal grain. In addition to boosting local and regional economic development, this local strategy reduces product transport and, as a result, the GHGs emitted into the atmosphere.

The cereal that Emilio Esteban uses as raw material comes from **four types of farming practices: conventional (both organic and non-organic) and for baby food (both organic and non-organic)**. As the next link in the value chain, we are responsible for **supporting, training and guiding farmers** in their activity.

Baby food

> 50%
GLOBALG.A.P.
certified farmers

6 cereals

4000+ ha
in Valladolid and Segovia

Organic farming

14 organic products references

During the financial year 2019-2020, we did a field audit on the sustainable agricultural holding owned by Emilio Esteban, as well as the annual audit of both production and processing in Organic Farming.



We identified the marketing of our products with guarantee marks as another opportunity for Emilio Esteban **to promote the region of Castile and Leon and the province of Valladolid**.



CASTILLA Y LEÓN



4 Excellence of our products



4. Excellence in our products

- FLOURS
- FLAKES
- CEREAL PRODUCTS
- WHOLEGRAIN

As way to ensure our commitment to guaranteeing excellence in our products, we are **ISO 9001 and ISO 22000/FSSC 22000 certified.**



During the financial year 2018-2019, we renewed our **HALAL and KOSHER certificates** that enable Emilio Esteban to expand our international market.



To respond to our customers' requests and offer them the products they demand from us, and bearing in mind the need to care for the environment, we are committed to including **organic products** in our product portfolio.

> 94% t
of milled ORGANIC cereal
compared to the previous
financial year

Collaborations with other organisations:



We are involved in various **research programmes and projects focused on sustainability** concerning the environment and that ensure we will keep growing in this direction and promoting organic products in the years to come.

• ECOPIONET Project

To create an organic farming task force.

• SAYO Project

Aims to develop a range of organic breadmaking products adapted to senior citizens, together with three other agri-food companies from Castile and León.

• BIODOUGH Project

For the 'Development of improved healthy and techno-functional flours', carried out by the Agriculture Technology Institute of Castile and León (ITACyL), with the participation of various agri-food companies, including Emilio Esteban.



5 Efficient use of resources



5. Efficient use of resources

0% waste in the milling of flour

Our flour production process is optimised to **fully use the cereal grain**.



We use paper packages with the weight optimised for the packaging of our products

4.3% reduction in big-bag weight since 2015

At Emilio Esteban, we are aware of the impact that our product containers and packaging have on the environment, which is why we work to minimise this impact as much as possible. Currently, plastic raffia (polyethylene and polypropylene) sacks are only used for the packaging in big-bag formats (900-1000 kg).

86% increase in big-bag consumption since 2015

We have **encouraged our customers to opt for large formats** for the delivery of our products, which enables us to make great savings on the use of packaging materials thanks to the high capacity of these packages.

PACKAGING MATERIALS USED IN 2019	
Plastic	21.12 t
Paper	76.24 t
Cardboard	3.77 t
TOTAL	101.13 t

Energy

The energy used comes mainly from the grid and, to a lesser extent, from natural gas consumption. At Emilio Esteban, we **directly acquire energy in the electricity market for our own consumption** and optimise our daily electricity consumption based on production demand. During the financial year 2019-2020, the overall electricity consumption at our headquarters in Renedo de Esgueva was 4,977 megawatt-hours (MWh), 3% less than in the previous year.

In the specific area of production, at the beginning of 2020 we installed **intensity meters in the motors** of all our cylinder mills to detect energy inefficiencies. Moreover, we replaced lights at the end of their lifespan with **LED technology** in all our facilities.



2021 target: implementation of a solar PV system to self-generate clean energy.

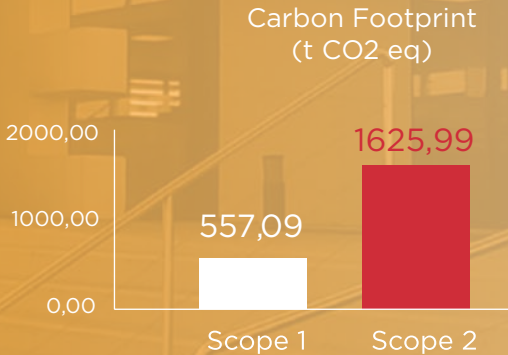
Water

For Emilio Esteban, there is a **lower impact from water than from energy** as the production process only uses water for sifting the cereal and to generate steam. We get water for our activity from two sources, the public supply network and an underground well. During the financial year 2019-2020, we consumed 7,994 cubic metres (m³) of water at our facilities.

As part of our efforts to improve every day in managing our resources, we are participating in a project to **identify solutions that will help to improve efficiency in water management**, coordinated by VITARTIS in the framework of the MENC3IA project: *Circular Economy Model to adapt to and mitigate Climate Change in the Food Industry of Castile and Leon.*

Emissions

In addition, we have found and **recorded the carbon footprint** for Scopes 1 and 2 generated by our activity at the Renedo de Esgueva (Valladolid) headquarters in 2019, obtaining the Ministry for the Ecological Transition and the Demographic Challenge (MITECO) seal.



LNG plant implementation

At the beginning of the financial year 2019-2020, a **plant was put into operation that uses liquefied natural gas (LNG)** to produce energy, as opposed to the liquid petroleum gas (LPG) plant used previously.

This is a **more efficient energy source** than the previous one as we have **considerably reduced gas consumption (179,240 litres)** without having increased the production of the line that uses this resource.



-56%
**intensity in gas
consumption**

New laboratory

In January 2020, we opened the new laboratory facilities, with **triple capacity**, arranged in different, fully separated areas for microbiological analyses, sample preparation, physico-chemical analyses, mycotoxins and offices.



6 Contribution to community well-being



6. Contribution to community well-being

At Emilio Esteban, we consider it our obligation to contribute to the development of the local community by taking part in various social initiatives.

- Renedo Town Council

Through this institution, we make various **financial donations for carrying out cultural, social and sports activities and local festivals.**

- Valladolid Food Bank Foundation

Since it was founded in 1996, Emilio Esteban has collaborated by donating products to the Valladolid Food Bank Foundation whenever they are requested.

- AFIM (Aid, Training and Integration for the Disabled) Foundation

Emilio Esteban collaborates annually with the AFIM Foundation by providing a financial donation used for the **care, aid and comprehensive assistance for people with any kind of functional diversity.**

- CETECE - Cereal Technology Centre

We have collaborated with the CETECE since it was founded in 1998 by **providing flours for its research testing and training.**

- Valladolid International Cooking School

Additionally, Emilio Esteban has been collaborating with the Valladolid Chamber of Commerce International Cooking School since it was founded in 2012, **donating flours for its practical training.**



DONATIONS	2017-2018	2018-2019	2019-2020
In cash (€)	375	300	800
In kind (kg)	9,000	9,000	6,500

EmilioEsteban®

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