

A woman with dark hair, smiling warmly, is the central figure. She is wearing a white t-shirt and a dark apron. The background is a lush olive grove with trees and foliage, bathed in the warm, golden light of a setting or rising sun, creating a soft, hazy atmosphere with some lens flare effects.

Caring for what cares for you

Deoleo Environmental, Social and Governance Report 2020

Deoleo[®]
The Olive Oil Company.

03	Our Chairman and CEO
04	Our year in review
05	We are Deoleo
06	How we create value
07	What matters most
08	Introducing our sustainability strategy
09	Our sustainability goals

11	Our Sustainability Protocol
12	Building a responsible supply chain
13	Supporting farmer livelihoods

15	Delivering products with integrity
16	Managing our environmental footprint
17	Designing out waste
18	Transforming our packaging
19	Taking climate action
20	Driving energy transitions
21	Water Stewardship

23	Enabling nutrition and good health
24	Responsible marketing and labelling
25	Keeping our people safe and healthy
26	Respecting and supporting a diverse workforce

29	Accountable and inclusive governance
30	Business ethics
31	Human rights, risks, monitoring and grievances

About this report

Welcome to Deoleo's Environmental, Social and Governance (ESG) 2020 Report. This document contains details of our newly launched ESG strategy, including the establishment of our sustainability pillars and related goals.

The report covers progress for the period from 1st January to 31st December 2020. Information shared has been developed in alignment with key international reporting frameworks, including the Global Reporting Initiative (GRI) Core Standards, the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Data in this report has been assured by Deloitte in accordance with the requirements of the ISAE 3000 standard.



Our Chairman and CEO

in interview with Jean-Rémy Roussel, CVC

Q: This report marks the launch of Deoleo's Environmental, Social and Governance (ESG) strategy. How will this next phase create value?

Ignacio Silva (IS): Financial performance is closely intertwined with a focus on ESG issues and those who do not embrace this will quickly find themselves left behind. Sustainability has long been important to Deoleo – since my first day, conversations have centred around prioritising quality and value before volume. Our ESG strategy will support us as we continue to develop this commitment to sustainable value creation.

Jean-Remy Roussel (JR): Deoleo's dedication to ESG is based on a deep understanding of the value it creates for each of their stakeholders. A clear strategy reassures employees and suppliers that they are doing meaningful work with a company that recognises the impact it has on society and the environment. Furthermore, when a company formalises and communicates its ESG commitments it helps consumers identify ethical brands which align with their own beliefs. In turn, motivated employees and engaged consumers help ensure a company's success.

Q: How has 2020 impacted Deoleo?

IS: 2020 was a time of upheaval for everyone but, in many ways, it highlighted where we shine as a company. I am incredibly proud of

how our team responded to the pandemic, acting quickly to keep everyone safe as they continued to work. Our commitment to reactivity, service and global coordination, underpinned by sustainable practices and good governance, kept us operational during a turbulent year. This ability to maintain manufacturing meant we successfully met increasing global consumer demand for our brands.

JR: The impacts of COVID-19 have highlighted a need to change how things are done. They have also shown this change is possible. As investors, we already see companies evolving, placing increasing emphasis on ESG to ensure the future of their businesses. It is exciting to see Deoleo stepping up to drive sustainable progress, not just because it makes financial sense but also because it is the right thing to do.

Q: What does the future of sustainable business look like for Deoleo and why is it important?

IS: Developing a responsible, resilient business is vital if we are to continue benefitting stakeholders in a changing world. We have established ambitions in the areas where we believe we can inspire real change – nutrition, supply chain sustainability and global olive oil standards.

We are the world's number one olive oil company. With that comes enormous scope to do good. I want Deoleo to be industry ambassadors for sustainability, working to uphold the future health of the land and the future health of society. I want our efforts to inspire others to follow suit by showing that ESG is what is best for everyone.

JR: Change starts at the top and we are pleased to see the achievements of Ignacio and the team so far. Looking to the future, as CEO, Ignacio has significant responsibility but also a wonderful opportunity to write the next pages in the company's story and pass on a stronger business to the next generation. Today's consumers are looking to companies to do business in ways that support the environment and uphold social values. To be a business of the future, that work must start now – Deoleo's ESG strategy is the next step towards leaving a better company legacy.

“I want Deoleo to be industry ambassadors for sustainability, working to uphold the future health of the land and the future health of society.”

Ignacio Silva
CEO and Chairman, Deoleo
(left)

Jean-Rémy Roussel
Managing Partner, CVC
(right)



Our year in review

We are proud of the progress we achieved through 2020. Even as people and companies, globally, have battled with the impacts of COVID-19, we have worked to ensure we stepped up to protect the planet and support people at Deoleo and beyond.

Gold 2020 EcoVadis
CSR Rating

66,000
collaborations
with farming
families

204.9 million litres
of oil sold in 2020

€290,070,000
net profit

(2019: €10,606,000)

14,833 hours
of employee
training

12.8% reduction in
direct emissions

18.4% increase
in sales to €666m

(2019: €562m)

Zero
workplace
fatalities

We are Deoleo

Our brands are steeped in a rich Mediterranean tradition that stretches back centuries.

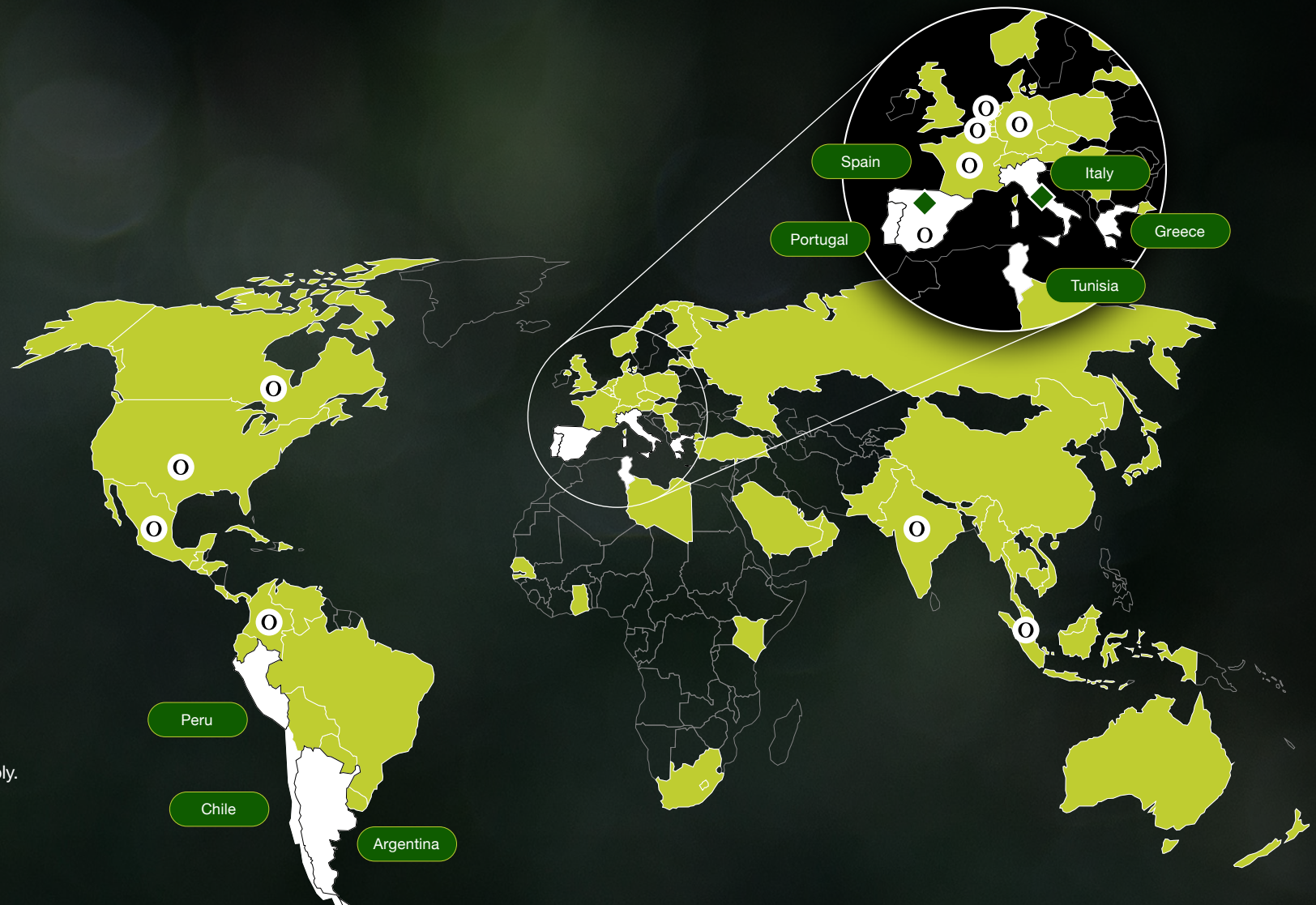
As the world's No.1 olive oil company, the secret to our success is a never-ending commitment to quality and a long-standing dedication to finding new, more sustainable ways to do things.

Caring for what cares for you

Thinking and acting sustainably is the key to nurturing a healthier future. Our Sustainability Manifesto outlines our commitment to achieving this.

Olive oil is at the heart of so many lives. From those who grow the olives, to those who masterfully blend and bottle it, and the consumers who enjoy the benefits of good olive oil every day. It is the key ingredient in our rich history as global makers of heritage brands – brands that continue to be as authentic and relevant today thanks to our commitment to producing olive oil responsibly. Expertly. In ways that protect livelihoods, promote good health and defend our planet.

Our sustainability strategy drives us to think smarter, work harder and lead by example. It is how we care for what cares for you.



Our company in 2020

 Products sold in 73 countries	 Olives sourced from eight countries	 Offices across 11 countries	 Production facilities in two countries	20+ brands in our portfolio	204.9 million litres of oil sold	660+ employees worldwide
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How we create value

From the farmers who grow olives to the consumers who enjoy our brands, we are committed to creating value at every stage. We do this through developing products using techniques that promote responsible business, support sustainable livelihoods and complement healthy lifestyles.

External drivers

- Climate change and resource scarcity
- Demographic and social changes
- Technological advancement
- Supply chain disruption

What we rely on

- **Natural resources** including energy and water and our key raw material, olives
- **Two factories** with machinery dedicated to processing and packaging products
- **A global workforce** of 660+ employees
- **Capital** invested in long-term, sustainable growth
- **Strong relationships** with farmers, mills and retail customers
- **Intellectual property** of our unique blends

Our business model

1. Ingredient sourcing

Training on sustainable farming practices. Mill partnerships to identify how to maintain quality and nutritional values during oil extraction.

2. Our people and expertise

Training and development opportunities to support employee progression and build an expert workforce. Workspaces based on mutual respect and the promotion of DEI.

3. Manufacturing and operations

Investment in research and development to minimise environmental impacts and develop our products.

4. Transport

Ambient transport conditions monitored to guarantee preservation of product quality from start to finish.

5. Customers

Global retail customer partnerships maintained to ensure they can meet consumer needs, bringing products to people in a growing number of countries.

6. Consumers

Production of high-quality oil and innovative packaging solutions to protect products. Responsibly marketed products and transparent communications on incorporating them into balanced diets.



Value created in 2020

- **For farmers and mills** – Promoting economic development throughout our supply chain
- **For governments** – Acting responsibly, including paying more than €5.6 million in taxes
- **For employees** – Investing in our workforce with more than 14,833 hours of employee training
- **For customers and consumers** – Selling more than 204 million litres of olive oil in 73 countries
- **For communities** – Donating more than 183,000 litres of olive oil to charities across Europe and India
- **For the planet** – Ensuring that all of our packaging remains recyclable and reducing our impact

Our wider impact

Quality, affordable olive oils sold globally, supporting healthy, nutritionally balanced diets.

Providing value, respect, equal opportunities and career progression for employees.

Reducing water use and cleaning what we discharge.

Disclosing climate risks and preventative actions. Transitioning to renewable sources of energy to power operations while reducing waste, promoting recycling and mitigating environmental impacts.

Creating economic opportunities in farming communities while encouraging sustainable farming practices to safeguard natural habitats.

Working with an international network of partners to ensure sustainable, responsible business growth.



What matters most

Our first materiality assessment

In March 2021, we completed our first materiality assessment, identifying the environmental, social, governance and economic issues most important to our business. An external organisation conducted research and interviewed internal and external experts. We then sent out surveys which were completed by over 300 stakeholders including partners, buyers, investors, employees, consumers and suppliers.

These insights informed a preliminary materiality matrix which was discussed internally to identify overall rankings. Our final matrix, validated by external stakeholders, identifies our most important issues and those which influence stakeholder decisions.

Stakeholder engagement

We maintain constant dialogues with stakeholders to gather insights on expectations of us as a corporate citizen

Communities

We engage community stakeholders to understand pressing needs and how we can best tailor our contributions.

Consumers

Evolving consumer tastes inform product developments. We conduct research on what our consumers like and what we could improve.

Customers

We maintain close retail partnerships to share product information and ensure we are the supplier of choice.

Employees

We engage employees through surveys to understand where we can improve the employee experience.

We communicate openly with trade unions on agreements that support our employees.

Governments and regulators

Our right to operate is predicated on compliance with various regulations. We communicate with governments and regulators to understand policy changes that could impact Deoleo.

Industry and trade associations

We are members of several trade associations, including ASOLIVA, AECOC and FIAB in Spain and ASSITOL in Italy, to remain informed of industry developments and share learnings.

Non-governmental organisations (NGOs)

We engage various NGOs, drawing on their expertise to develop global community support efforts.

Shareholders and investors

We share progress updates with shareholders through our [online Investor Relations](#) page so they can accurately assess the value of their Deoleo investment.

Suppliers

Robust supplier partnerships ensure our sustainability and responsible business values are upheld.



● Governance and ethics

◆ Social

● Environment

◆ Supply chain and sourcing

→ Issue of growing impact

Introducing our sustainability strategy



Growing together

- Building a responsible supply chain
- Supporting farmer livelihoods

By 2030, 100% of our top-selling Extra Virgin Olive Oil brands in Spain and Italy to be certified by our Sustainability Protocol



Caring for you

- Enabling nutrition and good health
- Respecting and supporting a diverse workforce

By 2030, reach 150 million people, educating them to improve everyday home cooking and the benefits of olive oil



Blending with love

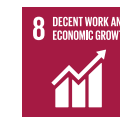
- Delivering products with integrity
- Designing out waste and reducing our environmental impact

By 2030, improve olive oil quality standards throughout the value chain



Responsible business

- Business ethics and human rights
- Accountable and inclusive governance



Our sustainability goals

We are committed to achieving sustainable financial growth. Our new strategy supports this aim, enabling a targeted approach to safeguarding our business, as well as the people and planet we rely on.

Through three clearly defined pillars and ambitions, we are creating value for all our stakeholders¹. Annual reporting of progress will keep us accountable as we develop an increasingly sustainable business.



Growing together

By 2030, 100% of our top-selling Extra Virgin Olive Oil brands in Spain and Italy to be certified by our Sustainability Protocol

- 100% members of our Sustainable Protocol receive training on the areas of sustainability best practices and resource management on a yearly basis



Caring for you

By 2030, reach 150 million people, educating them on the benefits and uses of olive oil

- By 2030, improve employee value proposition via training and career development opportunities
- Maintain a diverse workforce



Blending with love

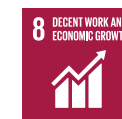
By 2030, improve olive oil quality standards throughout the value chain

- By 2030, achieve zero waste certificate for our factories
- By 2030, reduce the environmental impact of our packaging
- By 2030, reduce our own carbon emissions
- By 2030, use our scale and influence to encourage our suppliers to reduce their environmental impacts



Responsible business

- By 2022, increase cybersecurity resilience across our business and supply chain
- Continue to ensure all employees are trained on our codes of ethics, annually



¹ Goals are subject to change in response to changes in regulation and other unforeseen events.

- 11 Our Sustainability Protocol
- 12 Building a responsible supply chain
- 13 Supporting farmer livelihoods

Growing together

Our duty of care starts in the olive grove, where we work in partnership with farmers to develop sustainable practices and a secure supply chain that together help nurture responsible businesses, strengthen communities and build better futures for all.

We work closely with partners throughout our supply chain to encourage the adoption of more responsible farming practices which protect the natural environment and support farming families to thrive. Since 2018, our Sustainability Protocol has guided a holistic and collective approach to sustainability. Now, we are building on this foundation to ensure the success of olive groves, farmers and our supply chain for the future.

Our ambition

By 2030, 100% of our top-selling Extra Virgin Olive Oil brands in Spain and Italy to be certified by our Sustainability Protocol

2020 highlights

Over 32% of extra virgin olive oil sourced from farmers and cooperatives certified under our Sustainability Protocol

10% increase in mills with sustainability certification

Our work supports UN Sustainable Development Goals 8, 12, 13, 15 and 17.



Our Sustainability Protocol

Building a more sustainable supply chain for olives has been a focus for Deoleo for many years. In 2018, we launched our Sustainability Protocol for Extra Virgin Olive Oil Production. The programme delivers support to raw ingredient farmers and suppliers, encouraging a holistic approach to sustainability across four areas.

How our protocol supports farmers and rural communities

We aim to encourage those in our extra virgin olive oil supply chain, from olive growers to olive oil mills, to implement sustainable and responsible farming practices. Our mission is to inspire players throughout the sector to engage with sustainability to collectively guarantee the long-term viability of a millennial crop. At the same time, by reaching more agricultural partners through the protocol, we can magnify our contribution to the SDGs and ensure that our own sustainability policies are upheld throughout the supply chain.

Through this programme, we provide a clear frame of reference for sustainable management of olive groves and oil mills. However, that does not mean our advice is static – as global standards evolve, so too does our Sustainability Protocol. By maintaining a reactive approach to developments in our supply chain and wider industry, we can continually revise recommendations to ensure they are always applicable.

Social sustainability

Uplift rural areas and those at risk of depopulation through quality job creation, training opportunities and the promotion of equality.

Economic sustainability

Encourage entrepreneurship and professionalisation to promote economic development throughout our supply chain.

Environmental sustainability

Reduce environmental impacts through better management approaches to water and energy use, waste disposal, soil health and biodiversity protection.

Quality sustainability

Responsibly raise quality standards for olive oil by defending indigenous olive varieties, defining stricter specifications for extra virgin olive oil and providing educational resources.

Better for farmers, better for the planet, better for consumers



Our protocol ensures digital traceability from tree to supermarket shelves, protects natural resources and biodiversity, develops agricultural communities and promotes respect for human and labour rights.



Today, we work with 52 cooperatives, representing 66,000 farming families, through the Protocol. We aim to increase the number of olive oil mills that are members of the Sustainability Protocol by 10% annually.



Through a partnership with third-party verifiers, **Intertek**, farmers who fully integrate sustainable techniques can be certified sustainable.



Products made using olive oil from certified farmers display a clear, customer-facing Intertek-certified sustainable quality seal.

In 2020, 32.16% of the extra virgin olive oil we sourced came from farmers and cooperatives certified under our Sustainability Protocol.



Building a responsible supply chain

Why it matters

Building a sustainable business starts long before production begins. It stretches all the way back through the supply chain and requires everyone to be aligned on how to approach responsible sourcing and farming practices.

For farmers, it means an opportunity to grow crops in ways that support livelihoods while giving back to the earth they rely on. For Deoleo, responsible sourcing is the first step towards making more planet-friendly products, an important milestone in our sustainability journey.

Our approach

Encouraging more sustainable practices

We know the quality of the olives we select for our products is impacted by the quality of the surrounding environment. As such, we work closely with a network of approximately 66,000 farming families to identify and implement farming practices which protect and restore natural spaces. We encourage farmers to reduce their use of artificial agrochemicals and to preserve ground cover plants which protect soils against drought and erosion.

As we source from several areas where water scarcity is a risk, we promote efficient water management, advocating for reductions in consumption and innovative techniques to maintain water quality.

Protecting biodiversity

An important facet of sustainable farming practices is cultivating crops in a way that preserves local nature and supports biodiversity. We partner closely with olive suppliers to implement beneficial practices, such as developing more varied natural environments, to support a wider array of flora and fauna.

Our Sustainability Protocol explicitly details measures supply chain partners should take to preserve biodiversity and protect endangered animal and plant species. Soil maintenance plans can ensure the long-term fertility of land, reduce risk of erosion, mitigate the effects of climate change and preserve local species.

We offer our farmers and mills a series of clear guidelines for boosting local flora and fauna, including:

- restoration of roads, boundaries, banks, ditches and gullies
- construction of infrastructure such as nesting boxes, perches and water holes
- planting of large, isolated trees
- placement of water access points for local animals
- construction of stone walls used by birds for nesting
- decreased use of insecticides
- prevention of old olive tree removal and replacement
- actions for the proliferation of insects including nesting sites and herbaceous cover restoration
- planting of species that provide refuge for native fauna
- no night harvesting.

Partnering to prevent biodiversity loss

In 2020, we signed a collaborative agreement with conservation charity, SEO BirdLife, to participate in their olive grove biodiversity project. The aim of the initiative is to halt biodiversity loss through designing an olive growing model that champions species restoration and preservation. We are currently developing pilot runs of the project on four farms in Extremadura, Spain.

What's next

Expanding our responsible sourcing commitment

We have a long-standing tradition of collaborating with our farmers to encourage more sustainable agriculture practices and we will continue to expand on the number of farmers we work with.



Supporting farmer livelihoods

Why it matters

Farming communities are under increasing pressure from challenges such as the impacts of climate change, ageing farming populations and volatile markets and prices for produce. If rural livelihoods are to be preserved, it is the responsibility of businesses that rely on them to support economic development.

Farmers are critical to Deoleo's success. If we want to safeguard our own business, we must support olive growers to flourish, uplifting them by promoting stable and sustainable farmer livelihoods.

Our approach

Supporting global commitments to sustainability

In 2019, we formalised our adherence to the Spanish Network of the UN Global Compact, an international voluntary initiative promoting business sustainability in the private sector. Through our participation, we are targeting our support for the SDGs, particularly those relevant to agricultural sustainability and economic empowerment.

Helping rural communities to prosper

As more people move to cities in search of economic opportunities, farming communities are at increasing risk of depopulation. We have the scale to encourage economic growth and to be a driving force for employment in our sourcing regions. By encouraging best practices in agriculture and connecting farmers to resources and strategic partners, we are boosting the development of rural communities.

As well as promoting prosperity, we want to ensure labour rights are upheld throughout our supply chain. These include regulations regarding occupational hazards for farmers and in mills and the eradication of child and forced labour.

Promoting economic sustainability

We encourage economic sustainability and job creation and expect partners throughout our supply chain to collaborate on achieving inclusive growth that benefits everyone. This means creating decent employment opportunities for all, especially women, young people and other vulnerable or disadvantaged groups.

Deoleo technicians work directly with farmers to implement these measures. In 2020, we developed our processes, visiting our partner cooperatives and speaking with farmers to better understand their unique needs. Using this information, we then formulated actions and resources to address those requirements.



Our progress

Increasing supplier engagement

Throughout 2020, our technician visits covered 2,074 hectares, bringing the total to roughly 8,930 hectares since the programme began. In addition to partnering with an increasing number of olive farmers, we also saw the number of mills with sustainability certification rise by 10% in 2020 compared to the previous year.

What's next

Advancing responsible farmer livelihoods

As we move forward, we will continue to reinforce the implementation and promotion of our existing measures to support farmer livelihoods. We will increase training opportunities to ensure 100% of Sustainability Protocol members receive training on areas of sustainability best practices and resource management annually.

- 15 Delivering products with integrity
- 16 Managing our environmental footprint
- 17 Designing out waste
- 18 Transforming our packaging
- 19 Taking climate action
- 20 Driving energy transitions
- 21 Water stewardship



Blending with love

Good olive oil is made with integrity. A single ingredient of the highest quality, expertly blended with the needs of consumers and the planet in mind. By collaborating, innovating and constantly striving to improve industry standards, we ensure every drop is made with care.

Consumers want quality products that are trustworthy and align with their ethics. We ensure we are meeting these needs, focusing on delivering products with integrity at every step of our operations, from manufacturing through to labelling, packaging and marketing our products. At the same time, we are designing out waste and reducing our environmental footprint to protect our natural world for the future.

Our ambition

By 2030, improve olive oil quality standards throughout the value chain

2020 highlights

Zero product recalls in 2020

11.1% reduction in Scope 1 and 2 emissions (vs. 2019)

Our dark glass bottles contain approximately 60% recycled material

Our work supports UN Sustainable Development Goals 17, 6, 7, 12, 13 and 15.



Delivering products with integrity

Why it matters

Reaching a consensus about, and increasing transparency over, how products are created and certified is key to ensuring long-term sustainability in our category. We pride ourselves on our open and honest approach to business, holding ourselves to the highest quality and safety standards. Knowing where our ingredients come from, and how they are made, is key to ensuring those standards are met every single day. It is how we maintain brand integrity and consumer trust.

Our approach

Leading in the fight for industry standards

We believe establishing industry-wide standards for extra virgin olive oil is key to ensuring consumers feel confident they are buying a quality product. We have set an ambition to fight for improved olive oil quality standards throughout the value chain by 2030, creating a level playing field for everyone in our industry.



Goal

By 2030, enable traceability for Deoleo's major brands of extra virgin olive oil from the mill to supermarket shelves through a verified digital system.

In 2019, we joined the American Olive Oil Producers Association in calling for the US Food and Drug Administration (FDA) to adopt industry-wide, science-based standards for olive oil. We submitted our request to the FDA and, in 2020, continued working with industry partners to promote a standard in the US market.

Ensuring transparency and traceability from tree to table

We maintain detailed records of where our raw materials come from and how they are processed. Our multisite system, which monitors every step of our value chain, and the activities of suppliers included under the Sustainability Protocol are audited by external assurance organisation, Intertek. We perform annual audits of our sustainable oil management system internally, identifying risks and opportunities and developing action plans.

We are transparent about what goes into our products and how we source our olives. Products which are certified sustainable are communicated to consumers via an on-pack logo. The seal directs people to [an Intertek webpage](#) where certification details are publicly available to view.


**OLIVE OIL FROM
SUSTAINABLE
PRODUCTION**



Putting food safety first

We take food safety very seriously. We are certified under various standards, including those set by the Global Food Safety Initiative to drive food safety and quality management in production activities. Additionally, our quality system complies with the requirements of ISO 9001: 2015, demonstrating our commitment to continuously meet consumer and regulatory expectations.

In 2020, we approved several protocols, assured by healthcare providers Quironsalud, to ensure we maintained rigorous hygiene standards throughout COVID-19. Through these protocols, stringent health and safety measures were applied to our production processes.

Ensuring safety through packaging

Our packaging is a valuable tool for preserving the safety and quality of our products. We have taken steps to optimise our packaging in line with current industry requirements to ensure the highest standard of food safety is maintained.

Responding quickly to consumer feedback

We maintain a public grievance mechanism system to measure consumer satisfaction. An internal tool collates and manages all responses in all countries with recorded sales. When a grievance is received, an in-depth analysis is conducted and corrective measures implemented.

Our progress

Meeting expectations for safety

During 2020, we experienced a surge in sales, and subsequently, an increase in the volume of complaints received. However, the rate of complaints per litre sold decreased by 7.2%*, indicating an overall increase in product satisfaction.



We maintain procedures to identify products which do not meet quality or safety standards in all our factories as well as subcontracted production centres. Our procedures and technology ensure that our products meet quality and safety standards in our factories as well as in our subcontracted production centres. We were pleased that, in 2020, no product recalls were carried out. However, to ensure everyone understands what recall processes entail, we performed two simulation exercises – one in Alcolea and one in Tavarnelle.

What's next

Showing consumers the origins of their olive oil

We are offering consumers increasingly transparent product information. To support this, we have set a goal that, by 2030, we will enable extra virgin olive oil traceability from mill to supermarket shelves through a verified digital system. Additionally, by 2023, 100% of our manufacturing will comply with relevant, recognised standards.

Pushing safety standards forward

Product safety will always be a priority for Deoleo. As we move forward, we will employ new software to control and monitor our management system as well as integrating our quality and environmental systems. This way, we can maintain a holistic view of processes and areas for improvements, in turn, helping us achieve a further projected 10% decrease in consumer complaints.

Managing our environmental footprint

Understanding our impacts

At each stage of our impact journey, there is potential to leave an imprint on the planet. We have developed a multifaceted approach to our environmental footprint, taking climate action, minimising waste production and promoting more sustainable ways of farming.

See our **business model** on page 6



To ensure we are always operating sustainably, we have established a company-wide Environmental Plan. Through it, our employees, partners and any other associated organisations, agree to work in a manner that safeguards nature. Within our own operations, we have committed to monitor and minimise the environmental impact of our processes, packaging and product distribution. We take our learnings from this to share best practices with our suppliers and throughout the wider value chain.

Our approach

Continually developing our operations

In our production centres, we operate in line with the Kaizen philosophy which promotes continuous improvement. The steps below enable us to protect our business while ensuring ongoing sustainable development:

- integration of environmental considerations in all company processes and activities
- maintaining certification under the ISO 14001: 2015 standard for our environmental management system at all production centres
- compliance with legislation in the areas where we operate and where we undertake compliance audits annually
- optimisation of resource consumption and reduction of waste generation
- establishment and monitoring of objectives and plans.

Reducing agrochemical use in our supply chain

If not used responsibly, excessive agrochemical use can contribute to water pollution, soil degradation and GHG emissions. We promote the steady reduction of agrochemical use among farmers that supply our olives. Farmers are encouraged to adopt practices which harness the power of nature to boost crop growth. Our efforts have already shown positive results, with 42% of farmers qualifying as following integrated, organic or Global Good Agriculture Practices (G.A.P.)-aligned production systems as of October 2020.

What's next

Boosting supply chain sustainability

We want our supply chain partners to share our commitment to reducing environmental impacts. That is why we continue to promote farmer participation in our Sustainability Protocol.



Designing out waste

Why it matters

Ever-growing production brings with it two challenges: accelerated use of finite natural resources and an expanding burden of waste. A circular economy tackles both issues head on, protecting nature by keeping existing materials in use and out of landfills. Reusing what we already have has clear benefits for the environment, but it also makes good business sense. By using fewer resources and finding value in waste, we can reduce production costs and harness the full potential of what we source.

We must also look beyond our direct operations. Partnering with material suppliers that share our vision for sustainability is how we will reduce the footprint of our packaging.

Our approach

Promoting supply chain waste reduction

In oil mills, where a large amount of waste can be produced in a short space of time, we actively encourage partners to reuse as much as possible. Olive pits are repurposed as fuel for boilers while olive leaves are reused as organic matter for soil or as animal feed.

Reducing operational waste

We take a dual approach to waste reduction, on one side eliminating food waste and on the other improving management of non-conforming products. Rather than disposing of olive oil which does not meet our exacting standards, any products rejected during production are recovered for reuse.

We have developed several initiatives to engage employees in waste reduction efforts. For example, by replacing individual bins with larger communal bins in offices, we are minimising plastic bag use and encouraging better waste separation and recycling. Through our Recycle, Reduce and Reuse action plan, employees are encouraged to reduce plastic use by switching from single-use water bottles to company-provided reusable alternatives.



Goal

By 2030, achieve zero waste certificate for our factories

Encouraging consumer recycling

We want to encourage consumers to dispose of our product packaging responsibly to ensure more materials are recovered for reuse. We package our olive oil in widely recycled materials and include on-pack information about what bottles are made of and how to recycle them.

Our progress

Tackling operational waste

In 2020, the total amount of non-hazardous waste produced in our Alcolea and Tavarnelle facilities increased slightly compared to 2019. However, this was due to the year-on-year growth in olive oil production. Of the waste produced in Alcolea, 88% was sent for recycling.

Non-hazardous waste production in our manufacturing facilities¹ (tons)



What's next

Targeting zero waste

We have set a robust goal to achieve Hacia Residuo 0 (Towards Zero Waste) certification for our Spanish factory by 2023 and our Italian factory by 2025. We are also working towards achieve zero waste certificate for both factories by 2030.

Transforming our packaging

Our approach

Olive oil is particularly sensitive to the degrading effects of light and oxygen. As such, our packaging plays a vital role in reducing product waste. We invest in innovative packaging solutions that keep our products safe and preserve the quality. To ensure our packaging processes comply with Spanish Packaging and Packaging Waste Law, in 2018, we committed to a three-year Corporate Prevention Plan developed by packaging waste manager, Ecoembes.

Incorporating more sustainable materials

We believe our packaging should protect the planet. We are researching ways to reduce the volume and weight of bottles and cans while retaining structural integrity as well as exploring how we can incorporate higher volumes of recycled materials.



Goal

By 2030, reduce the environmental impact of our packaging

Our packaging is primarily in the form of glass bottles, plastic bottles and cans. As well as being fully recyclable, each material brings additional sustainability benefits:

- **glass** is infinitely recyclable and will retain its quality with each reuse. Our dark glass bottles contain approximately 60% recycled material
- **metals** are also infinitely recyclable and reusable. Our tinplate cans contain between 20% and 30% recycled material
- **plastic** use for several of our containers has been reduced, eliminating approximately 11,000kg of plastic.

Our progress

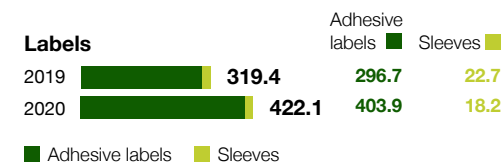
Sourcing materials for product packaging

We keep detailed records of the volume of packaging materials we purchase annually. Our total purchased volume for 2020 represented an approximate increase of 25% compared to 2019, in line with an increase in production volume.

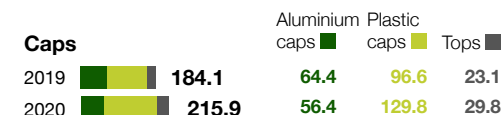
Packaging material purchases in Spain and Italy (millions of units)



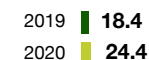
Labels



Caps



Cardboard caps



Total



¹ Alcolea, Spain and Tavarnelle, Italy

What's next

Developing more planet-friendly packaging

100% of our packaging is already widely recyclable and we will continue innovating to find ways to reduce the volume and weight. This, in turn, will translate into reduced material sourcing requirements. By 2030, we want to have reduced the environmental impact of our packaging, with several tactics set to help us get there:

By 2025:

- Deoleo's total PET consumption will include 25% recycled PET
- complete a review of packaging materials to identify opportunities for sustainable improvements
- develop and share our Packaging Protocol with key suppliers.

Taking climate action

Why it matters

Whether through increasing temperatures or more erratic weather events, everyone globally, is witnessing the impacts of climate change. Our business, industry and partner organisations all contribute to the driving factors behind climate change. As such, we believe we have a responsibility to mitigate our effects, safeguarding our business and the planet for the future.

To fully understand the impact climate change is having and continues to have on our business, we are exploring how we can address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in our risk analysis and disclosures. We have aligned this report with the key principles of the TCFD index and will continue to enhance reporting in this area as we develop our processes.



Goal

By 2030, **reduce our own carbon emissions**

Governance

Overseeing climate action

Taking effective action against climate change requires a clear plan and governance structure. Activities are coordinated through an environmental management plan which is continuously evolving to reflect new advice.

Strategy

Mitigating climate change impacts

Our success as a business relies on the ability to maintain a constant supply of high-quality olives. As such, the impacts of climate change on agricultural supply chains, including water scarcity, biodiversity loss and soil degradation, pose a risk to Deoleo as well. We have identified three additional potential climate-related risks to our business: changes in legislation and regulation, increasing energy costs and heightened risks of bacterial outbreak in cooling towers.

We are taking a holistic approach to mitigating the climate change impacts of our business, reducing energy use, achieving zero waste status in our operations and transitioning to more sustainable packaging solutions (page 17). We are committed to reducing our own carbon emissions by 2030. This includes conducting lifecycle assessments in factories to understand the environmental footprint of our "top" products. It also means moving to power 30% of our fleet cars with green energy by 2026, and our factories with 15% renewable energy generated on site by 2030. Even as we address our own emissions, we are using our scale and influence to encourage suppliers to reduce their own environmental impacts by 2030.

Risk management

Managing risks to our business

Risks arising from climate change are identified and monitored as part of our environmental management system. To minimise our contribution to global warming, and thus these risks, we have committed to reducing emissions gradually and constantly. By taking a steady approach to emission reduction, and switching to more renewable energy sources, we can help mitigate associated transition risks to our company.

Our response to physical climate-related risks is guided by the precautionary principle. We apply impact assessment criteria ahead of new projects that could have environmental impacts. Water scarcity is an increasing issue in many regions around the world, putting our raw material supplies at risk. As such, we are reducing water withdrawals year on year and developing processes to maintain the quality of local water sources.

Metrics

Measuring our impact

We take a proactive approach to climate-related risks, regularly monitoring progress to identify areas for continuous improvement. By recording annual energy use, and transitioning to more renewable options, we can reduce both costs and our direct impact on climate change.

Key to reducing our environmental impact is decreasing annual greenhouse gas (GHG) emissions. Between 2019 and 2020, we worked diligently to achieve a 12.8% reduction in Scope 1 (direct) emissions, and a 10.8% reduction in Scope 2 (indirect) emissions. Our Scope 2 reductions were achieved through a change in electricity supplier to one which harnesses greener energy sources. Any nitrogen oxide and sulphur oxide emissions produced were negligible.

Greenhouse gas emissions (tonnes of CO₂ equivalent)²

Scope 1

2019	941
2020	821

Scope 2

2019	3,765
2020	3,359

Total

2019	4,706
2020	4,180

Driving energy transitions

Our approach

Reducing GHG emissions requires a transition in how we power operations, decreasing energy consumption while harnessing alternative, renewable sources. We have established a dual approach for energy consumption, targeting reductions for production processes and the energy requirements of our products and services.

Evolving how we power production

We are always looking for more energy-efficient ways to do things and have set a target to achieve a 6% reduction in thermal energy consumption in production centres. We are also transitioning to more efficient technologies, such as replacing existing lighting in our buildings with LED alternatives. Regular energy consumption audits and viability studies help us build a picture of what we are doing well and what could be more efficient.

While we reduce our energy use, we are also looking to harness more power from renewable sources. In Tavarnelle, Italy, we have installed a solar plant with the capacity to supply 1,000 kWh every month.



² Emission figures apply only to our manufacturing facilities in Alcolea, Spain and Tavarnelle, Italy. The emissions factor used to calculate GHG emissions was as follows: for Scope 1, those established by DEFRA 2020; for Scope 2, those designated by the Ministry of Ecological Transition for 2019.

Reducing our wider energy requirements

We design our packaging with ecodesign principles in mind. This includes taking into consideration the energy required to produce it and, where possible, finding more efficient ways of doing so.

As well as our manufacturing plants, we are committed to ensuring all our global facilities are covered by our environmental management system. Additionally, we encourage shared corporate transportation to reduce emissions related to employee commutes.

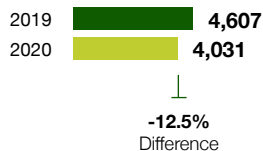
Our progress

Targeting continuous reductions

By always seeking out areas for improvement, we continued to progress against our energy objectives throughout 2020.

Annual energy consumption in manufacturing facilities³ (MWh)

Natural gas MWh I



Electricity MWh



What's next

Powering operations renewably

As we move forward with our sustainability strategy, we will identify increasingly efficient and renewable ways to power our operations.

We have also set a target that by 2030, our factories will be powered by 15% renewable energy generated on-site. Going further, by 2026, 30% of vehicles in our company fleet will be powered with green energy.

Water stewardship

Our approach

As the impacts of climate change become increasingly apparent, so too, will the risk of water scarcity. We seek increasingly innovative ways to reduce water use including, where possible, reusing what we withdraw.

Even as we reduce withdrawals, we want to ensure wastewater is returned to the source as clean and clear of contaminants as possible.

Two strategies support our efforts:

- **prevention** – reduce consumption, volume and pollutant load in both the field and oil mills
- **correction** – preserve water quality by transforming potentially water-polluting operations, including introducing purification processes and fat decantation.

In Alcolea, we have installed a purification system which uses both physical and chemical treatments to remove pollutants from water for discharge.

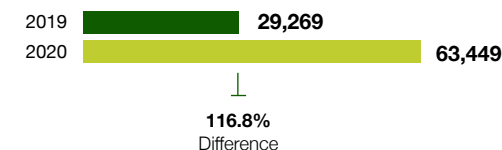
Our progress

Monitoring water use

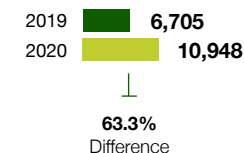
During 2020, we observed a 116.8% increase in manufacturing water use. This was, in part, due to a 29.5% increase in olive oil production. Enhanced cleaning of facilities throughout the pandemic also contributed. Finally, a break in the pipe system in Alcolea resulted in a difficult-to-locate leak and temporarily increased water consumption.

Water consumption in our manufacturing facilities³ (m³)

Water consumption



Discharge of purified wastewater



³ Alcolea, Spain and Tavarnelle, Italy.



Caring for you

We want the best – for those who make our products and those who enjoy them. Healthy, balanced lives enhanced by Deoleo's commitment of care. By communicating clearly and educating where we can, we enable everyone to make the best choices.

Our employees are passionate about olive oil and we support them to express this passion, developing their skills to reach their full potential at Deoleo. By promoting diversity, equality and inclusion throughout our global workforce, we are offering a platform for varied perspectives to be heard, respected and incorporated into our business success.

We believe in the health benefits of olive oil and want to use our scale and reach to support the health and well-being of people around the world. We do this, not only by delivering high-quality olive oil, but also by sharing the science behind olive oil benefits.

Our ambition

By 2030, reach 150 million people, educating them to improve everyday home cooking and the benefits of olive oil

2020 highlights

2,394 hours of health and safety training provided at our Spanish head office

Gender-pay gap reduced to 1.92%

Six researchers awarded scholarships to further olive oil nutrition science

Our work supports UN Sustainable Development Goals 2, 3, 5, 8, 10 and 17.



- 23 Enabling nutrition and good health
- 24 Responsible marketing and labelling
- 25 Keeping our people safe and healthy
- 26 Respecting and supporting a diverse workforce



Enabling nutrition and good health

Why it matters

We care about our consumers' health and know when it comes to nutritional values, not all edible fats and oils are equal. From reducing the risk of heart disease to helping prevent diabetes, the benefits of olive oil are well documented, and we are strong advocates for its inclusion in healthy lifestyles. As a global business, we believe we are well-positioned to advance the health and nutrition of millions.

The benefits of olive oil

Improved memory and cognition; protects against Alzheimer's disease¹

Prevent wrinkles and skin issues like xerosis and pruritis²

Reduces cardiovascular disease and coronary heart disease risks⁵

Contributes to maintaining normal cholesterol levels³

Helps prevent and manage type 2 diabetes⁴



Goal

By 2030, reach 150 million people, educating them to improve everyday home cooking and the benefits of olive oil.

Our approach

Educating consumers on the benefits of olive oil

By 2030, we aspire to reach 150 million people, educating them to improve everyday home cooking and the benefits of olive oil. We will achieve this through increasing consumer communications about our quality processes, nutrition and how to use olive oil. We are working towards supporting more awarding bodies that focus on health benefits and will feature awards our products have won more prominently on packaging.

Building understanding through research

We support scientific research into olive oil nutrition through the Istituto Nutrizionale Carapelli (Carapelli Institute of Nutrition). The institute is an Italy-based non-profit foundation financed by Deoleo. It aims to increase understanding of the qualities, benefits and cultural significance of olive oil and is currently conducting research in two main areas: technological and analytical innovation in production and the nutrition and health benefits of olive oil.

Our progress

Exploring the link between olive oil and well-being

Throughout 2020, we spent €20,000 in product research and development,

100% of which went towards exploring the health impacts of olive oil. We funded a project by the Istituto Nutrizionale Carapelli to explore the mechanisms by which components of extra virgin olive oil act on organs and metabolic reactions in the human body. This innovative research is the first to look beyond the benefits of olive oil to the mechanisms through which the body accesses these benefits.

Supporting the next generation of innovators

The Istituto Nutrizionale Carapelli awarded scholarships to six individuals under the age of 35 in 2020, incentivising them to continue their career paths to become olive oil scientists. They were presented at the inaugural international training congress on extra virgin olive oil in Bari, Italy, which brought together global experts in olive oil with knowledge to create an international network of dedicated young researchers.

What's next

Expanding our understanding

Even as we enhance our understanding of the healthy benefits of olive oil, we will begin researching the potential to use by-products of olive oil production in new products. This way, not only can we reduce operational waste (read more on page 17, we can also harness the full nutritional value of olives.

¹ Source: Aging Cell - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6974729/>

² Source: Olives and Olive Oil in Health and Disease prevention - <https://www.sciencedirect.com/science/article/pii/B9780128195284000328>

³ Source: Nutrients - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6723782/>

⁴ Source: Nutrition and Diabetes - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5436092/>

⁵ Source: American College of Cardiology - <https://www.acc.org/latest-in-cardiology/journal-scans/2020/03/05/11/29/olive-oil-consumption-and-cardiovascular>

Responsible marketing and labelling

Why it matters

Consumers want to make informed decisions about what they eat, confident that the products they buy will complement their lifestyle. Ensuring ingredient lists are clear and nutritional information is comprehensive is critical to building an honest company that is inclusive and accessible to all. By using accurate and transparent language in our marketing and labelling, we ensure our messaging empowers consumers to make the best choices for them.

Our approach

Regulating our label information

The information on our labels is internally validated by a highly qualified, multidisciplinary team. An in-house labelling guide and checklist helps the team cross-check the information contained on our labels with the latest industry regulations. This includes displaying GDAs, where required by local or national legislation.

Final approval of our labels is provided through a D-sign platform, which also stores a record of all previous review and approval processes. In 2020, four instances of label non-compliance were detected worldwide, with measures implemented to rectify the issues and prevent future occurrences.

Marketing products responsibly

We approach marketing as an extension of our corporate responsibility and run all new materials past our internal legal and regulatory department for validation. We also seek partnerships to support our efforts. We hold a full membership with AUTOCONTROL, drawing on their expertise in advertising and media to ensure our Spanish product marketing aligns with industry advertising ethics. Thanks to our ongoing commitment in this area, we are proud to have been awarded a certificate of Corporate Social Responsibility by the organisation.

Marketing materials in our Mexican markets are checked by external organisation, SGR, while the Autorité de Régulation Professionnelle de la Publicité (ARPP) performs similar regulatory checks of our communications in France. Throughout 2020, no incidents of non-compliance in our global marketing were identified.

What's next

Upholding the highest communication standards

As we continue to evolve our communication practices, we will aim to help consumers make well-informed decisions with marketing

and labelling which is honest and transparent to support the benefits of cooking with olive oil. This includes ensuring all our product labels meet relevant GDA requirements, our communications pass internal compliance standards and our television marketing is externally validated for compliance.



Keeping our people safe and healthy

Our approach

Employee safety is paramount, and we are developing supportive workspaces and robust protocols that ensure everyone is protected. Throughout the COVID-19 crisis, this has been more important than ever.

Meeting global safety standards

With operations across the globe, we have a responsibility to ensure adherence to relevant national and international safety standards. We have also created an internal global health and safety policy and regional occupational prevention plans, both of which are openly available to employees. In Spain, a dedicated committee of management and employee representatives oversees on-site safety. Additionally, all new hires are provided health and safety regulation training, with annual refresher training issued to all employees.

Keeping everyone safe during COVID-19

As a food producer and thus an essential business, Deoleo remained open throughout the pandemic. As such, we have had to evolve how we operate, balancing production requirements with employee well-being. Teaming up with occupational risk prevention consultants, Quironprevención, we developed adaptive protocols that kept everyone safe amid evolving recommendations. We expanded existing flexible working policies, encouraging remote working where possible. In our Spanish head office, as well as locations across Italy, this applied to all employees between March and September 2020 before transitioning to part-time remote working as national restrictions eased.

To mitigate risks for employees that remained working on-site, we developed staggered shift patterns, limiting the number of employees in facilities at any one time. We supplied personal protection equipment (PPE) and ensured communal areas were regularly disinfected. Testing and tracking protocols helped minimise the spread of the virus while new training was launched on staying safe and prioritising mental well-being.

Caring for employees at work and home

Striking the right balance between work and personal life is critical to mental well-being. In our Rivas-Vaciamadrid offices in Spain, we offer employees the flexibility they need to do their job while addressing everyday responsibilities. This includes paid leave due to illness and death of close relatives as well as leave to attend medical appointments. Single parents, those with sole custody of children and employees who are carers are offered flexible working hours.

Our performance

Prioritising health, safety and wellbeing, always

We are proud to have maintained a low accident rate year on year, with only three accidents reported in Spain in 2020 (2019: 3) and one in Italy (2019: 1). Additionally, zero fatalities were recorded in any of our facilities, globally.

Throughout 2020, across Spain and Italy, we provided 2,431 hours of refresher health and safety training to employees. In Italy, every new starter received approximately 10 hours of introductory safety training.



We are proud of our low accident rate, year-on-year.

We launched various initiatives to support employee mental health. These were developed on a site-by-site basis, tailored to address unique requirements in each country. In recognition of our efforts, we were awarded SGS certification for our COVID-19 Infection Prevention and Control Protocol across Spain and Italy. Additionally, throughout 2020, we harnessed various communication technologies to ensure everyone, globally, still felt connected to the company and one another while working remotely.

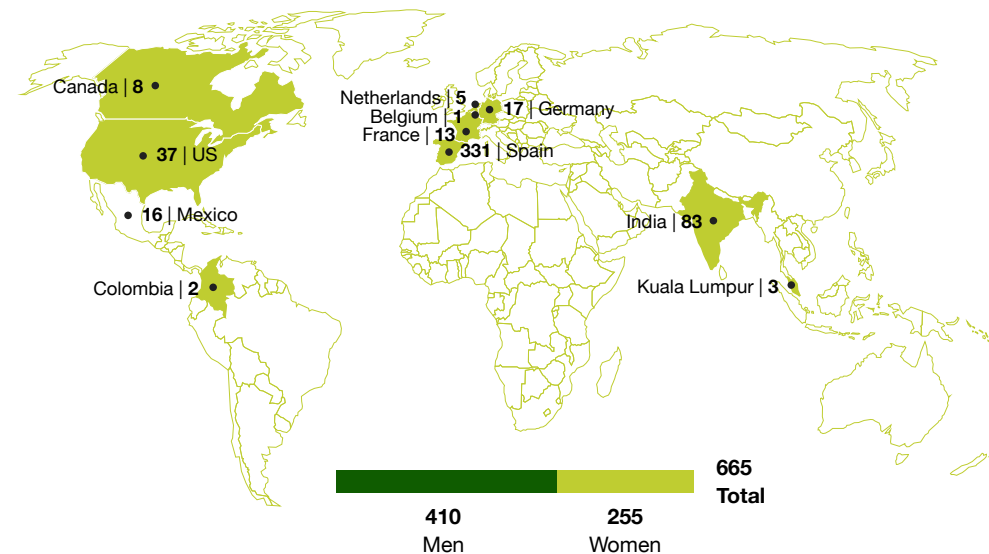
Respecting and supporting a diverse workforce

Why it matters

We are a global business and believe our workforce should reflect the communities where we live and work. Our people are passionate about olive oil and nurturing this dedication and excitement is key to Deoleo's success.

Our employee value proposition is how we attract and retain the best industry talent. We know drawing on the experiences of people from different walks of life can unlock innovative solutions and product developments. Creating memorable employee experiences, where people are empowered to bring new ideas to the table, is how we safeguard the future of our business.

Number of employees globally



Our approach

Our people management policies

We have established several principles which inform the evolution of our people management policies.

- Selection and recruitment based on equal opportunity principles
- Promotion and mobility based on objective criteria
- Reconciliation of personal and working life so people can develop to their full potential
- Safe and healthy working environment
- Human Resources processes based on respect for personal rights, freedom of association and recognition of the right to collective bargaining
- Creation of an inclusive culture

Creating safe, supportive workspaces

We want everyone to feel safe at work and maintain protocols to combat discrimination or harassment of any kind. Our Code of Conduct outlines our zero-tolerance policy for discrimination related to gender, race, ideology, religion, culture, nationality, marital status, age, sexual orientation or any other aspect. A whistleblowing channel allows employees to report grievances and instances of harassment.

Our Diversity Charter Certificate

Our stance on observing equal opportunities and anti-discrimination laws is formalised through our Diversity Charter Certificate. It details how we promote diversity, including:

- raising awareness of the principles of equal opportunities and respect for diversity
- making headway in building a diverse workforce
- promoting inclusion
- including diversity in our HR policies
- fostering a good work-life balance
- recognising diversity in customers, suppliers and business partners
- conveying these commitments and instilling them in all stakeholders.

Supporting people of varying abilities

Our facilities in Spain, Italy, India and the US, which account for 90% of our workforce, meet legal requirements for hiring people with disabilities. In pursuit of creating a more inclusive industry, we also actively seek to work with organisations that hire people of different abilities.

Closing the pay gap

We are dedicated to ensuring fair remuneration for employment. As standard, we offer an entry salary for all employees that is above national minimum wage, or the minimum as set by applicable collective agreements. In countries where salaries are defined through collective agreements, we offer a base salary for all positions within the same job category which is decided solely on seniority or performance.

Offering opportunities to grow

We value everyone at Deoleo – we show this by nurturing their careers and designing fulfilling employee experiences. This means providing equal opportunities for development. It also means offering several contract types, including permanent and temporary positions and student internships, to meet employees' varying needs and reach a wider pool of potential talent.

Training is provided throughout the year, including company-wide resources like language classes and department-specific opportunities to help members of various teams perform their role to their fullest potential. An internal appraisal process, launched in 2020, helps us continuously gather feedback on these resources, quickly identifying areas for development or openings to offer new educational materials.

Our progress

The make-up of our workforce

Our global workforce has grown year-on-year. At the end of 2020, we had a global workforce of 665 people. Of these, 91% were permanent employees and 37% were women. Across our Spanish and Italian facilities, four employees identified as disabled (2019: five). Despite complexities in the recruitment process resulting from the pandemic, we were pleased that 30.15% of 2020 vacancies were filled by promoting internally.

The 2018/2019 global gender pay gap was estimated to be approximately 20% [International Labour Organization](#). We are proud that, through dedicated efforts, we have reduced Deoleo's gender gap in salaries to just 1.92%.

Bringing training online

Amid travel restrictions, we reacted quickly to bring training online, offering 90% of courses digitally (2019: 25%). We invested significant resources to ensure this switch was as seamless as possible. Webinars allowed us to share information with employees globally, including tips on increasing work productivity. We launched an online 'Mini MBA Marketing' programme for marketing teams, while our internal auditing team attended virtual classes to become certified as Food Safety Management System Auditors.

By the end of 2020, we had delivered 14,833 hours of instruction (2019: 12,844). Administrative staff alone collectively completed 5,294 hours. For employees whose role required on-site working, we saw a reduction from 1,077 hours to 570 with staggered shift patterns making in-person sessions impractical (read more on page 25).

We are always looking to empower women at Deoleo. In 2020, we were encouraged to see that, while women represent 37% of our global workforce, they accounted for 45% of training actions taken. To advance this trend, we participated in the PROGRESA project to support the promotion of women to higher responsibility positions through skills training.

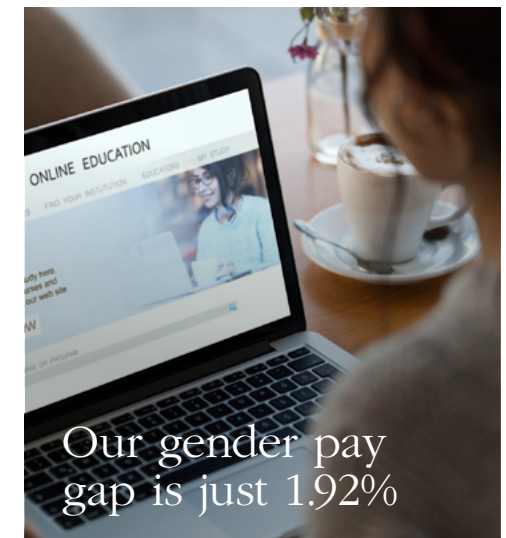
What's next

Building a more diverse business

We have set an official goal to maintain a diverse workforce. To achieve this, we will focus on maintaining at least 40% women across our global workforce, and 45% in non-industrial roles. We will also ensure people with disabilities comprise 2% of our workforce by 2026.

To maintain continuous evolution of our employee value proposition, we have also established a goal to improve the employee value proposition with training and career development opportunities by 2030. To achieve this we have set several targets:

- by 2025, provide DEI training for 100% of employees
- by 2026, 100% of industrial employees to receive training for career development
- by 2026, 100% of non-industrial employees to receive training for career development.



Our gender pay gap is just 1.92%



Responsible business

Underpinning everything we do is a dedication to being a responsible business and doing things in an honest and ethical manner. It's how we ensure Deoleo continues to harness the caring power of olive oil for generations to come.

As a global business, we have a duty to raise the bar for our industry, implementing sustainable practices throughout the value chain and maintaining an accountable and inclusive governance structure. At the same time, by acting with integrity, upholding ethical business standards and protecting human rights, we can ensure our reputation as a responsible, honest and trustworthy company.

2020 highlights

Received a score of 70 from EcoVadis for labour and human rights in 2021

Received an overall score in the top 5% of companies assessed by EcoVadis worldwide

Our procurement process ensures 100% of purchases are sourced from accredited suppliers

Our work supports UN Sustainable Development goal 8.



- 29 Accountable and inclusive governance
- 30 Business ethics
- 31 Human rights, risks, monitoring and grievances

Accountable and inclusive governance

Why it matters

Businesses have a responsibility to operate in ways that are respectful of all people and do not leave a negative imprint on the environment. Having a robust, accountable and inclusive governance structure is essential to achieving this. This same structure is important for driving long-term internal progress in developing a more sustainable business and remaining accountable for actions.

Our approach

Our governance structure

Board of Directors

CEO and President

Audit and Control
Committee

Appointments and
Compensation
Committee

Our governance structure and overarching leadership strategy are what guide us to remain transparent and on track to achieve our goals. To ensure we have the very best leadership, we regularly review our Board of Directors,

monitoring training, pay and the inclusion of independent board members. We also evaluate how the Board engages with external stakeholders and experts to ensure everyone respects and upholds Deoleo's values.

The responsibility of our Board

Our Board of Directors is responsible for approving our Corporate Social Responsibility (CSR) strategy and supervising progress against it. A dedicated Nomination and Remuneration Committee is accountable for the supervision, coordination and monitoring of all CSR policy-related activities. It is the responsibility of all Deoleo Group employees to implement these activities into their day-to-day work.

Our progress

Encouraging company-wide compliance

Deoleo created an internal CSR policy in 2018, outlining the basic principles and general framework we have established to manage social responsibility practices. Since then, we have worked to ensure it is complied with in all regions where we operate and by all employees. A main objective of the policy is to promote the honest conduct of our people, including external stakeholders, fostering ethical behaviour in alignment with the Universal Declaration of Human Rights. The document is available for all our employees to view on our company intranet.



Business ethics

Why it matters

Following ethical business practices is important in protecting the right to operate. It is also key to maintaining consumer trust and strong supplier partnerships. By upholding robust ethical standards throughout the value chain, we can safeguard Deoleo's reputation as a responsible, honest business.

Our approach

Our Code of Conduct and Ethics Channel

Our Code of Conduct ensures all business activities align with our corporate values of honesty and responsibility, enjoyment and passion, leadership and courage, and adaptability and consistency. To guarantee employees feel confident upholding ethical practices, we created a dedicated Ethics Channel: a digital platform where they can confidentially report instances of non-compliance.

Safeguarding against corruption

We do not tolerate instances of bribery and corruption and have introduced preventative tools to avoid corruption risks in interactions with third parties. Our anti-corruption policy establishes our mandatory guidelines.

We take decisive action to prevent money laundering and other criminal practices, outlining our stance on gifts and courtesies, ethical recruitment and supplier selection in the Code. A compliance verification programme, which all Deoleo employees must follow, mitigates corruption risks and details best practices for acting with integrity.

Developing an ethical supply chain

By the end of 2020, Deoleo worked directly with over 400 raw material suppliers, co-packers and packaging suppliers. All our partners must adhere to the same robust social and environmental standards we follow internally, as outlined in our [Code of Conduct for Suppliers](#).

Before working with companies, they undergo a detailed review to ensure alignment with our requirements. Since 2017, this evaluation has involved a questionnaire on environmental criteria. Once selected, suppliers undergo regular performance assessments to confirm ongoing compliance.

Protecting personal data

In September 2020, we established the Data Protection Body, an internal team of employees from legal and IT, to act as the point of contact for matters related to personal data protection. Our Privacy Manual and Registry of Personal Data Activities are internal guides, available to all employees, on complying with relevant regulations.

Our progress

Advancing corporate social responsibility with EcoVadis

We enlisted the help of leading global ESG rating agency, EcoVadis, to analyse our corporate social responsibility and sustainable procurement performance. A scorecard detailed activities across four categories: environment, labour and human rights, ethics and sustainable procurement. We were proud to achieve an overall score of 67, placing us in the top 5% of companies rated.



What's next

Engaging employees in ethical business practices

We offer periodic training on the Code and, in 2020, this was delivered to 6% of our global workforce. Approximately 13% of employees also received training in anti-corruption and anti-bribery practices, constituting 100% of people whose role exposed them to potential corruption risks. By 2022, we aim to have trained 100% of employees on our code of ethics, with a goal to ensure all employees receive training on it annually.

We will increase cybersecurity resilience across our business supply chain by 2022. We will train 100% of data management managers on information security and 100% of employees on cybersecurity, with cybersecurity training to be included in the global employee onboarding process. We will also survey 100% of suppliers for cyber risk analyses.

Human rights risks, monitoring and grievances

Why it matters

Acting with integrity is foundational to being a trusted business. Consumers want to support companies that set ethical and responsible standards and align their actions with them. Treating people with the utmost respect is a key part of this. By safeguarding human rights throughout our impact journey, we can create a more stable, more sustainable business.

Our approach

How we protect human rights

Our Code of Conduct clearly details our expectations for the respect of human rights, both in our direct operations and throughout our wider impact journey. We have publicly endorsed the United Nations Global Compact (UNGC), indicating our support for global alignment on principles related to human rights, labour, environment and anti-corruption. We are now looking to endorse organisations such as the Diversity Charter to further highlight our commitment.

Human rights in our operations

To ensure our standards are upheld throughout our operations, we must first make sure employees understand what is expected of them. Our aim is to provide assistance across the company to safeguard the rights of our people and achieve a society free from human rights abuses. To monitor in-house grievances, we have a specific whistleblowing channel through which employees can place complaints and alert us to any concerns.

Learn how we protect our employees from harassment on page 26.

Human rights in our supply chain

Our ethical procurement practices allow us to monitor human rights risks across our supply chain. Before entering into a partnership with Deoleo, suppliers undergo an accreditation process. As well as detailing the environmental, quality and safety standards we expect, through the process we gather information on potential suppliers' existing measures to protect human rights. If selected to work with Deoleo, suppliers must further comply with our own policies and standards.

Read more about our accreditation process on page 12.

Our progress

Maintaining standards throughout Deoleo

Throughout 2020, we received no reports of harassment through our Ethics Channel. Additionally, we are pleased that the Deoleo Group reported full compliance with all relevant human rights policies.



Get in touch

Preparing this report offers a valuable opportunity for us to assess and improve upon our progress and performance. To continue to do so, we need your feedback.

Email us at communications@deoleo.com

www.deoleo.com