

2021 Sustainability Overview

Committed for good

**We are committed to nature for good:
to preserve and protect it,
developing sustainable ways of production,
respecting its time and seasons.**

**We are committed to people for good:
to help them thrive and grow,
through education and equal opportunities
with the taste of good food from farm-to-fork.**

**We are committed to the future for good:
embracing the 150 years old legacy of Alfredo da Silva,
who was a visionary, passionate about industry
and innovation, and the greatest Portuguese
entrepreneur of his time, dedicated to creating
a better world, by acting local..**

**Therefore, having our history always present
and our eye set on the future, we work every day
so humans and nature can be there for one another,
for generations to come. and therefore
we are committed.**

Committed for good



JORGE DE MELO
Sovena CEO

Message from the CEO

One year after the start of the new strategic cycle on sustainability, our commitment Feeding Futures for a planet that prospers and for people that thrive is felt by everyone one of us. With the celebration of the 150 years of the birth of Alfredo da Silva it gained an even deeper responsibility, impelling us to keep working for a sustainable future.

Being a responsible company is a permanent mission enhanced by the current background of challenges for business and people. We face the pressures in supply chains, the effects of climate change and biodiversity loss, the urgency of energy transition and local development, the dynamics of deserted and depopulated territories, and the necessary effort to build trust in our foods and diverse diets.

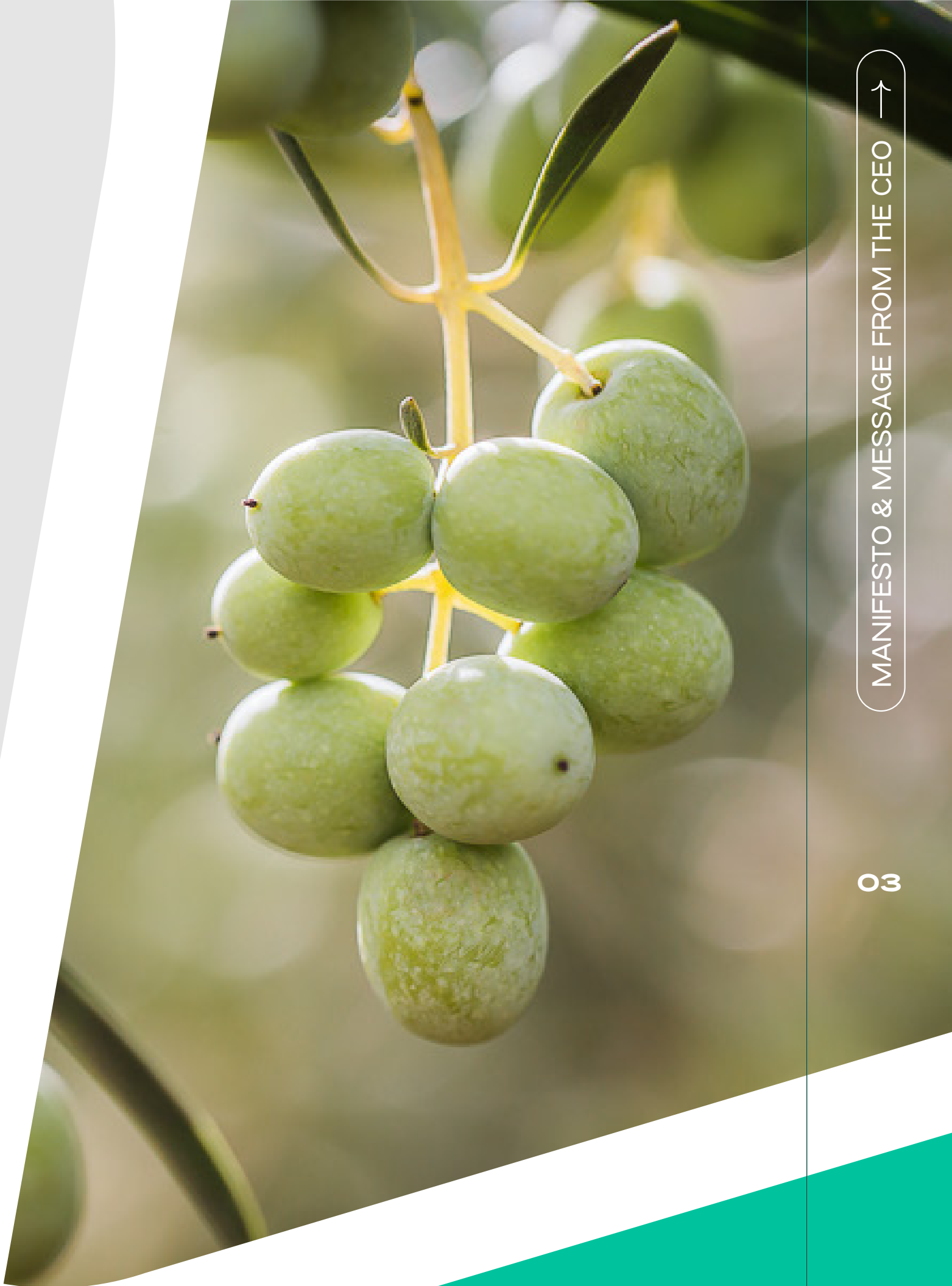
A Thank you note to all those in our network that help us take our commitment further and have shared their reflections in this document. To those that every day, with unsurpassed effort and strong commitment, make another 150 years possible, my deepest gratitude.

Sustainability for good

Leading family-owned company,
committed to the future of food
across the world

→ We develop and supply
olive oil and seed oils.

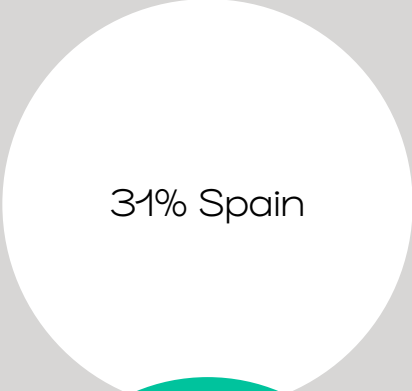
🔍 Discover more about the [company's history](#) and about the [company's beliefs and values](#).



+ 1,100
Employees



+ 2,000
Clients



€1,293

Million turnover (net sales)

+70

countries among destination markets

7,100 ha

of olive groves
(Portugal and Morocco)

240 ha

Almond

11,122 ha

Oilseeds
(Portugal and Argentina)



8 Industrial
Units



4 Mills



45%
Olive Oil



36%
Cooking oils



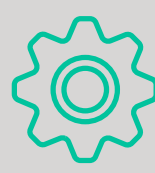
4%
Blends



5%
Biodiesel



6%
By-products
(flours and others)



2%
Services
(façons and port activities)



1%
Other products
(table olives, vinegars, etc)

Proportion of turnover
per type of product

We develop strong and leading brands, each one giving life to one purpose: Feeding Futures.

Discover more about [Sovena brands](#).

We export to over 70 countries across five continents and have direct operations in ten countries.

Discover more about [company's production indicators](#) in each country.

Transformations for good

Our vision: Committed for good

FEEDING FUTURES

Our vision for sustainability is linked to our understanding about the future of food consumption. That is why our contribution is based on the principle of feeding people and the planet in a sustainable way. More than addressing and minimising negative impacts of our activities and ensuring the highest standards of Quality and Food Safety, we are committed to generating positive impacts and consistent

overall improvements in our value chain. For that, we designed the sustainability strategy **Feeding futures for a planet that prospers and for people that thrive.**

To ensure the success of our strategy we rely on three key enablers: the highest **QUALITY** and **FOOD SAFETY** standards and a strong **INNOVATION** and **DEVELOPMENT** culture.

For a planet that prospers		For people that thrive		
Produce food in a sustainable way	Process efficiently, in a low carbon and circular way	Foster employee's development and connection	Engage and energize the local ecosystem	Encourage informed food choices and diverse diets
QUALITY	FOOD SAFETY	INNOVATION AND DEVELOPMENT		



We are engaged in contributing with our strategy and action plan, to the [United Nations Sustainable Development Goals](#), specially those aligned with our strategy and to which we contribute more strongly with our actions.



Discover more about the latest materiality assessment that informed our new strategy .

Actions for good

Our progress and achievements

Despite the pandemic context, 2021 was a very rewarding year as we managed to give back to nature and the community, creating new measures, implementing actions, and innovating in every possible way to be more sustainable.

For our strategy Feeding futures for a planet that prospers and for people that thrive, we designed goals for each commitment for a three-year period (2020-2023). In the next pages we will show the progress and main achievements in each pillar for 2021.

- 1

Produce food in a sustainable way
- 2

Process in an efficient, low carbon and circular way
- 3

Foster employees' development and connection
- 4

Engage and energize the local ecosystem
- 5

Encourage informed food choices and diverse diets



We are committed



Led by Ellen MacArthur Foundation, in collaboration with the UN Environment Programme, the [Global Commitment](#) has united more than 500 organisations behind a common vision of a circular economy for plastics.



An initiative promoted by BCSD Portugal, within the scope of [act4nature](#) international, with the aim of mobilizing companies to protect, promote and restore biodiversity.



[Water Management Pact](#) is an initiative dedicated to place the topic of water at the centre of the Portuguese national agenda. The partner entities commit to the adoption of more sustainable measures for a more efficient management of water.



[Rumo à COP26](#) is a Manifesto signed by a group of Portuguese companies, promoted by BCSD Portugal, to declare the ambition to contribute to a sustainable development model.



[Unidos Contra o Desperdício](#) is a movement that aims to draw attention to food waste and find a way to reduce it.

Produce food in a sustainable way

Food production is dependent on the ecosystem and its biodiversity, as well as soil health and water availability, and needs to be accessible to a growing population in a safe, nutritious, and sustainable way.

Our commitments



Contribute to sustainable food production, maintaining soil health, preserving water and biodiversity



Collaborate with our suppliers to ensure sustainable purchasing

Our targets and progression

ACTIONS	KPIs	TARGET 2021	ACHIEVED 2021	TARGET 2022	TARGET 2023
Define and implement the Natural Values Management Plan on the farms (2023-25)	Development of the Natural Values Management Plan	30%	20%	60%	100%
Adopt and implement measures in EDIA's "Guide to Good Agro-Environmental Practices"	% of the area that complies with at least 50% of the applicable measures	20%	27%	40%	60%
Sourcing policy endorsement	% suppliers that endorse the Purchasing policy	50%	44%	90%	100%
Increase the amount of FSC-certified materials purchased	% FSC-certified cardboard boxes Baseline year: 2020	40%	71%	50%	55%

Progress highlights



282 ha

Olive groves converted to organic production mode



900 ha

Dedicated to nature conservation



458

local olive oil suppliers
90 in Portugal and 368 in Spain



96%

local employment in agriculture production

Since the end of 2021, all farms in Portugal, including productive and conservation areas, are being studied under a Natural Values Management Plan, as a way to improve all natural values: biodiversity, ecosystem services, endangered species, rare or threatened ecosystems and conservation areas.022, including an opportunity for public discussion.

We started the **Farm Sustainability Assessment** in our farms to evaluate and improve the environmental, economic and social aspects of our business.

We introduced a **ultraprecision irrigation system** to reduce water usage together with a weekly irrigation plan adjusted every five days using meteorological and moisture data.

To scan for **pesticide residues**, we placed bees in an integrated-production olive grove. No contaminants were found in the honey they produced.

In partnering with other organisations, we are developing several tests to evaluate the benefits for biodiversity of having a **biodiverse meadow** between olive rows.

Our new Sovena [Sourcing and Purchasing Policy](#) and our [Code of Ethics and Conduct](#) is being applied to all renewed or new contracts with suppliers.

According to our principles of inclusiveness and flexibility, we work with large and small suppliers, seeking **fair price conditions** and a minimum of price evolution volatility.





Process in an efficient, low carbon and circular way

The use of less and cleaner energy, of less and more circular materials and water play a key role in enabling a sustainable food system and the necessary energy transition.

Our commitments

 Reduce the ecological footprint of our activity, through efficiency in the use of natural resources, energy transition and reduction of GHG emissions, promoting the circularity of our by-products and packaging.

Our targets and progression

ACTIONS	KPIs	TARGET 2021	ACHIEVED 2021	TARGET 2022	TARGET 2023
Define a plan to guarantee scope 1 and 2 emissions reduction	GHG emissions (tonnes) scope 1 and 2	85,000	79,331	70,000	60,000
Electricity supply agreement renegotiation + expansion of solar panels installation in our plants	% electricity consumed from renewable sources (purchased and produced)	55%	55%	80%	100%
Incorporation of recycled PET in packaging (Sovena brands*)	% of recycled PET into packaging	30%	19%	40%	50%

* Sovena main brands comprehend olive oil and vegetable oils main brands (Oliveira da Serra, Fula and Andorinha) in the Portuguese, Spanish and Brazilian markets



Progress highlights



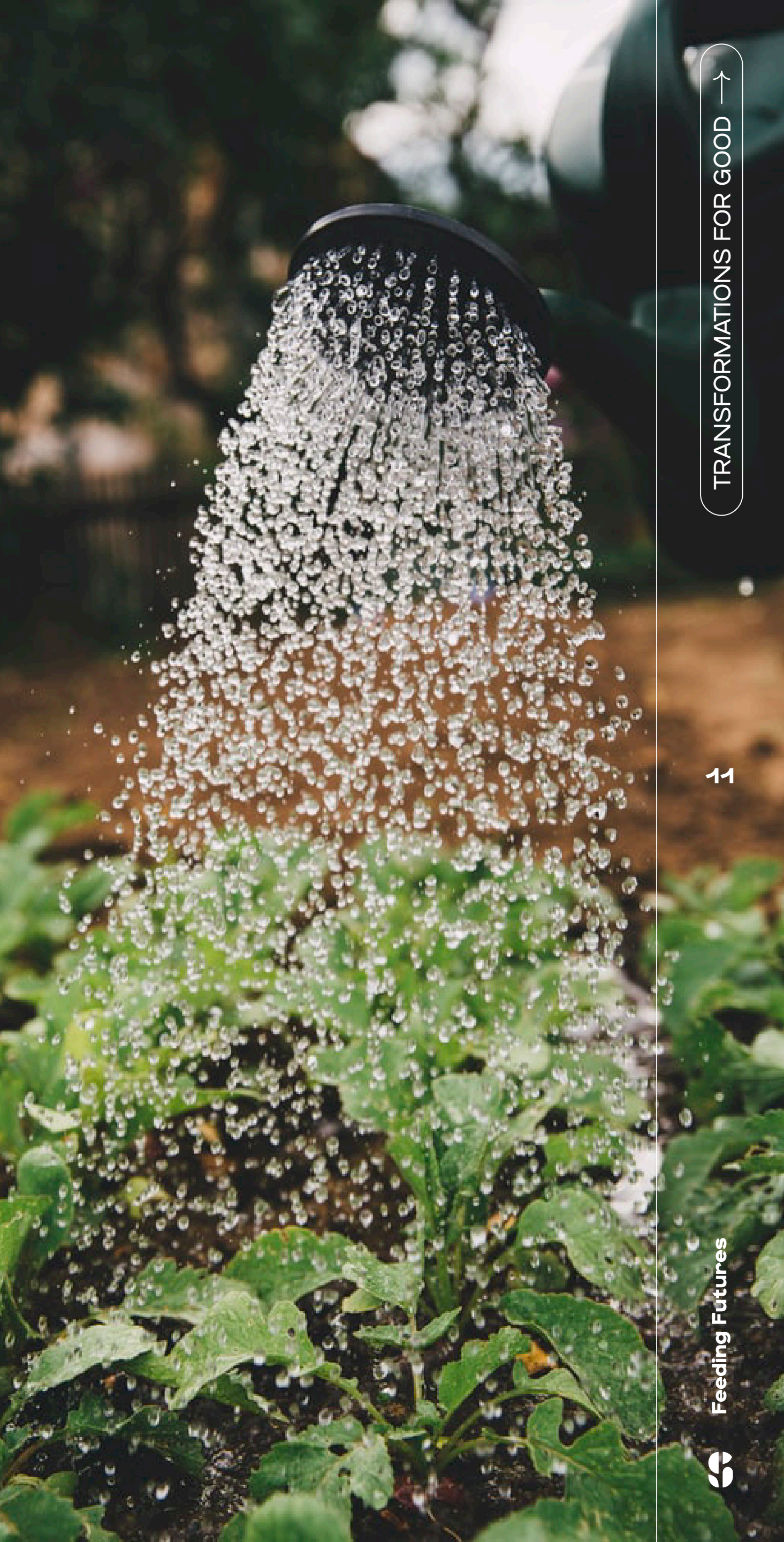
For the transition to renewable energy, we equipped the Brenes and the Barreiro factories with **photovoltaic panels** that are expected to cover about 15% and 17% of the total electricity consumption, respectively.

To improve our **circular performance**, we applied the Circular Transition Indicators framework (developed by WBCSD) to Fula sunflower oil. It demonstrated a high level of global circularity (92%) through our industrial production process and the use of renewable raw materials. The main point for improvement is related the low recycling rates of used cooking oil, which asks for a higher consumer awareness. For that, we are using the back labels and the FULA website for communication actions, among others.

In our Barreiro factory, we improved the **waste water quality** through grease separators and in our Andújar factory we **reduced our water discharges** to 15%, through the reuse of the rejected water from the reverse osmosis plant.

Several models of bottles were redesigned to reduce the amount of plastic, achieving a cut of 10 tonnes. To meet the goal of reducing the consumption of virgin plastic, Sovena replaced 307 tons of virgin plastic (PET) by recycled (rPET) in its packaging.

We were also able to **reduce the pigments** used in bottles, caps or labels **and the number of inks** used in labels, namely through the halftone technique.



Foster employees' development and connection

Our People take Sovena further and their everyday commitment is key. We are addressing our Peoples' expectations, by listen more and reinforcing internal communication, by investing in development of current and new skills, as well as the promotion of internal wellbeing and engagement.

Our commitments



Guarantee the development and wellbeing of our employees, promoting inclusion and diversity

Our targets and progression

ACTIONS	KPIs	TARGET 2021	ACHIEVED 2021	TARGET 2022	TARGET 2023
Development and training of our people with an increase in the total number of training hours	% of increase in the total number of training hours	5%	145% *	10%	15%
EFR Certification (Empresas Familiarmente Responsáveis) - work life balance	Certification for Portugal (pilot)		Launched and progressing as planned	100%	
Employee Assistant Programme (social and psychologic support)	% of employees with access to the programme	70%	54%	90%	100%

*The significant increase was especially due to a strong reinforcement of the internal structure dedicated to Development that allowed the implementation of the plan that followed the feedback received in the Culture Survey.

Progress highlights



1,100

Employees participated in the Sovena Get in Touch sessions



14,500

Total number of training hours in 2021



600

Training hours dedicated to Innovation Thinking

Our People & Culture plan for 2021 includes **Sovena Get in Touch**, an internal communication initiative to deepen the knowledge in the different business units, through improving communication, collaboration, and team spirit while at the same time enhancing internal efficiency. In 2021, this monthly program of one-hour sessions was opened to all geographies and held a total of eight sessions with 1,100 participants.

Following the results of the our climate study Sovena Culture 2020, we started an Action Plan focusing on four major areas: Internal Communication, Internal Efficiency, Motivation, and Culture.

Reinforcing our commitment with the **training and development** of our people, we carried out 2,600 hours of language training, 3,000 hours of computer skills development, 600 hours of innovation training. We created the Growing

Future Leaders, a development program in partnership with the San Telmo Business School, for 41 of our managers to improve their management and leadership skills..

Two of our manufacturing units underwent **SMETA** social audits, Sedex's social auditing methodology, a **social compliance audit** directed at driving improvements in ethical and responsible business practices in the supply chains.

The **Employee Assistance Program**, that provides access to emotional and psychosocial support, started in Portugal in 2020, and has now been expanded to the United States of America. Its extension to other geographies is under consideration.

The preparation for the efr Certification represents an unique opportunity to diagnose and systematize our people management and to develop a work-life balance management model.



Engage and energize the local ecosystem

Communities encompass the people who live in the rural areas where we carry out our agricultural activity, the people who live around our factories, our customers, and consumers. It is by giving back to all of them, helping to address their concerns, that we improve their wellbeing and autonomy, as well as local resilience.

Our commitments




Promote initiatives and support projects that foster the local dynamic of the places where Sovena operates

Our targets and progression

ACTIONS	KPIs	TARGET 2021	ACHIEVED 2021	TARGET 2022	TARGET 2023
Promote and develop Social Innovation Projects in rural areas (Portugal + Spain)	Number of municipalities covered	2	2	3	4
Finance the acceleration of social innovation projects (that foster food security and accessibility) – Project Revoa (Brazil, northeast region)	Number of social businesses accelerated	0	0	6	7
Oleoprecision: presentation of the application, promotion of its use and implementation of new modules	Number of farmers involved	100	70	300	500

Progress highlights



4,500 ha

Oilseeds

in Portugal dedicated to the testing of new techniques



3

Videos

to share knowledge and experience in the production of irrigated sunflower in Portugal



40

Employees from three different geographies

participated in the Sovena Rural Challenge



1,700 people

in Spain, Brenes, have celebrated sport and the community with the support of Sovena

To demonstrate the benefits of oilseed production, we partnered with SOGEPOC and Sugal to **rotate industrial tomato crops** with sunflower crops and participate in the **Oleocolza project** to identify the best varieties for the each region of Portugal. We also lead the **Oleoprecision project**, aimed at improving the profitability and traceability of sunflowercrops in Spain, that is now providing a software application with a predictive model on meteorological and satellite data for farmers.

We created the **Sovena Rural Challenge**, an internal innovation projet in which the employees are challenged to give ideas for combating depopulation in the rural areas in Southern Portugal. The two winning ideas are intended to develop ways to retain the younger population through matching employment needs in the region with people with the adequate skills.

Through partnering with Yunus Social Business, we created the **Revoa Project**, a new Andorinha olive oil product, with which we donate 100% of the profits to social businesses that bring solutions to the main food challenges in Northeast Brazil.

In Brenes, Spain, we work with a **local social employment** company that employs 15 people with disabilities who perform a repackaging work for Sovena, for the the last four years.

We work closely with **Amélia de Mello Foundation** towards promoting the **access to education**, through a scholarship award process. It consists of a program that financially supports employees or their children, in Portugal and Spain, who wish to obtain a higher academic degree.



Encourage informed food choices and diverse diets

As a player in the food sector, Sovena assumes the responsibility of promoting a well-balanced diet and greater food literacy, both internally and externally. Sovena addresses this topic at a corporate level but also through its brands, as ambassadors of their respective territories.

Our commitments

Promote trust in our foods and diverse diets

Our targets and progression

ACTIONS	KPIs	TARGET 2021	ACHIEVED 2021	TARGET 2022	TARGET 2023
Nutrition programme for employees (consultations + campaigns)	% of employees with access to the programme	30%	40%	60%	100%
Nutritionists and doctors programme in Brazil	Number of contacted professionals	1,310	1,310	1,343	1,376

Progress highlights

13 EPISODES
+1.000.000 VIEWS
(PORTUGAL AND BRAZIL)

Web series Our Olive grove

In order to bring the brands and the consumers closer, we developed an **educational web series** of 13 episodes, supported by Oliveira da Serra and Andorinha, with a virtual visit about the olive oil production process, explaining how our olive groves and mills work, enhancing the benefits of olive oil and performing virtual tastings sessions.

With the support of a specialised partner in nutrition and health, Andorinha promotes **meetings with medical professionals** (nutritionists, cardiologists, endocrinologists, and paediatricians) to bring education and knowledge about olive oils, reinforcing its attributes and benefits. In 2022, the initiative is intended to visit 1,375 professionals in Brazil's largest cities.

For the second year, Oliveira da Serra renewed its **partnership with the Too Good to Go** platform, that provides meals at reduced prices as a way to prevent it from ending up as waste. This partnership is in line with circularity and the reduction of resources, a pillar of the company's production process strategy and management.

In 2020 we launched **Feed**, a magazine for our stakeholders on information about food trends worldwide, concerns related to food and the planet and the integration of our brands in that equation. In 2021,we started a partnership with renowned chefs and released two new editions with suggestions for more diverse food options, in line with our brands' purposes.



About the document

The 2021 Sustainability Overview is the summary of [Sovena 2021 Sustainability Report](#), published by Nutrinveste, for Sovena Group and Nutrifarms, referred in the report as Sovena. It aims to present Sovena’s economic, social and environmental contribution towards sustainable development. The impact of our activity was evaluated via a materiality process, with input from our key stakeholders and the progress on the implementation of the sustainability strategy defined.

Previous reports are available [online](#).

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