

gullón



GULLÓN
Sustainability Report

2021



A Message from
Lourdes Gullón Rodríguez
Chair of the Board of Directors

Sustainability continues and will continue to be a part of Galletas Gullón's day-to-day, promoting our commitment to protecting the environment, good governance, the development of communities and caring for the people who belong to them.

In 2021 we have continued to grow as a company, improving our economic results and also our social, environmental and Good Governance commitments. Our organization has continued to overcome challenges and has set itself new goals so as to continue contributing to society. An example of this is the Aguilar Plan, which aligns our responsible business strategy with the United Nations Sustainable Development Goals.

Likewise, we maintain a faithful commitment to the Aguilar de Campoo zone, we support rural employment and help to fight against depopulation in what has become known as "España Vacuada (Empty Spain)". As a family business in the biscuit sector, we are committed to our region. We continue with policies and initiatives that contribute to the growth and transformation of the Montaña Palentina.[...]

In the coming years we face the challenge of continuing to grow despite the adversities that we are all encountering and contributing positively to the development of the Aguilar de Campoo and Montaña Palentina area, taking firm steps and increasing our commitment to economic, social and environmental.

Our international drive does not mean forgetting our origins in Aguilar de Campoo which is why, despite continuing to grow internationally, we are committed to protecting the area in which we carry out our activity. As I pointed out before, on the social level with the promotion of employment and the fight against depopulation in Empty Spain; at the environmental level, protecting the conservation areas in which we work and acquiring commitments to improve our environmental performance and, at the economic level, strengthening growth in the area and following international standards of good governance

My commitment is to continue creating value in our home and satisfy the needs and interests of our stakeholders, aligning our growth with the sustainable development of the area, thus reaffirming our link with the 10 Principles of the United Nations Global Compact. Galletas Gullón will continue to be, in honor of its origins, a leading responsible family company in the biscuit sector.



A Message from
Juan Miguel Martínez Gabaldón
CEO and General Manager

We the management team at Galletas Gullón have experienced 2021 as a year that has continued to be marked by social and economic challenges derived from the Covid-19 pandemic, with society as a whole being affected by them. In this context, we have strengthened our commitment to sustainability and to the health and safety of people, especially our workers. [...]

We recognize the work and effort of our employees and suppliers and the trust placed in us by consumers. All this has allowed us to close 2021 with more than 1,700 jobs, achieving a turnover of 419 million euros, 2.5% more than the previous year. These data are the result of our constant effort, commitment to continuous improvement and the firm involvement of the entire team. With all this, we contribute to SDG 8, Decent Work and Economic Growth, especially relevant for us in Aguilar de Campoo where we continue to fight against "Empty Spain". At Galletas Gullón we have defined objectives that allow us to continue being one of the main economic engines of the [...] zone

Our organization is committed to Sustainability, in this way we promote stable growth and can support the Sustainable Development Goals (SDG). In 2021 we designed the Plan Aguilar, an ambitious plan for social transformation in Aguilar de Campoo, focused on areas with special relevance and importance for us, such as the revitalization of local employment (SDG 5, 8, 9, and 11), the promotion of a healthier life (SDG 2, 3 and 12), cultural action and promotion (SDG 4, 8 and 11), social inclusion (SDG 1, 2 and 10) and protection of biodiversity and the natural environment (SDG 11, 13 and 15). [...]

The human team is the most valuable asset we have, which is why we seek to continuously improve in this area, in order to achieve the fullest personal and professional development of the people who work with us. In this sense, issues such as the diversity of the workforce are fundamental for us, since we believe that this nuance enriches us as a company and as a society.

In 2022 we hope to continue growing, developing and continuing to work towards sustainability in coordination with all our stakeholders. To conclude, I would like to thank personally and, on behalf of the organization, the support of all the people who make up Galletas Gullón and who allow us to move forward with the same enthusiasm.

RESPONSIBLE BUSINESS: we generate shared value

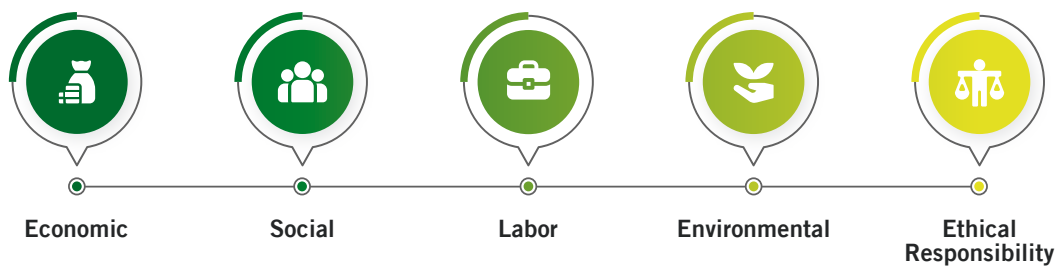


At Galletas Gullón we are closely tied to the community of Aguilar de Campoo and Montaña Palentina, where we are located. As a responsible family business in the area, we cannot conceive of success for the business without aligning it with the success of our community. We operate in an increasingly competitive and demanding environment. Being aware of this, at Galletas Gullón we are deeply committed to creating shared value, understanding that the best way to create social value for our community is to do so through our business model, this being the generator of economic and social value.

This business model consists of continuing to grow under an ethical, responsible and excellent management model of which all the people in the organization are a part and which has led us to **invoice 419 million euros in 2021**, with growth of more than 2.5% compared to 2020.

Along these lines, in 2021, we developed a new Responsible Business Plan that is much more ambitious than the previous one, with 5 fundamental pillars that have been defined as our lines of action:

LONG-TERM VALUE CREATION



We understand the creation of shared value as growth that, in addition to being profitable, is sustainable. At Galletas Gullón we put into practice the generation of shared value from two axes:

CONTRIBUTING TO THE DEVELOPMENT OF THE OPERATING ENVIRONMENTS

- Creating jobs and well-being, as an economic motor for society.
- Investing in a sustainable way to grow our product offerings.

RESPONDING TO GLOBAL CHALLENGES

- Searching for innovative and sustainable solutions.
- Working towards the circular economy
- Combatting climate change.
- ODS 2 Zero Hunger y ODS17 Sustainable development goal.

ECONOMIC AXIS: products and new developments



In 2021 we have launched 38 new products, consolidating our position as one of the most innovative companies in the confectionary industry with the expansion of the Gluten Free, Bio Organic lines, the new FINAS variety and the rebranding of ZERO. In addition, we have included the Nutriscore in our ZERO range cookies

We are committed to enabling all consumers to enjoy our products. An example of this is the incorporation of new products to the Gluten Free family. These products are supervised by the Federation of Celiac Associations of Spain (FACE).

Regarding the BIO family, we have launched three new product references that have the ecological certificate of the European Union and that are suitable for vegetarians. In 2021 we have reinforced our commitment to healthy eating, including new products in the BIO and ZERO ranges

LABOUR AXIS: our Human Team



The human team is our company's main asset. As we pointed out earlier, at Galletas Gullón we are committed to promoting employment in the rural area of Aguilar de Campoo, the diversity of the workforce and the inclusion of people with difficulty accessing the labour market.

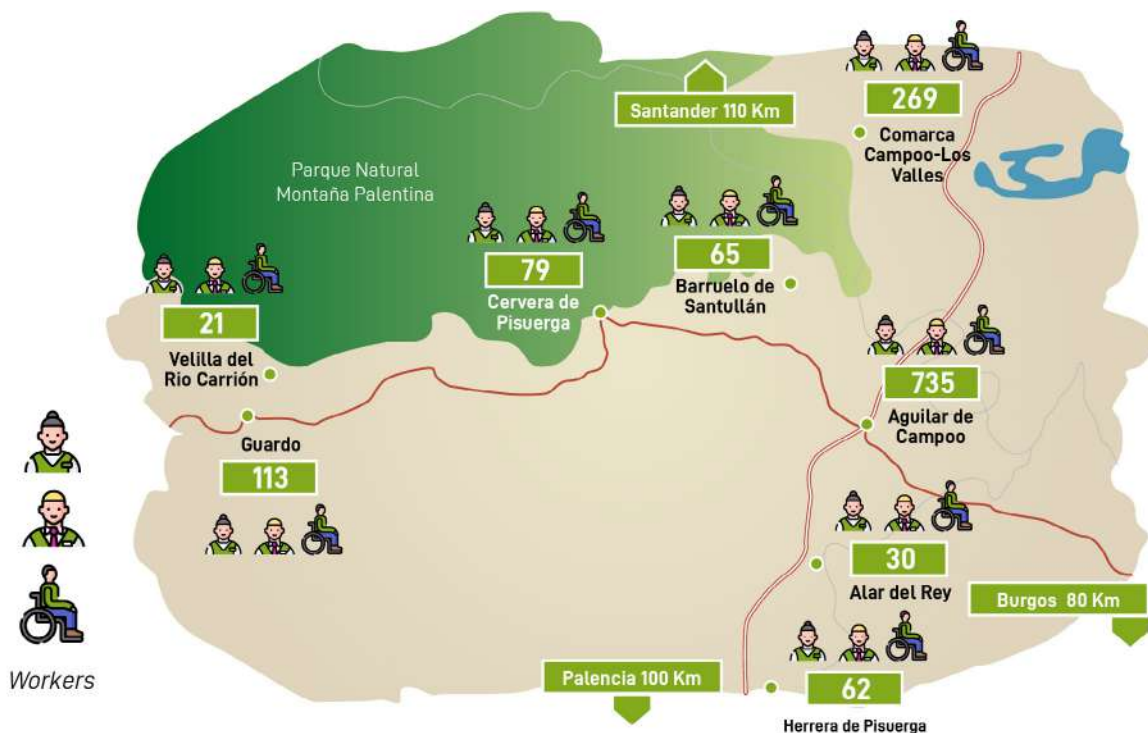


We are committed to diversity and generating employment in the area. In 2021, we highlight our participation in the Arraigo project for the repopulation of rural areas and to give life to towns through sustainable repopulation. In addition, we have signed an agreement with the Ministry of Family and Equal Opportunities of the Castilla and Leon Regional Government for the labour insertion of women in rural areas and the promotion of female leadership.

In addition, in 2021, as part of our commitment to diversity and inclusion, we have voluntarily signed the Diversity Charter, an initiative of the European Union and the Ministry of Equality.



105 PEOPLE
FROM 21 DIFFERENT NATIONALITIES



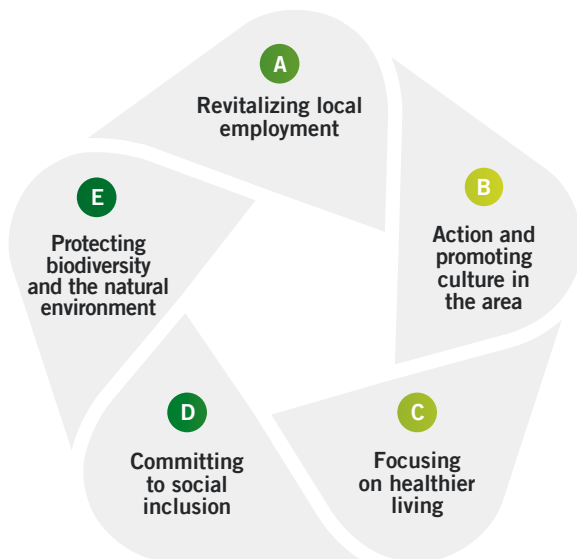
SOCIAL AXIS: Community and Impact



AGUILAR PLAN

In 2021, as a sign of our commitment to social transformation, we have created, developed and implemented the Aguilar Plan, an ambitious project that seeks to create a positive impact in our sphere of activity and which establishes five social transformation challenges.

For each of the challenges, several key lines of action are defined and a specific link with the Sustainable Development Goals (SDGs), showing our commitment and contribution to them and to fulfilling the 2030 Agenda:



SUPPORT FOR SPORTS

The support and promotion of sport is part of our philosophy of life. Sports values, such as teamwork, collaboration, overcoming or breaking down strict hierarchies, are Galletas Gullón's own values. We encourage sports among our employees and in the Montaña Palentina area, promoting healthy living and sponsoring a total of 1,255 athletes from different base schools and disciplines:



SOCIAL ACTION AND VOLUNTEERING

At Galletas Gullón we work on social action and corporate volunteering with the aim of generating a positive impact on the community and promoting the development of vulnerable groups. These are some examples of the initiatives launched:

Campaign for the promotion of blood donation.

We donated healthy products to the Brotherhood of Blood Donors of Palencia so that they could give the donors a pack of healthy cookies.



Donation of products to social entities.

We have committed to delivering at least 10 tons of products to the Palencia Food Bank to alleviate the situation of vulnerability of people at risk of exclusion.



MODA Re project of Caritas Palencia.

We signed an agreement to place clothing containers in our Gullón and VIDA factories.



VOLUNTEERING

- **First Aid Training.** Red Cross.
- **Donating blood.** Red Cross.
- **Training on gender equality and prevention of gender-based violence.** CJCYL.
- **Collecting plastic caps for charitable causes.** Seur Foundation.
- **Food donation.** ASUCYL. Food banks.
- **Food donation.** GADIS and Gullón. Food banks.
- **Donación alimentos.** "La Caixa" Foundation. Food banks.
- **Clothing and shoe donation.** Caritas Palencia.
- **Motivational "pills" on disability.** Randstad Foundation.

TOTAL:
9 VOLUNTEERING ACTIONS

ETHICS AND RESPONSIBILITY AXIS



In 2021, corporate responsibility has continued to be a key issue for us. For this reason, we have launched different transversal initiatives in the different dimensions that make up this axis.

COMMITMENT TO SOCIAL RESPONSIBILITY

In 2021, we have ratified our support for the 10 Principles of the Global Compact, thus showing, once again, our public commitment to ethical management and respect for Human Rights. As signatories of the Global Compact, we defend the 10 Principles established in the areas of Human Rights, Labour Standards, the Environment and the Fight against Corruption and their alignment with the Sustainable Development Goals.

In addition, in 2021 we have adhered to Forética, we have renewed our Code of Conduct and we have developed and implemented the Ethical and Responsible Management Policy together with other policies that govern our behaviour and that of all our employees:



Within our commitment to ethical and responsible management, the following lines of action are established:



Establish a business model with purpose



Renewal of the Code of Conduct



Internal control



Compliance



Complaint channel

All this is included in our Responsible Business Master Plan, in which ethics and responsible management are essential values for the proper functioning of the company.

CONSUMERS PREFER US

In 2021 we have once again appeared in the Kantar report as one of the major consumer brands preferred by Spaniards. Galletas Gullón has been ranked 16th, remaining among the 20 consumer goods companies that Spaniards like the most:

1		6		11		16	
2		7		12		17	
3		8		13		18	
4		9		14		19	
5		10		15		20	

ENVIRONMENTAL AXIS



As an organization that carries out its activity in a rural environment, our business growth occurs considering, at all times, the importance of respecting the environment and minimizing our environmental impact.

OUR COMMITMENTS AND OBJECTIVES

In 2021, we have signed an agreement with the Association of the Geological Reserve of Las Loras (ARGEOL) to preserve the natural heritage of the area. The Geopark has been declared by UNESCO as a World Geopark for its geological and cultural wealth. Thanks to this agreement, we will finance an annual research scholarship to study its richness in various fields.



We commit ourselves publicly to stop using eggs from caged chickens by 2025.

One of the great commitments we have made as a company is to stop using battery eggs by 2025. This is an objective that is being worked on progressively and that affects all the ways that we use eggs in the company (egg shell, liquid and derived products)

In 2021, 8.08% of the eggs we used to make our products came from cage-free hens.

In addition, in relation to energy consumption, we have established specific consumption reduction targets for our Gullón and VIDA factories.

OUR CARBON FOOTPRINT

Aware of the need to participate in the fight against climate change, we calculate and verify our carbon footprint. In this sense, and due to the impact that our activity has on the matter, we develop policies to mitigate our impact and adapt to the consequences of climate change.

PARAMETER	T CO _{2e}		%
	2019	2020	
Scope 1: Direct GHG Emissions	24,644 (62%)	27,139 (68.8%)	+7.2%
Combustion stationary sources	23,851	26,139	-
Combustion mobile sources	226	134	-
Fugitive source emissions	567	930	-
Scope 2: Indirect GHG Emissions	14,903 (38%)	12,329 (31.2%)	-7.8%
Associated with the consumption of electrical energy	14,903	12,329	-
Total emissions	39,547	39,468	-0.2%

DECARBONIZATION AND CIRCULAR ECONOMY WORKING GROUPS

In 2021, and in order to involve our employees in the development of environmental solutions, we have created two working groups:

- **Decarbonization working group:**

The main objective of this group was to move towards a decarbonisation plan based on the environmental challenges posed, in which the contents to be included and the link or contribution of energy efficiency to decarbonisation are studied.

- **Circular economy working group:**

In which issues such as the regulation, treatment and usefulness of containers and packaging have been addressed. Specifically, this group aspires to propose an action plan to recover materials contained in waste, optimize them and convert them into new raw materials, lengthening their life cycle.



THE BISCUIT THAT YOU WANT

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