

gullón



SUSTAINABILITY REPORT

GULLÓN2017



LETTER FROM THE PRESIDENCY

Dear friends,

I would like to start this letter by thanking, on behalf of myself and the Board of Directors, all of our collaborators for their active participation in the Galletas Gullón project, for their excellent work, their contribution and their continuous support in all of the joint initiatives that we undertake in pursuit of a more sustainable and scalable business.

If we look back at the messages from last year's statement, it is clear that health is Gullón's main focus. It is extremely important for us to work for the health of the population, at a time in which consumption patterns have changed. The public has observed how healthy habits and a healthy lifestyle are directly related to well-being and an increased life expectancy.

We want to offer innovation through a wide range of carefully designed products that provide increased value. We want to be acknowledged and selected by consumers as a responsible and reliable company. We have an excellent team of responsible and experienced researchers, who take great care of new launches, using the best raw materials and working alongside leading universities and technological centres. We like to be open to change and want to be able to move forward, as we demonstrated with the launch of Spain's first wholemeal biscuit, meeting the needs of increasingly demanding and well-informed consumers. The sector is facing several challenges and Gullón strives to be a driving force for change in this respect.

Continued adaptation and growth is what pushes companies to improve. In this sense, exporting abroad is a basic commitment. The knowledge that I mentioned above for the development of new products plays an even more important role here, as it is vital to be aware of the tastes and preferences of our target countries in order to forge our place on foreign markets.

Another of our main objectives is to ensure a competitive and sustainable industry. That is why Gullón continues to invest resources into its factories. We have to ensure that our company has modern and automated production lines, cutting-edge management systems and leading technologies.

Being sustainable is synonymous with being alert and open to change. Today, the new technologies provide us with the

opportunity to expand at a much faster rate. Major scientific and technological advances are significantly changing the way of understanding business. It is of vital importance to remain continually up-to-date and know how to use the tools available to us to continue to stay at the forefront of the sector.

In this respect, I want to express how important it is for the authorities and society in general to provide support to education. We have to educate from childhood, not only in academic subjects, but also in terms of values and social commitment.

This year at Gullón we have been leaders in the biscuit sector with the implementation of Dual training, which benefits both the company and the student, by adapting training to the post that will be performed in the future.

Furthermore, in the field of education, Gullón has once again developed a new edition of Healthy Breakfasts, a series of workshops given in 35 schools throughout the province of Palencia, providing young school children with the necessary guidelines to maintain a healthy diet.

Therefore, over the past year, health, innovation and education have been the main areas in which Gullón has focused its efforts in terms of social responsibility.

The Group would never have achieved such results without the continued support and trust placed in our brand by our consumers. Because of this, we would like to extend our gratitude to each and every one of them. I would also like to thank our stakeholders and Gullón's exceptional staff, a young and well-trained team who have helped Gullón to forge its place as the leader of the Spanish biscuit sector, thanks to their enthusiasm and perseverance.

María Teresa Rodríguez Sainz-Rozas
President and CEO of Galletas Gullón, S.A.

QUIENES SOMOS



Our know-how and experience over the past 125 years are reflected by our position as leaders within the biscuit sector.

We are committed to quality, food safety and innovation to meet the demands of all kinds of consumers. We are the biscuit company with the widest range of products, leaders in the health biscuit sector.

Continuous dialogue with our stakeholders and with the local area.

We are committed to our consumers. We work within an environment of security, credibility and respect for diversity.

We analyse the viability and results of our processes, enabling us to innovate and improve our products.

We strive to adapt to any changes that occur in the health market, foreseeing challenges and providing solutions to consumers.

We have been making biscuits for over a century, and thanks to our spirit of continuous improvement we have created a wide range of products, allowing us to stay at the forefront of the sector, in close collaboration with leading universities and research centres.

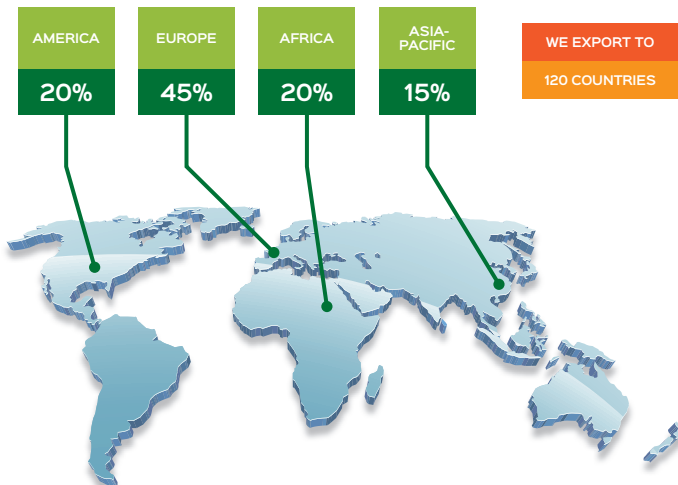
Our work is based on trust and excellence. That is the basis of all of our actions, both with customers and with our workers, partners and collaborators.

At Galletas Gullón we work hard each day to adhere to our values, improving in social, economic and environmental aspects, in order to increase our competitiveness, results and added value.

MAIN FIGURES

<p>Turnover €341 million</p>  	<p>Products +700</p>  	<p>Employees +1400</p> 	<p>Countries to which we export 120</p> 
<p>Investment in 2017 €20 million</p>	<p>Growth compared to 2016 5,3%</p>	<p>Carbon footprint. In Tonnes/CO eq₂ 36.896,77</p> 	<p>Logistics centres: Spain, Italy, Portugal and the United Kingdom 4</p> 

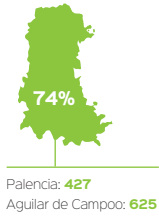
INTERNATIONAL BENCHMARK



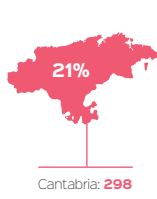
Gullón's main market outside of Spain is Europe, with almost 45% of sales, followed by America and Africa, with 20% in each case, and around 15% in the Asia-Pacific region.

GULLÓN'S DRIVING FORCE

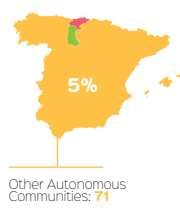
Palencia



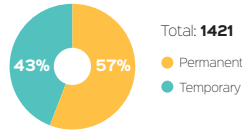
Cantabria



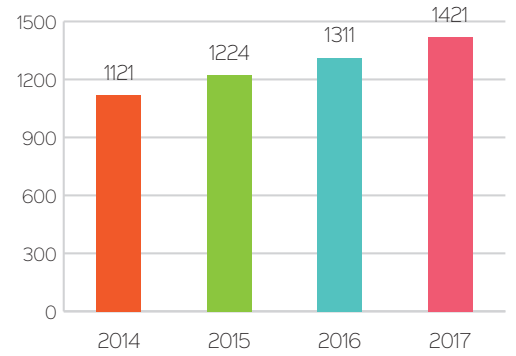
Rest



Type of contracts



EVOLUTION OF THE NUMBER OF WORKERS



Average workers per Centre



N° employees



Average Age



Total: 34 years old

Length of service



NEW LABOUR AGREEMENT

The agreement is based on 5 fundamental pillars in different fields:

Economic



Salary increases above the national and sector average with closed percentages of application and guaranteed improvement. Benefit payments have been increased by two points.

Employment



A five-year commitment has been established to conclude 200 permanent contracts. Despite distribution fluctuations, we assume this employment commitment to provide our workers with stability.

Social security or retirement



We have improved and updated monthly early retirement payments to compensate for a possible loss of purchasing power.

Work and family reconciliation



Aware of the importance of this aspect, we have increased breastfeeding leave from 12 to 14 days, we have implemented measures to facilitate the management of leaves for the purposes of family care and we have addressed the possibility of improving split shifts, among other benefits.

Social improvements



We have increased the amounts of grants, marriage leave, loans, etc., and, particularly noteworthy, permanent disability is safeguarded within the company's long-service bonus.



In 2017 Gullón signed the best agreement in the biscuit sector, ensuring the recruitment of 200 permanent workers.

EDUCATION AND TRAINING



In 2017 Gullón has managed 21,163 hours of training.

N° HOURS OF TRAINING

Staff New additions

21.163

482

HOURS OF TRAINING

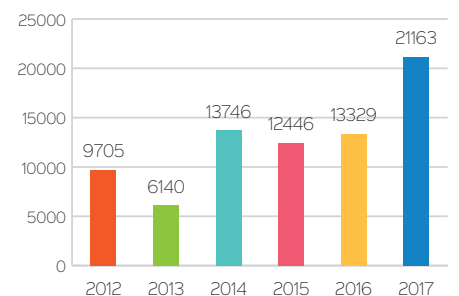
Yearly

Per FTE

21.163

14,89

TRAINING IN OCCUPATIONAL RISK PREVENTION PROVIDED BY THE ORP SERVICE



THE SOCIETY THAT DRIVES US

OPEN COMMUNICATION

COMMITTED TO RESPONSIBLE AND TRUTHFUL ADVERTISING

GULLÓN, A BRAND THAT IMPROVES ITS POSITIONING

EXCELLENCE AND QUALITY

INNOVATION AND VALUE CHAIN

CERTIFICATIONS

	GULLÓN 2	VIDA
ISO 9001 certification	✓	✓
ISO 14001 certification	✓	✓
Food Safety: IFS	✓	✓
Food Safety: BRC	✓	✓
Obtainment of the certificates for Ecological Agriculture	✓	
FACE certification for Gluten-Free Products	✓	✓
Tierra de Sabor certification	✓	✓
KOSHER certification	✓	
RSPO certification (Roundtable in Sustainable Palm Oil)	✓	✓
European Espiga barrada certification for Gluten-Free Products	✓	✓
UTZ Sustainable Cocoa certification	✓	✓
SMETA Sedex Members Ethical Trade Audit	✓	✓

QUALITY AND HEALTH

To offer our consumers quality and healthy products that help them to maintain a balanced diet to complement their current lifestyle and eating habits.

SUSTAINABILITY

Development of innovative technologies and responsible solutions in the production chain, in order to expand the sustainability of processes, both from an environmental and an economic point of view.

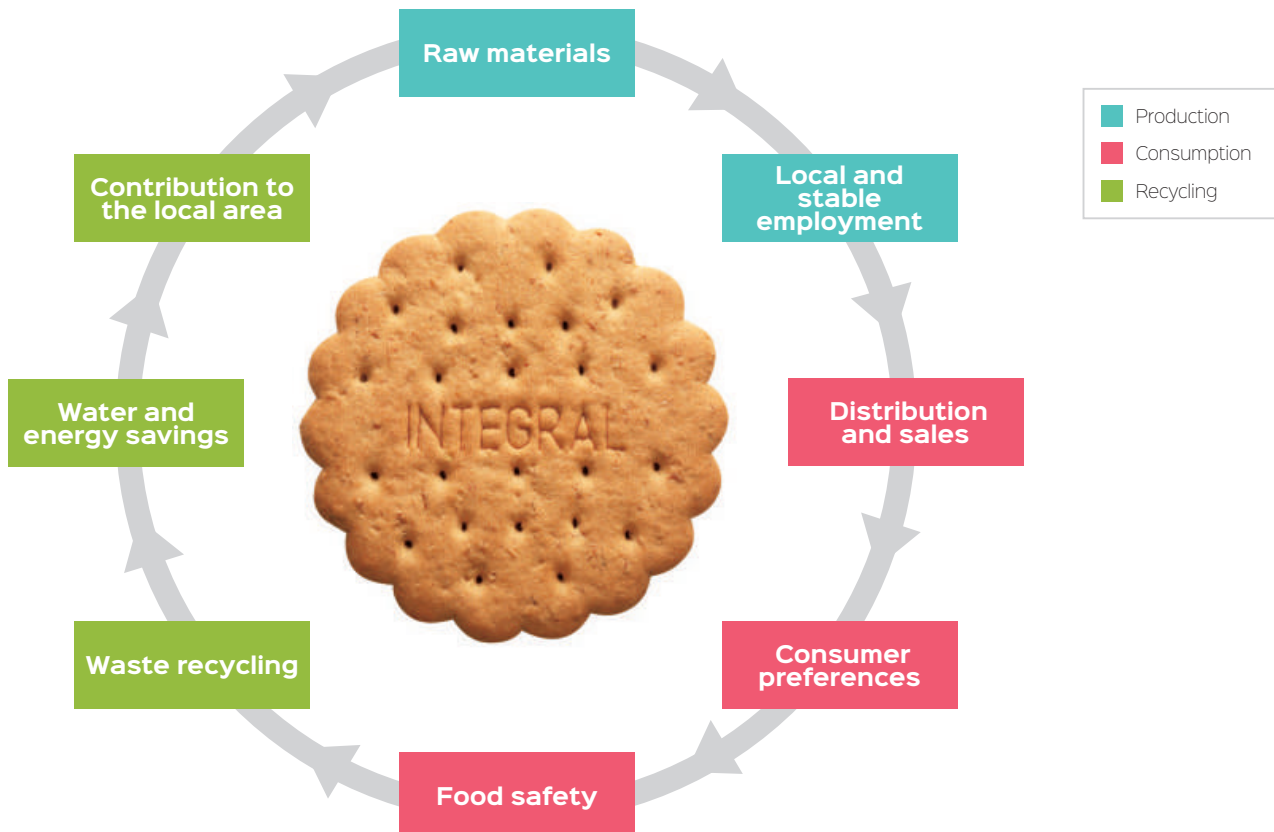
INFORMATION

With the launch of the new website and social networks we facilitate access to the most important information for our stakeholders.

INVESTMENT

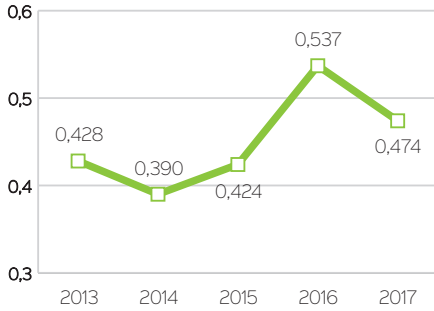
The continuous reinvestment of profits enables us to face up to new challenges in terms of innovation year after year.

THE CIRCULAR ECONOMY IS HERE TO STAY

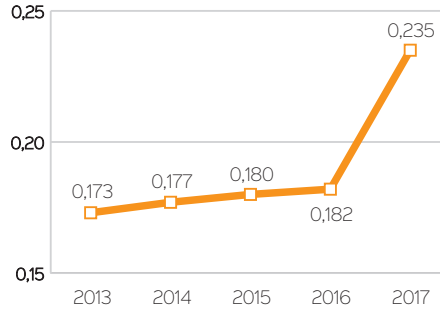


CONTROL OF WATER AND ENERGY CONSUMPTION

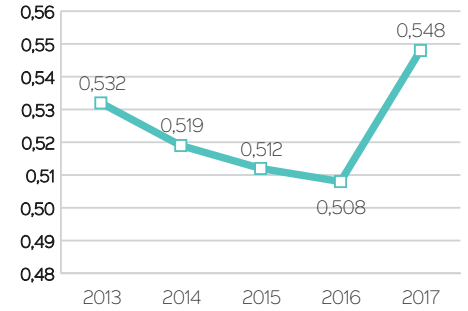
ANNUAL WATER CONSUMPTION (L/KG)



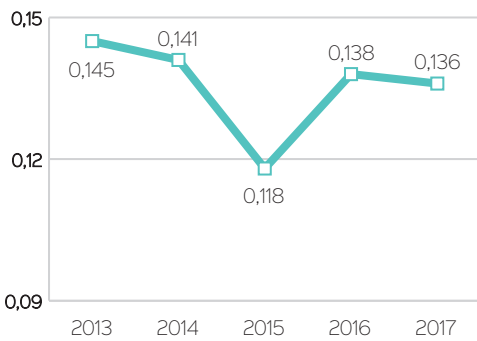
ANNUAL ELECTRICITY CONSUMPTION (KWH/KG)



ANNUAL GAS CONSUMPTION (THERMS/KG)



EVOLUTION OF CO EMISSIONS (KG/KG)



INVENTORY AUDIT OF GREENHOUSE GASES

The overview of the results of the 2016 inventory after having corrected the deviations resulting from the evaluation process is as follows:

Galletas Gullón has reduced its emissions by 15% compared to 2013.

Total emissions	Direct emissions	23.386,21 tonnes of CO ₂ equivalent
	Indirect emissions through energy consumption	13.518,56 tonnes of CO ₂ equivalent
36.896,77 tonnes of CO ₂ equivalent		

EXCELLENCE AND QUALITY

Our priorities are:

- Excellence in quality and safety.
- Going beyond regulatory compliance.
- Sustainability

Year after year, Galletas Gullón goes beyond the different international standards in terms of quality, environment and food safety.

IN THE FUTURE WE WANT TO BE ABLE TO:

- **Maintain the current growth of the business, innovating in the health field**, improving our products and expanding our range, employing the new technologies and new commercial developments.
- **Guarantee the economic viability of the company thanks to the efficiency policy implemented in previous years.** Gullón is characterised by the reinvestment of the profits earned each year in an investment plan that is focused on R+D+i, without losing sight of the biscuit-making tradition.
- **Maintain our commitment to international growth**, taking advantage of the competitive advantage afforded to us by our experience in the management of our extensive commercial network, and of our different logistics centres.
- **Guarantee our activities with the maximum levels of security and respect for our environment.** Constant but sustainable growth, allowing us to coexist in the environment in which we operate, working towards improved energy efficiency, savings in raw materials and the minimisation of CO₂ emissions.
- **Corporate Responsibility, a strategic function.** Thanks to the Corporate Responsibility policy approved in 2015, at Galletas Gullón we follow a strategic approach based on the importance of transparent communication, and on the belief that it is necessary to provide information on financial and non-financial aspects of the business in order to respond to the expectations and needs of our stakeholders.

FOR GULLÓN, CORPORATE RESPONSIBILITY REPRESENTS A STRATEGIC FUNCTION RELATED WITH THE:

CREATION OF
SHARED VALUE

SUSTAINABILITY

COMPETITIVENESS

REPUTATION



The logo for Gullón, featuring the word "gullón" in a white, lowercase, sans-serif font. The text is set against a dark green rectangular background that has a subtle gradient from top to bottom, transitioning from a slightly lighter green at the top to a darker green at the bottom. The logo is positioned in the upper left quadrant of the page, which is otherwise a light gray background with a diagonal cutout on the right side.

gullón

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