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## Message from Lourdes Gullón Rodríguez

Chair of the board of directors



Since I became the chair of Galletas Gullón, continuing my mother's legacy of leadership, we have made significant progress that underpins our vision of the future. We are proud to be one of the leading producers of biscuits in Europe, maintaining the essence of a traditional family business that has always stood out for its capacity to adapt and innovation. This has consolidated our position as the leader in the healthy biscuits segment and the largest company in the sector in Spain.

Galletas Gullón is not only a benchmark in the food industry for its capacity to innovate and its commitment to quality. We are also a magnet for talent and one of the largest employers in Castilla y León. Our contribution to the economic development of the region is clear, and our uninterrupted growth is reflected in the increase in our production and sales.

Our policy of reinvesting profits, adopted more than a decade ago, is the basis of our growth. It has enabled us to undertake unprecedented industrial projects and strengthen our financial position without the need for debt. This strategy has allowed us to invest in the creation of quality jobs, international expansion, product innovation, and to strengthen our commitment to today's major social challenges, such as the fight against "empty Spain".

Our link with the Palencia Mountains is at the heart of our identity. We believe that Galletas Gullón's success is based on the well-being and development of our local community. In an increasingly competitive market, we have chosen the path of creating shared value, demonstrating that it is possible to achieve business success while actively contributing to social well-being.

Our philosophy of responsible leadership is reflected in every decision we make. Underpinned by a culture of uncompromising ethical commitment, we strive to align our goals with the United Nations Sustainable Development Goals and the 10 Principles of the Global Compact. Our Responsible Business Master Plan provides a roadmap to ensure that our business has a sustainable, positive impact over the long term.

And as we look to the future, we reaffirm our commitment to continue to lead by example, not only in terms of business success, but also in our contribution to a fairer and more sustainable society. We believe that the true value of our company is measured not only in financial results, but also in our positive impact on society and the environment.

With my gratitude and commitment to a sustainable future, I would like to thank everyone who is part of the Galletas Gullón family for their efforts and dedication, and for believing in our mission. Together we will continue to achieve our goals, strengthen our leadership and make Galletas Gullón an example of a responsible company in the food industry.

Kind regards,

### Message from Juan Miguel Martínez Gabaldón

### **CEO** and General Manager

2023 was marked by unprecedented challenges due to higher commodity prices, wars and inflation. Despite this, we made significant progress, reflecting our unwavering commitment to corporate responsibility and the creation of long-term shared value.

Galletas Gullón grew rapidly during the year, with sales of 630 million euros, consolidating its position as one of the largest and most automated companies in the sector in Europe, exporting to over 125 countries. This demonstrates not only our strength and ability to adapt to adverse circumstances, but also our commitment to excellence and innovation, key factors that have enabled us to achieve an average sales growth of 10% over the last 16 years.

On our path to greater sustainability, we reduced our scope 3 emissions by 8.44% in 2022, through initiatives such as our double trailer transport project for our goods, which has enabled us to reduce  $\mathrm{CO}_2$  emissions by 30% per trip. These efforts are in line with our commitments to the circular economy, responsible management of waste and sustainable use of natural resources, which are at the heart of our environmental policy.

Our corporate responsibility also extends to employment. Galletas Gullón is a major driver of employment in Castilla y León, generating more than 2,000 direct jobs. This year we have launched the largest recruitment process in our recent history, with 300 vacancies, confirming our role as one of the leading employers in the region. We also pioneered the implementation of the salary register, which promotes equality and non-discrimination in our organisation.

In 2023, we strengthened our commitment to equality and diversity by updating our Equality and Diversity Master Plan, taking a further step towards true equality and inclusion in our working environment. This approach is reflected in all our actions and policies, from the innovation of our products to the well-being of our employees.

In terms of innovation, we have invested a significant percentage of our profits in developing new products and improving our production processes. This has resulted in the launch of our new product families - Vitalgrain and Hookies - designed to meet the nutritional needs of our customers and consumers, reflecting our commitment to healthy eating.

Galletas Gullón has played an active role in supporting local and regional projects to promote healthy eating, environmental protection and sporting activities. Our commitment to the community is reflected in product donations and partnerships with associations and foundations, demonstrating our desire to create shared value and make a positive contribution to society.



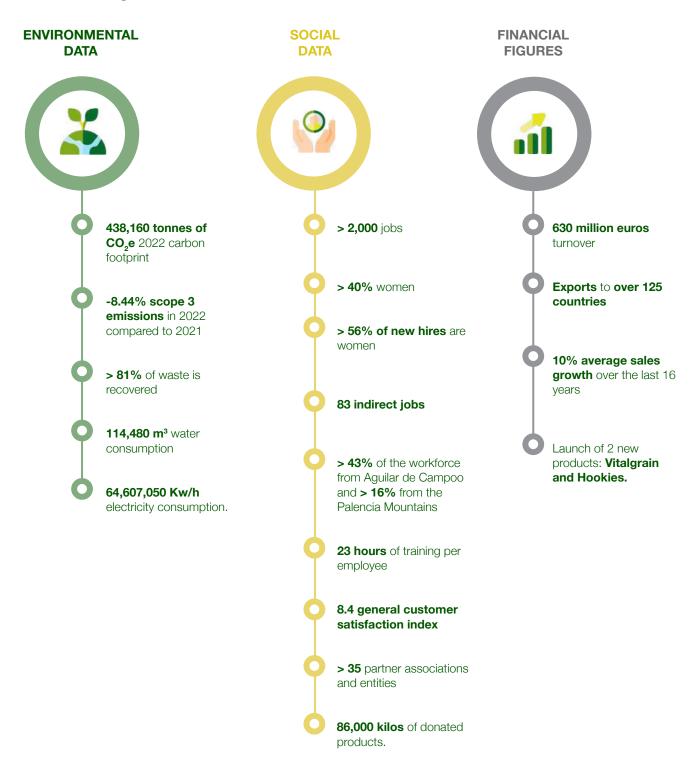
Industry recognition of our efforts, such as our inclusion in MERCO's Top 10 ESG ranking for food and beverages, is an honour that motivates us to work even harder on our strategic commitment to sustainable development and corporate responsibility.

These achievements are the result of the dedication and hard work of our entire team, as well as the trust and support of our partners and the community. We look to the future with optimism and are committed to continuing to lead the food and beverage industry through our high quality products and our positive impact on the environment.

With gratitude and commitment,

## 01 Galletas Gullón at a glance

### 1.1. 2023 in figures



### 1.2. About us

Galletas Gullón is one of the largest biscuit manufacturers in Europe. Founded in 1892. we are the only centenary biscuit company in the sector. Our chair is Lourdes Gullón and our CEO is Juan Miguel Martínez Gabaldón. Our

constant commitment to innovation has made us the leading company in the sector in Spain and the leader in the healthy biscuits category.



Galletas Gullón is founded in Aguilar de Campoo. Palencia by José Gullón Barrios, a confectioner from Zamora. It is considered one of the creators of traditional biscuits.

### 0 1950

Diversification from traditional products begins with the launch of Marías biscuits and Doradas crackers, chocolate-coated wafers and spirals and Pastas cookies

### 0 1983

María Teresa Rodríguez takes over management of the company and leads its growth in the Spanish market and its international expansion, together with Juan Miguel Martínez Gabaldón, the current CEO and General

### 1986

We launch the first wholemeal biscuit (with vegetable oils), opening up the healthy biscuit segment, which had not previously existed in Spain. This milestone has earned us numerous awards and recognition over the



We lead the  $\ensuremath{\mathbf{CENIT ext{-}HIGEA}}$  national research project on the prevention of chronic non-communicable diseases (diabetes, obesity and cardiovascular diseases), in collaboration with agri-food companies and leading national and international research bodies. We launch the María BIO biscuit with organic cereals and no allergens

### 0 2003

The Gullón II factory opens in Aguilar de Campoo, the largest factory in Europe at the time. The factory covers an area of over 100,000 square metres, with an 18,000-metre warehouse with a capacity of 27,000 pallets.

### O 2002

We launch of the sugar-free Diet Nature line, suitable for diabetics, using lactose instead of fructose or sucrose.

### 2000

We set up our first subsidiary - the Portuguese company "Bolachas Gullón". Other subsidiaries in Italy, France, the UK and the US would follow later. We launch the first low-salt and low-sugar biscuit (Ligera).

### 0 1977 and 1999

First Spanish biscuit company to obtain Quality and Environmental Management certifications, in accordance with the requirements of ISO 9001 and ISO 14001 standards, respectively.



We open the new VIDA factory, which now covers more than 100,000 square metres. We launch the Vitalday

### O 2018

We celebrate 125 years of history. His Majesty the King visits our Aguilar de Campoo facilities to mark the occasion. King Felipe learn first hand about the work of the employees in our factories.

### 0 2019

After three decades at the helm of Galletas Gullón, María Teresa Rodríguez becomes Honorary Chair, handing over the reins to her daughter Lourdes Gullón Rodríguez

### 0 2021

We relaunch our Diet Nature range under the name ZERO sugar free. We launch 38 new products.

### 2022

We celebrate our 130th anniversary with turnover of 419 million euros. We are one of the leading companies in the biscuit sector and the main employer in the Palencia Mountains, with over 1,800 jobs in a postpandemic world.

### 0 2023

Our modern Gullón and VIDA factories are among the largest and most automated in Europe, producing biscuits that we export to over 125 countries worldwide. We have a turnover of 630 million euros and over 2,000 employees. We launch our new Hookies and Vitalgrain ranges.





From the outset we have been committed to responsible business ethics. This has enabled us to balance the creation of economic value with sustainable development, which is embedded in our family business culture and reflected in our purpose, mission, vision and values.

### **PURPOSE**





### **MISSION**

To provide society with healthy products that meet the daily needs of our consumers and customers, and to offer nutritious products based on innovation that contribute to a better and higher quality of life.



### **VISION**

To be the world's leading health food company and brand, while maintaining our commitment to the environment.



### **VALUES**

- Proximity, transparency and honesty with all our stakeholders.
- Commitment to society and the environment.
- Tradition, experience and future: we are an innovative family business that adapts to new times.
- Respect for people: cooperation and motivation with our stakeholders.
- Quality, excellence and continuous improvement of our products, processes and management model.
- Responsibility for managing a diverse team by integrating people with different profiles regardless
  of their gender, sexual orientation, race, nationality, ethnic background, religion, beliefs, age,
  disability, etc.

As a family business, we are deeply rooted in our communities. We believe in creating shared value through an ethical and responsible business model, where the well-being of our community is critical to our success.



### 1.3. International scope

At Galletas Gullón, we have been growing and increasing our market share for many years, thanks to our strategy of geographical expansion, our commitment to innovation in the development of new products and, of course, our sustainability performance.

We have based our internationalisation strategy on exporting the concept of healthy biscuits, in which we are the leaders in Spain. The products we make in Aguilar de Campoo are now exported to over 125 countries. We have subsidiaries in Portugal, France, Italy, the UK and the US to ensure that all these countries are effectively supplied.

International sales account for over 42% of total sales and we expect this to increase in the coming years, particularly in areas such as the Mediterranean and the Asia-Pacific.

Exporting the concept of healthy biscuits has enabled us to expand to more than 125 countries, representing over 42% of our sales and we expect this to continue to grow.



### 1.4. Business performance and results

At Galletas Gullón we have positioned ourselves as a family business producing healthy biscuits and as one of the leading biscuit manufacturers in Spain and Europe. Being a family business has a huge impact on our relationship with the environment, especially in the Aguilar del Campoo area, where we have created stable, high-quality employment. This is reflected in the growth of the area and its surroundings.

2023 was one of the most uncertain years for the biscuit sector, due to rising raw material prices, wars and inflation. Despite this, we managed to maintain our policy of growth and business development, achieving sales of 630 million euros, 18% higher than the previous year, and exceeding our production and sales targets.

With our family roots and global vision, we have established ourselves as leaders in healthy biscuits in Spain and Europe, generating stable employment and contributing to the growth of our community. Despite the challenges of the economic backdrop, our commitment to sustainable growth has enabled us to exceed expectations and reach a record turnover of 630 million euros in 2023.

We are continuing our uninterrupted growth and consolidating our business model based on reinvesting profits. This has allowed us to develop our ambitious project and strengthen our finances without resorting to debt for many years.

Our commitment to innovation has resulted in an average sales growth of 10% over the last 16 years, offering a high-quality product that meets all food safety standards.

Since 2016, we have invested **200 million euros to increase the production capacity** of our Gullón and VIDA factories, installing new production lines and expanding the space available for product storage. As a result, our modern factories are among the largest and most automated in Europe.

As an economic engine for the country and a major employer in Palencia, we have an average employment growth of around 100 new permanent employees per year. We are currently responsible for over 2,000 direct jobs.



(million euros) 

**Turnover** 

### 1.5. Awards and recognition

### Gullón in the MERCO ESG TOP 10 for food and for the food and beverage sector

In 2023, we entered the Top 10 of the ESG ranking of MERCO, the benchmark monitor of corporate reputation, which recognised us as one of the most responsible companies in the food and beverage sector for our environmental, social and governance performance.

Galletas Gullón is a leader in the food and beverage sector for its strategic commitment to sustainable development and corporate responsibility. It has been recognised in MERCO's Top 10 ESG ranking for the food and beverage sector.

# Food and beverage sector

2022	2023	Company	2022	2023	Company
3°	1°	Danone	8°	12°	Nauterra
2°	2°	Nestlé	-	13°	Borges International Group
1°	3°	Pascual	-	14°	Coren
4°	4°	Campofrío	12°	15°	Casa Ametller
7°	5°	Capsa-Central Lechera Asturiana	-	16°	Bonpreu
5	6°	La Fageda	-	17°	Grupo Leche Rio
-	7°	El Pozo-Grupo Fuertes	11°	18°	Pepsico
14°	8°	Ebro Foods	-	19°	Kellogg's
10°	9°	Grupo Bimbo	-	20°	Grupo Agrolimen
-	10°	Galletas Gullón	-	21°	Pastoret
9°	11°	Nueva Pescanova			

<sup>\*</sup> Not in the 2022 sector ranking

### Leading brand for Spaniards and family business from Castilla y León

We are the leading biscuit brand for Spaniards, according to Kantar's 2023 Brand Footprint Spain report. This has cemented our place among the 20 most preferred

brands, thanks to our credibility with consumers. In the 2023 ranking, we maintained our **15th position in the Top 50** most popular mass consumer brands.

We are recognised as the most popular biscuit brand among Spaniards according to Kantar's Brand Footprint Spain 2023 report.



### Galletas Gullón, leading the ranking of healthy biscuits

Our **Zero Shortbread Biscuits** were among the top-ranked biscuits in the latest ranking published by the Organisation of Consumers and Users (OCU) on the best biscuits on the market. We have also been recognised as one of the best

vegan breakfast foods. All of our Zero products are suitable for vegetarians and have been awarded the **V-Label seal from the European Vegetarian Union**.



### Attracting talent and a magnet for job and wealth creation



We generate stable and quality employment by voluntarily implementing best practices in work organisation and work-life balance. We have been awarded the **Óptima Seal of Castilla y León** in recognition of our commitment to promoting an inclusive and equal working environment for all our employees.

The **Santa María la Real Foundation** recognised us for our commitment to inclusive employment, our support for its "Lanzaderas de Empleo y Emprendimiento" (Employment and

Entrepreneurship Shuttles) initiative since its inception, and for employing more than 200 people who have participated in the Employment Shuttles over the last decade.



Additionally, the Town Council of Campoo de Enmedio, as part of its San Blas festivities, has recognised us for our commitment to creating employment, encouraging the population not to leave and creating wealth in the Autonomous Community of Cantabria.

### Exemplary leadership at the helm of Galletas Gullón

María Teresa Rodríguez: a beacon of business leadership, recognised for her vision, innovation and contribution to economic and social growth.



María Teresa Rodríguez has been at the helm of the company for 36 years since the 1980s, overseeing its expansion in Spain and abroad.

Under her leadership, the company has grown from a small agri-food business to the largest biscuit manufacturer in Spain, positioning itself as a pioneer in the healthy biscuit sector, with milestones such as the production of the first wholemeal biscuit.

María Teresa Rodríguez's career has been recognised many times, not only for her role at the helm of the company, but also as a visionary who has managed to build a major organisation that generates wealth in the region.

In 2019, María Teresa Rodríguez handed over the reins of the company to her daughter, Lourdes Gullón Rodríguez, who, following in her mother's footsteps, took responsibility for chairing the board of directors.



# Environment

### The fight against climate change

### **CARBON FOOTPRINT**

In 2023, a new calculation and verification of the carbon footprint was carried out for the whole of Galletas Gullón, including its indirect - **Scope 3** - emissions. This calculation is based on the emissions for 2022. As a result, in 2022 our carbon footprint was 438,159.82 tonnes of CO<sub>2</sub>e (474,298.75 tonnes of CO<sub>2</sub>e in the 2022 measurement of 2021 emissions).



EMISSIONS	TCO2e		
	2021	2022	
Scope 1: Direct GHG (greenhouse gas) emissions	27,313	26,924	
Scope 2: Indirect GHG emissions	16,355	17,583	
Scope 3: Other indirect GHG emissions	430,630	393,653	
Total emissions	474,299	438,160	

### Protection of biodiversity and animal welfare

### LAS LORAS GEOPARK

As part of our commitment to the natural and cultural environment of Las Loras since 2021, we have renewed our partnership agreement with the Las Loras Geological Reserve Association (ARGEOL) for the third year, in order to champion the protection of the cultural heritage and biodiversity of the UNESCO Las Loras Geoparque.



With the renewal of this agreement, we have once again awarded a research grant worth €4,000, which this year went to Consejo Superior de Investigaciones Científicas (CSIC - the Higher Council for Scientific Research) for work in areas

such as environmental, biodiversity and geological research, social studies of the area, improving the quality of life, and the role of social instruments in the challenge of sustainability.

### FREE-RANGE HENS: OUR COMMITMENT TO ANIMAL WELFARE

Galletas Gullón is committed to animal welfare. One of our main commitments as a company is to stop using eggs from caged hens by 2025. This is a goal that we are working towards in stages and that affects all the ways in which we use eggs in the Company, including whole eggs, liquid eggs and by- products.

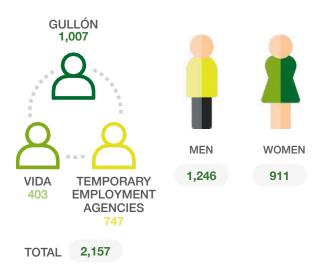
This commitment will improve the quality of life for an estimated 600,000 hens per year. This commitment includes publicly reporting on our progress in this area. Of the total eggs consumed in 2023, 74,720 kg were from free-range hens, i.e. 8% of the total

compared to 11% in 2022.



### 3.1. Our people

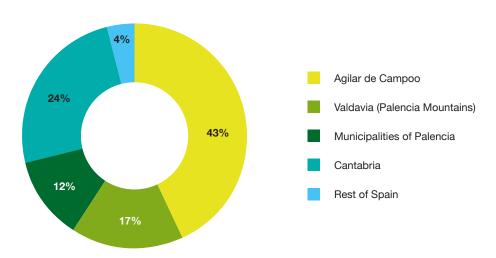
### THE PROFILE OF OUR WORKFORCE

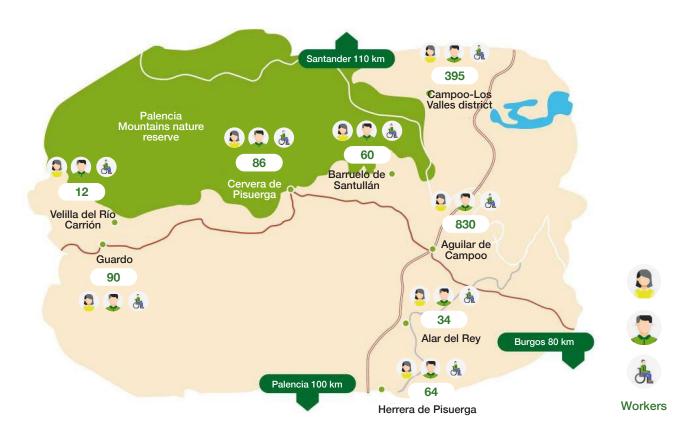


### Our approach to on diversity and equality

Galletas Gullón is committed to local development and the creation of quality jobs in rural areas. This is reflected in the following percentage distribution of our workforce:

### Geographical distribution of the workforce across Spain 2023





Because of our roots, we have a special bond with Aguilar de Campoo and the surrounding area. We intend to continue to create jobs in the area.

As part of our cultural diversity strategy, Galletas Gullón employs 25 nationalities in addition to Spanish.

Nationalities	People	Nationalities	People			
Algeria	2	Mexico (*)	1			
Argentina	8	Nicaragua	3			
Bolivia	2	Paraguay	20			
Brazil	12	Peru	3			
Bulgaria	10	Poland	2			
Chile	1	Portugal	13			
Colombia	29	UK #	2			
Cuba	1	Moldova	3			
Ecuador	2	Romania	23			
France	4	Switzerland	1			
Honduras	1	Ukraine	5			
Italy	13	Venezuela	26			
Morocco	12					
TOTAL 199						





### ÓPTIMA SEAL

The Regional Government of Castilla y León has recognised our commitment to equal opportunities through the voluntary adoption of measures and good practices in work organisation and work-life balance, awarding us the "Óptima Seal of Castilla y León" for our work in equal opportunities in recruitment at our VIDA factory.

"Galletas Gullón strongly believes in the value of diversity and equality. We strive to create a workplace where everyone feels valued, respected and has equal opportunities, regardless of gender, religion, sexual orientation or any other personal characteristics. This award recognises this work and encourages us to continue our commitment to promoting a fair and inclusive working environment for all our employees"

Francisco Hevia Corporate Director

### 3.2. Our consumers and customers

### Our commitment to excellence and quality



ISO 9001 for quality management systems.



SMETA audit: establishes standards for occupational health and safety, environmental performance and ethical principles among suppliers.



BRCGS (Brand Reputation Compliance Global Standard): endorses the degree of compliance and due diligence of suppliers.



IFS food safety regulations.

### New products and launches

In terms of innovation in new product development, in 2023 we surprised the market with two new launches as a result of our efforts to develop the best products.



Our new Vitalgrain family is a kind of light cracker. It is thin and crispy, made from a base of rice mixed with barley, oats, spelt, rye and pulses, giving it a high fibre content and the nutritional benefits of a balanced mix of cereals, high oleic sunflower oil and olive oil. This new family features four varieties: Vitalgrain cocoa, oats and orange; Vitalgrain spelt, chia and chocolate; Vitalgrain oats, spelt, barley and rye; and Vitalgrain cocoa, barley and rye.

And for the youngest members of the family, we have developed **Hookies**. These are fun, pirate-themed cereal mixes, high in fibre and high oleic sunflower oil, with no palm oil. There are five varieties in the Hookies family: Mini Cereals, allergen free (no lactose, milk proteins, nuts or eggs), Glutenfree sandwich (no eggs or nuts), Finas Chocoleche, Hookies Dragons and Hookies Sharkies.



### 3.3. Communities

### Social action and corporate volunteering projects

Galletas Gullón wants to have a positive impact on society. Therefore, as part of our Responsible Business Master Plan, we participate each year in social action initiatives in which we encourage our employees to participate through corporate volunteering.



In 2023, Galletas Gullón's volunteering strategy embraced a number of actions, such as the partnership with Cáritas through the donation of clothing or the donation of toys to food banks, and the **volunteering action organised and promoted in our region by the Red Cross with SEO/BirdLife.** 

We also renewed our partnership with the **San Cebrián Foundation** and took part in its XIV Inclusive Walk. This partnership is part of the agreement signed with the Foundation for another year, in which we commit to donating around 300 kilos of biscuits to the participants in the Walk.





Our employees also took part again in the **ADECAS solidarity walk** organised by the Personas Foundation, to which we donated 200 kilos of biscuits.

In 2023, we trebled out donations compared to the previous year, providing 86,000 kilos of our products to social bodies. The food banks of Palencia, Burgos, Cantabria and Tenerife, the Red Cross and the San Juan de Dios centre were among the beneficiaries of these donations, as well as sporting events and cultural activities in the district and province. Some of the events to which we donated our products include the Palencia charity run for mental health and the ADECAS charity walk, the sports trials organised by the C.D. Atlético Aguilar football school, the Palencia canoe club and the San Silvestre run.





We have also been donating our products to the **Cantabria Hermandad de Donantes de Sangre** blood donors' association since early 2019. The association gives each volunteer a pack of healthy biscuits from Gullón after each blood donation. Through this initiative, Galletas Gullón demonstrates its ongoing commitment to the welfare of the people of Cantabria.

In 2023, we strengthened our long-standing relationship with the **Personas Foundation** by ratifying the social agreement to promote the inclusion of people with disabilities and at risk of social exclusion in the world of work. The priority of this agreement is to promote accessibility and equal opportunities in employment.





In July, the Councillor for Women of the regional government of Castilla y León, María Victoria Moreno, visited our Aguillar de Campoo facilities and was welcomed by our CEO and managing director, Juan Miguel Martínez Gabaldón. This visit was part of the public-social cooperation initiative we ratified in 2021 with the Department of Family and Equal Opportunities to promote the elimination of gender inequality in employment.

We also worked with the **Federation of Rural Women's Associations of Castilla y León** with the exhibition IMAGE = EQUALS in our facilities.





As part of our commitment to attract talent and stabilise the population, we offered **summer internships to students in the Palencia region**. We offered these local students the opportunity to immerse themselves in the business world during the summer to acquire practical skills in areas such as production, logistics, administration and human resources.

Reflecting our commitment to making a positive impact in the community, we renewed our cooperation agreement with the **Spanish Association Against Cancer (AECC)** in Palencia for the fight against cancer, strengthening our alliance and promoting the well-being of the community. This agreement has enabled our employees to receive social and psychological care from AECC, together with training in early detection, anti-smoking therapies and support programmes.



### **Support for sport**

Galletas Gullón wants to help consumers lead **active and balanced lives**. In addition to offering products with high nutritional value and providing information on healthy eating, every year we work with athletics, football, cycling and sports teams to promote physical activity in our area, particularly among young people.

# In 2023, we worked with **14 sports groups**, benefiting **1,955 athletes**.



In 2023, we sponsored the **Aguilar de Campoo Kids' Climbing School** to promote this leisure activity and healthy lifestyles among the children in this new climbing school. With this new agreement, we are now helping more than 1300 children take part in sporting activities.

We also sponsored the **Palencia Canoe Club**, which has been running for around 50 years. This is just one of the many examples of our commitment to promoting sporting activities.





We also donated an all-terrain wheelchair to the Palencia Municipal Sports Association for people with reduced mobility and injured athletes who needed assistance during the **Palencia San Silvestre run** and other sports events.

We also funded camps for the children of our employees to give them access to leisure activities and learning through physical activity and action, promoting the importance of caring for yourself and your health.





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