

gullón

GULLÓN

SUSTAINABILITY REPORT

2018



Dear friends,

During 2018, at Galletas Gullón we have strengthened our commitment to social responsibility. Thanks to our 125th anniversary, we had the chance to look back on our establishment in 1892, our roots and the very purpose of our business: the development and prosperity of our local area through a high-quality handmade product.

Over the course of our journey, we have been able to really stand out within the sector, through disruptive innovation in the area of health biscuits and the use of state-of-the-art and efficient productive processes. This has allowed us to expand our business gradually, offering stability to individuals, forging key alliances and becoming leaders within the sector at international level.

On our anniversary year, we would like to share our delight and gratitude with stakeholders for having travelled this journey alongside us. Their support and know-how have given us the opportunity to get to where we are today.

To mark our 125th anniversary, we have had the privilege of receiving a visit from His Majesty The King, at a unique and historic moment for our company.

Throughout the year, we have also been able to involve and engage the whole Gullón team in our moments of celebration.

As a company, we are focused on the future and on the sustainability of the business as a key element of our development. We are well aware of the environmental, social, economic and geopolitical challenges ahead, and we are also aware that the implication of society as a whole is fundamental, from public and private actors to ordinary citizens, in order to respond to and resolve such challenges.

At Gullón, we strive to align our business strategy with the sustainable development goals (SDG) of the agenda 2030, enabling us to develop our activity from a global and cross-cutting perspective.

We know that we face major challenges, such as unemployment. Over past decades, Gullón has become a driver of employment in our local area, providing young people with the opportunity to train and grow alongside us. We continue to offer pioneering training programmes within the sector, such as Dual Training and Training with the Palencia Cereal Technology Centre (CETECE).

We are also committed to promoting healthy lifestyle habits, particularly among young people. In 2018, we continued our health education activities, such as the Healthy Breakfasts programme, along with the promotion

of children's sports. Our employees have also created several different sports teams in various disciplines.

With regards to environmental issues, we would like to highlight our participation in the public health project 'Organic and inorganic hybrid composite materials for the prevention of public health applied to the food, pharmaceutical and biomedical industries', an initiative that seeks to eliminate certain water-based contaminants.

Our goal is clear: to promote achievable and high-quality projects, which serve as an incentive for the whole Gullón team and for those related to the company. We want to generate real social change in our local area, improving the lives of individuals and offering a greater level of well-being and a greater number of opportunities.

In 2018, we once again obtained positive economic results, with growth of over 5%, reaching a turnover of 360 million euros. These figures attest to our commitment to innovation and health as basic components of our success, making Gullón one of the leading biscuit manufacturers globally. We know that we still have a long road and many challenges ahead, but we have the enthusiasm and energy to continue working responsibly and transparently.

We would not like to miss this opportunity to thank the management team and the whole staff at Gullón for their commitment and dedication, their expertise and their enthusiasm. They are what drive us to continue to be a benchmark within the food sector, to become even more competitive and to maintain our growth path, thanks to which we exceed our goals year after year.

María Teresa Rodríguez Sainz-Rozas

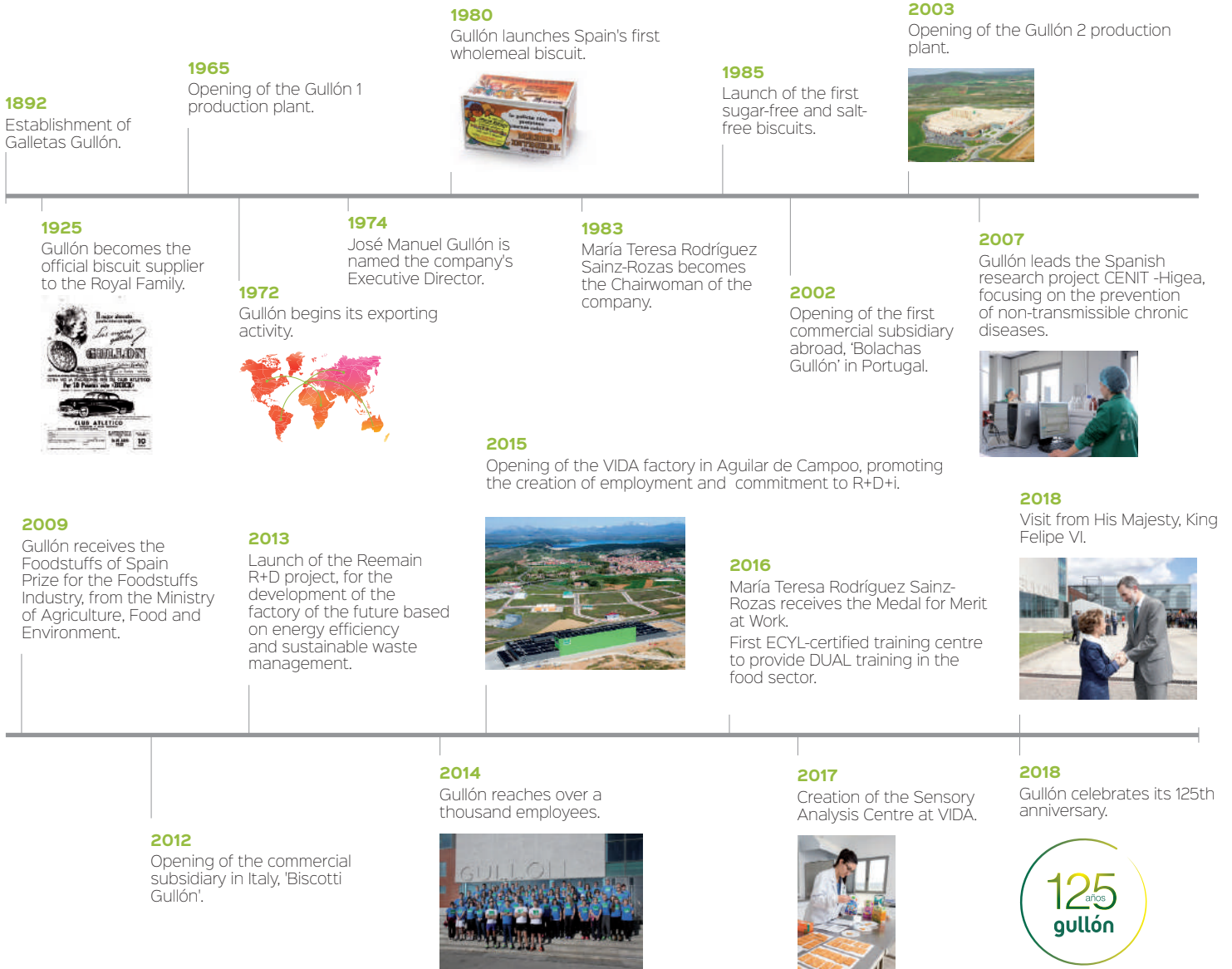
President and CEO of Galletas Gullón

Juan Miguel Martínez Gabaldón

Managing Director of Galletas Gullón

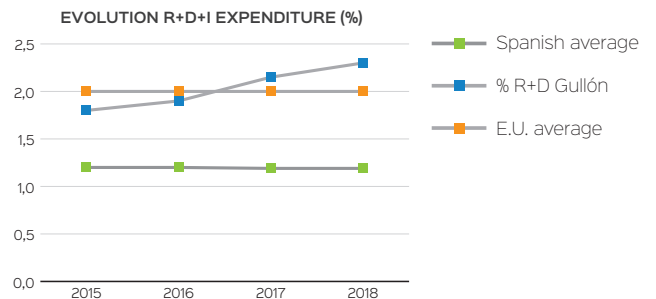


GULLÓN, 125 YEARS OF INNOVATION



CREATION OF VALUE

Investment in health and innovation continues to be a key component for Gullón's strategic development. In 2018, Gullón dedicated 2.3 percentage points of its total turnover to Research and Development, a figure that exceeds the European Union average and practically doubles average Spanish expenditure.



GULLÓN ABROAD

Gullón closed 2018 with an increase of over 15% in exports, reaching a total of 123 countries. Exports make up 40% of the company's total sales.



Healthy products trade fair, Food Matters, in London (UK).



Cibus trade fair, Parma (Italy).

OUR TEAM

TYPE OF CONTRACTS

Total employees	1481
Permanent	55.28%
Temporary	44.72%

AVERAGE WORKERS PER CENTRE

Gullón	82.7
VIDA	17.3

LENGTH OF SERVICE ACCORDING TO SEX

SEX	No.	Average Age	Average Length of Service
Men	55%	33	7.80
Women	45%	34.5	9.40

GEOGRAPHIC DISTRIBUTION OF STAFF

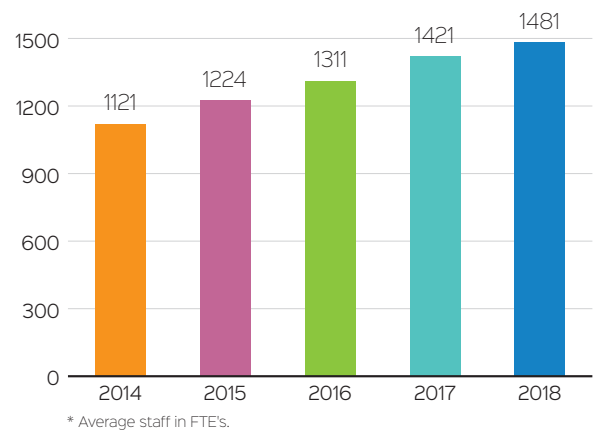
Palencia	74%
Cantabria	21%
Other Autonomous Communities	5%

A COLLECTIVE AGREEMENT DESIGNED FOR ALL

AT GULLÓN,
WE ARE
COMMITTED
TO

Talent attraction and retention
Professional development
Best work practices
Integration and diversity
Gender equality and family reconciliation
Safe and healthy work environment

EVOLUTION OF THE NUMBER OF WORKERS



TRAINING

NO. HOURS OF TRAINING

Staff	32,577
Newcomers	617



Annual rolling forecast to update the training plan



In 2018, Gullón has managed 32,577 hours of training



Existence of an annual training plan



Needs detection on a cascading basis in January of each year

OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

At Galletas Gullón, we believe it is important for our team and our stakeholders to learn first-hand how we apply the SDGs, putting theory into practice and defining a roadmap for the implementation and adaptation of the SDGs to our business strategy.



EXCELLENCE AND INNOVATION

The certifications currently held by Galletas Gullón can be divided into the following three areas:

FOOD SAFETY CERTIFICATIONS	GULLÓN 2	VIDA
IFS	✓	✓
BRC	✓	✓

MANAGEMENT SYSTEMS CERTIFICATIONS	GULLÓN 2	VIDA
ISO 9001 Quality	✓	✓
ISO 14001 Environment	✓	✓
SMETA Sedex Members Ethical Trade Audit	✓	✓

PRODUCT CERTIFICATIONS	GULLÓN 2	VIDA
Ecological Agriculture certificates	✓	✓
FACE for Gluten-Free Products	✓	✓
Tierra de Sabor	✓	✓
KOSHER	✓	✓
RSPO (Roundtable in Sustainable Palm Oil)	✓	✓
European Espiga barrada for Gluten-Free Products	✓	✓
UTZ Sustainable Cocoa	✓	✓

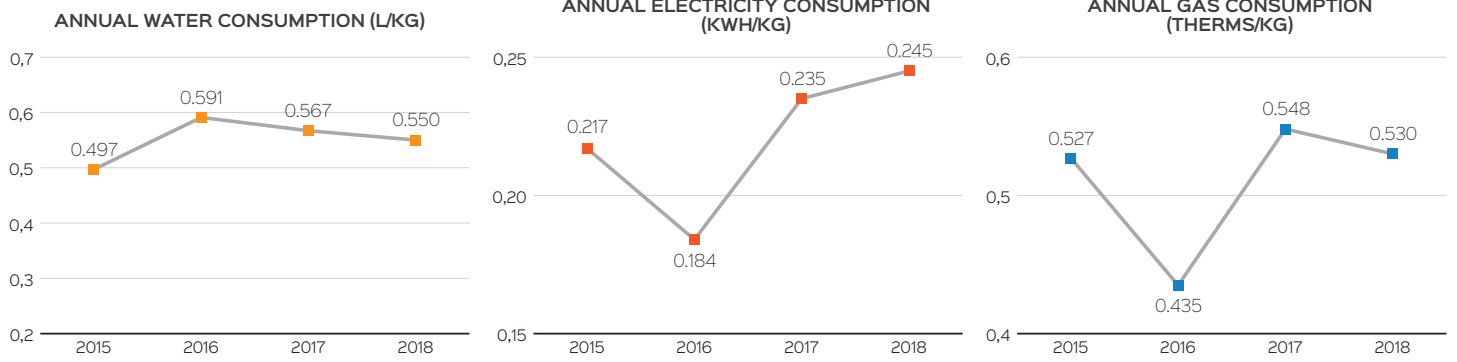
We strive for continuous improvement at all levels, through the PDCA parameter (plan-do-check-act).

We strive to improve the company's performance in the management of different aspects such as quality, environment and food safety.

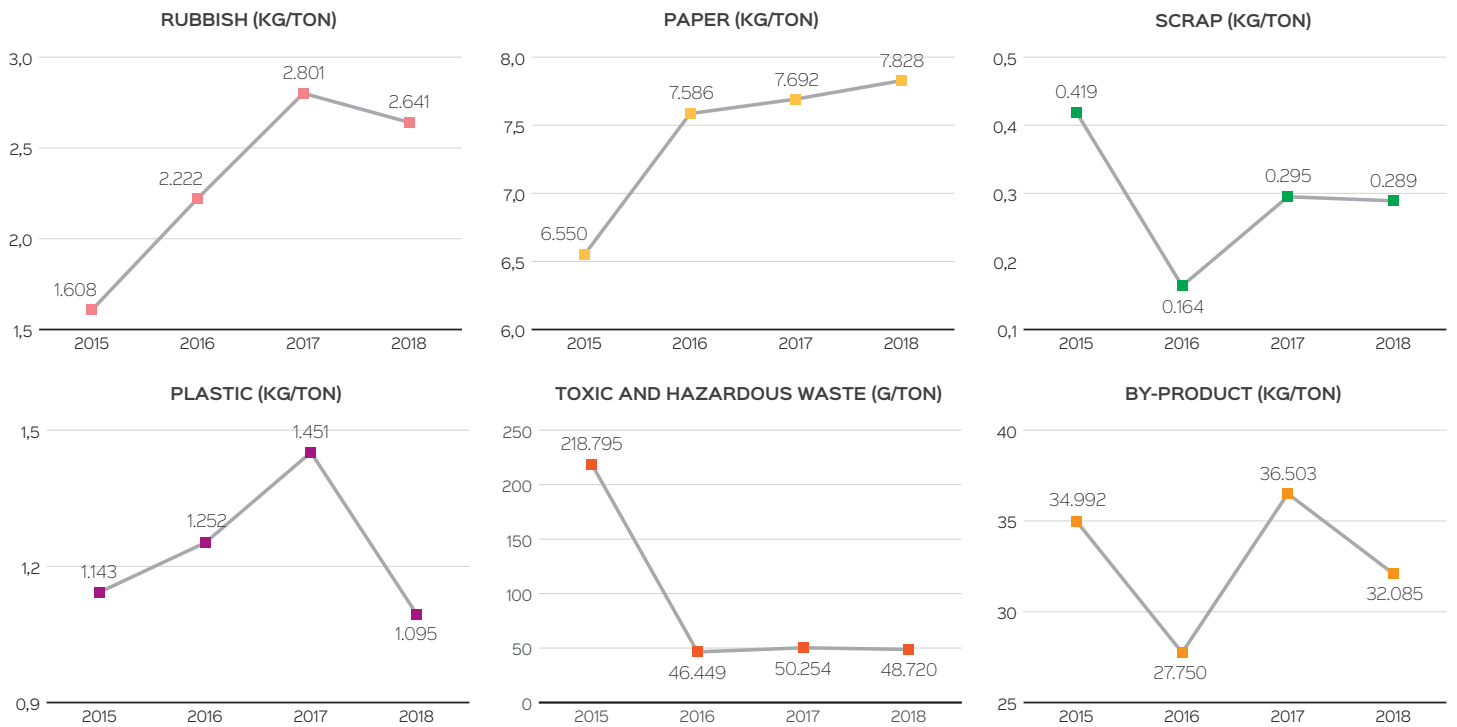
We strive to satisfy customer or consumer requirements.

COMMITMENT TO THE ENVIRONMENT

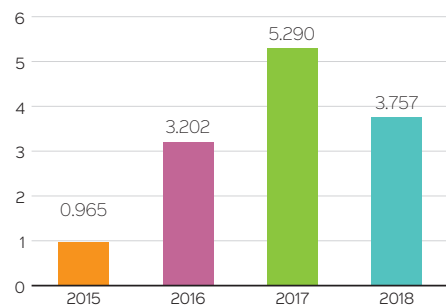
SUSTAINABLE MANAGEMENT OF WATER AND ENERGY



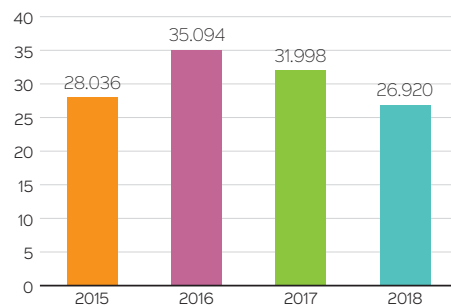
WASTE AND SPILL MANAGEMENT



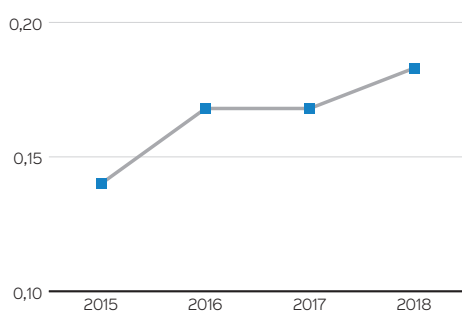
COTTONS AND RAGS SOAKED IN HAZARDOUS WASTE (G/TON PRODUCTION)



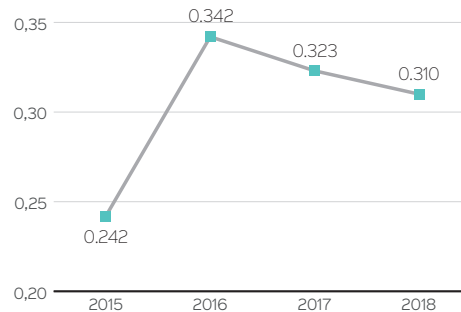
EMPTY CONTAINERS (G/TON)



EVOLUTION OF CO2 EMISSIONS (KG/KG)



DUMPING OF WWTP TREATED WATER (M3/TON)



LINK TO THE LOCAL AREA

To understand Gullón's 125 years of history, you first have to understand its close link to the local area.

Closer to you

International Short Film Festival in Aguilar de Campoo

Celebration of International Bird Day

Sponsorship of the "Rame Océan" rowing race

Healthy breakfasts for school children

Donation to the Spanish National Association of Automatic Distributors (ANEDA)

Collaboration with Fundación Personas

Fast painting contest

Dedicated to sports

New team in "Galletas Gullón Mountain Bike Competition"

Galletas Gullón takes part in the 1st Camino de Santiago challenge and in the 3rd Company Race in Valladolid

Higuero Running Festival 2018

Sporting visits to our facilities

Promotion of children's sport



TRANSPARENT COMMUNICATION

Gullón maintains fluent and continuous communication with the media. Our objective is to transmit clear and reliable information to professionals within the

sector about the company, its projects, its goals and results and its social action.



gullón

GALLETAS GULLÓN S.A.

Avda. de Burgos, 2 - 34800
Aguilar de Campoo - Palencia - Spain
Tel.: +34 979 12 21 00
www.gullon.es