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

1892 Establishment of Galletas Gullón.
1925 Gullón becomes the official biscuit supplier to the Royal Family.
1965 Opening of the Gullón 1 production plant.
1972 Gullón begins its exporting activity.
1980 Gullón launches Spain’s first wholemeal biscuit.
1985 Launch of the first sugar-free and salt-free biscuits.
2002 Opening of the first commercial subsidiary abroad, Bolachas Gullón in Portugal.
2009 Gullón receives the Foodstuffs of Spain Prize for the Foodstuffs Industry, from the Ministry of Agriculture, Food and Environment.
2012 Opening of the commercial subsidiary in Italy, Biscotti Gullón.
2013 Launch of the Reemain R+D project, for the development of the factory of the future based on energy efficiency and sustainable waste management.
2014 Gullón reaches over a thousand employees.
2015 Opening of the VIDA factory in Aguilar de Campoo, promoting the creation of employment and commitment to R+D+i.
2016 Visit from His Majesty, King Felipe VI.
2017 Creation of the Sensory Analysis Centre at VIDA.
2018 Gullón celebrates its 125th anniversary.
2020 Opening of the VIDA factory in Aguilar de Campoo, promoting the creation of employment and commitment to R+D+i.
2025 Gullón becomes the official biscuit supplier to the Royal Family.
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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.

EVOLUTION R+D+I EXPENDITURE (%)

Spanish average
% R+D Gullón
E.U. average

GULLÓN, 125 YEARS OF INNOVATION

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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.

EVOLUTION R+D+I EXPENDITURE (%)

Spanish average
% R+D Gullón
E.U. average

Healthy products trade fair, Food Matters, in London (UK).
Cibus trade fair. Parma (Italy).
OUR TEAM

TYPE OF CONTRACTS

<table>
<thead>
<tr>
<th>Total employees</th>
<th>1481</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>55.28%</td>
</tr>
<tr>
<td>Temporary</td>
<td>44.72%</td>
</tr>
</tbody>
</table>

AVERAGE WORKERS PER CENTRE

<table>
<thead>
<tr>
<th>Centre</th>
<th>Average Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gullón</td>
<td>82.7</td>
</tr>
<tr>
<td>VIDA</td>
<td>17.3</td>
</tr>
</tbody>
</table>

LENGTH OF SERVICE ACCORDING TO SEX

<table>
<thead>
<tr>
<th>SEX</th>
<th>No.</th>
<th>Average Age</th>
<th>Average Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>55%</td>
<td>33</td>
<td>7.80</td>
</tr>
<tr>
<td>Women</td>
<td>45%</td>
<td>34.5</td>
<td>9.40</td>
</tr>
</tbody>
</table>

GEOGRAPHIC DISTRIBUTION OF STAFF

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palencia</td>
<td>74%</td>
</tr>
<tr>
<td>Cantabria</td>
<td>21%</td>
</tr>
<tr>
<td>Other Autonomous Communities</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

TRAINING

NO. HOURS OF TRAINING

<table>
<thead>
<tr>
<th>Type</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>32,577</td>
</tr>
<tr>
<td>Newcomers</td>
<td>617</td>
</tr>
</tbody>
</table>

EVOLUTION OF THE NUMBER OF WORKERS

*Average staff in FTE’s.

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
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.

**SUPPLY CHAIN**
- Ethical, social and environmental criteria
- Global management that promotes local development
- Sustainable logistics
- Responsible purchasing practices

**COMMITMENT TO THE ENVIRONMENT**
- Efficient energy management
- Sustainable water management
- Transition towards a circular economy
- Fight against climate change
- Sustainable certifications
- Responsible value chain

**CUSTOMER COMMITMENT**
- Varied and top-quality offer
- Service excellence
- Continuous improvement and permanent dialogue

**COMMITMENT TO SOCIETY**
- Generation of economic and social value
- Family-run and inclusive business model
- Accessible to all
- Link to the local area
- Active participation in organisations and institutions

**EXCELLENCE AND INNOVATION**

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

<table>
<thead>
<tr>
<th>FOOD SAFETY CERTIFICATIONS</th>
<th>GULLÓN 2</th>
<th>VIDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFS</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>BRC</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MANAGEMENT SYSTEMS CERTIFICATIONS</th>
<th>GULLÓN 2</th>
<th>VIDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 9001 Quality</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ISO 14001 Environment</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>SMETA Sedex Members Ethical Trade Audit</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCT CERTIFICATIONS</th>
<th>GULLÓN 2</th>
<th>VIDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecological Agriculture certificates</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>FACE for Gluten-Free Products</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Tierra de Sabor</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>KOSHER</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>RSPO (Roundtable in Sustainable Palm Oil)</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>European Espiga barrada for Gluten-Free Products</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>UTZ Sustainable Cocoa</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

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.
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

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