



# Corporate Responsibility SanLucar

# Corporate Responsibility at SanLucar: What, when, how and why

CR Activities of SanLucar

This document specifies SanLucar Corporate Responsibility activities until March 2011, as well as the main indicators of the company's economic, social and environmental performance. During the months of July, August and September 2010, SanLucar CR department performed a detailed study of the company's stakeholders and their concerns and needs for information. The information contained within this report has been evaluated as relevant.



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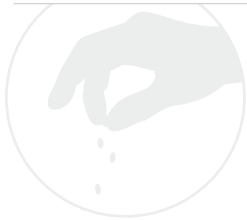
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## Sow to reap

**OUR PRESIDENT:** As a child and the son of a fruit and vegetable vendor from Munich, Stephan Rötzer learned from his father how to select best fruit with the most delicious taste. He started his working life as a market hand, pushing wheel-barrows laden with fresh produce at Munich's main fruit and vegetable market. He later worked for a year at his father's stand as a retailer at the well-known Viktualienmarkt and then moved to Spain and became a buyer for one of the biggest German supermarket chains for business between Spain and Italy. He then moved to Cologne where he worked at a famous fruit agency in the market there, but it was not long before he returned to his beloved Spain to manage a citric-fruit warehouse and then to start with SanLucar, all by himself.



I am very fortunate that my profession is more a personal vocation, for which I am very grateful. I really love my work and I put body and soul into everything I do. In the same way, I value and wish that the people working for and with SanLucar, are also happy and love what they do, as this passes onto our fruit and vegetables throughout the value chain, until reaching the final consumer. That is SanLucar's every day challenge, and thousands of hands throughout the world contribute to that. It is precisely this ideal that is intrinsic to each SanLucar product: A team with passion for the best fruit and vegetables.

When I founded SanLucar in 1993, the globalisation of international markets had already begun even though the consequences of this were still unknown then. Although, what we did know was, that the world moves at a vertiginous speed and I also knew what I wanted for my business: Hand-harvested products, of the highest quality, freshness and of exceptional taste at any time and for any product. I was sure that this could not be achieved at any price. Integrating values for the development of this, right from the beginning was a priority.

These values have always been part of the philosophy of SanLucar and as SanLucar grew, so did our capacity of action and of implication. We all know that the upcoming years are crucial with regard to decision-making in issues such as climate change, the environment and the socioeconomic situation, among others. At SanLucar we know this fact and we are aware of the importance of responsible behavior and decisions for the survival of SanLucar and the society in the longrun. Today, SanLucar can do its part to improve the society and the envi-



ronment of tomorrow, and we do so by acting every day according to our values, supporting our farmers and employees, listening to our customers, thinking about new ways of improving the conditions of people who depend on us and of those who are affected by our activities, etc. Nevertheless we are not perfect, and we are aware of this, and that is why we should continuously improve in this and other aspects and not lose track of our objective: To act coherently and responsibly.

In 2010 we gave a major boost to our corporate responsibility policy by creating a specific department for it from which all the social and sustainability projects in SanLucar have been promoted and developed ever since. Thereby, SanLucar ratifies that commitment. Proof of that is the elaboration of this Report, as well as the activities which will be explained, and the fact of belonging to specialized networks such as UPJ in Germany and signing voluntary codes such as the Charter of Diversity and the United Nations Global Compact.

Furthermore in 2010 we finally consolidated our production in Tunisia, where we have our own property which integrates an excellent product and the highest respect for the environment and the human rights. Not in vain, SanLucar did before many other producers, certify its activity on the basis of SA8000 Standard, which assures the compliance of ILO conventions.

All in all, at SanLucar we are sowing today the seeds for a sustainable future, because we are convinced that only with the right sowing today we can reap the best results tomorrow.

Stephan Rötzer

# Our world and SanLucar: How can we integrate the future in the SanLucar way of acting and trading from the current status or base?

**Corporate responsibility and sustainability are two terms that are closely related to our future. It is within the context of the future, that the scope of the measures taken concerning sustainability and awareness, and our contribution to the environment, will first become evident.**

That is why at SanLucar, we are aware of the so-called major trends that are currently emerging and which we know will definitely influence our future in the upcoming 20-30 years.

An example is the increasingly aging society and the significant

increase of elderly people with regard to the future purchasing decisions. Here we acknowledge its clear influence while designing our packaging, and while composing our selection, as we also make sure it suits this group of target consumers.





Another example is the major trend of migrating to the large cities, which means that in the future there will be more people who will live in big cities rather than in rural areas. Concerning this, we are already working on new logistic projects for this particular situation, as the overload and excess traffic in cities will require new concepts regarding the provision and dispatch of the goods to homes and shops.

The increasing digitalization of our society, the greater influence of social networks are, for example, reasons enough for us to use and intensify these new means of communication with all groups of interest. Through a new common platform between SanLucar and the consumers, we shall be able to more directly exchange our interest for a consciously responsible construction and for a better treatment of sustainable resources. The consumers of the future, as part of the food chain, want to know much more about the products that nourish them.

Another major trend is the fact that our resources will be reduced. A direct consequence of this is that

it will become increasingly more difficult to feed the world's entire population, which is why we are currently committed to sustainable crops, which will ensure fruit and vegetables that comply with our standards of quality and nature protection.

Last but not least, we can mention a final example of the major trend for the growing concern about health. As fruit and vegetable producers, we wish to comply with our responsibility and contribute to a truly healthy nutrition for the entire society.





# 1. Corporate Responsibility in SanLucar:

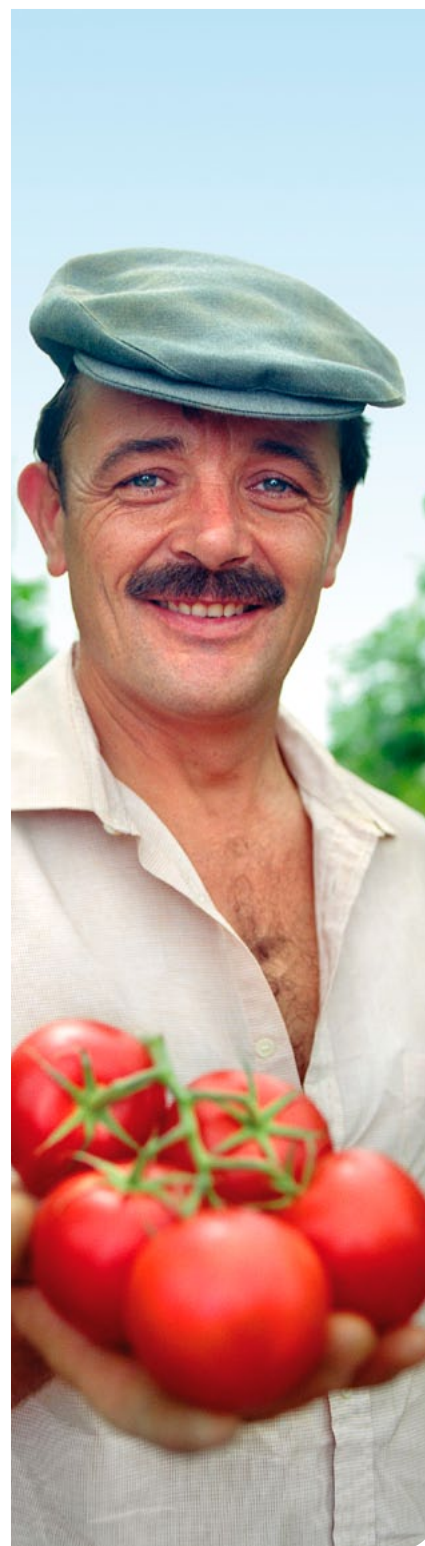
- Our values and commitments
- Our Plan: Corporate Responsibility in 3D
- Our team

# Our values and commitments

SanLucar’s corporate values have always been of great importance within the company. At SanLucar we believe that all our actions count, and that is why we and our collaborators, are all well informed and aware of our values and commitments, and we apply them in our everyday tasks and decisions.

**THE SANLUCAR COMMITMENT is a summary of commitments, that we apply both internally and externally. These are as follows:**

- Do not only consider the farmer, the product or the client, but also consider the person.
- Always work with foresight – you will thereby avoid problems and you will not need to solve them.
- Search for criticism and help others become better than you.
- Do not accept intermediate solutions.
- Take on responsibilities and never put your personal interests before the group’s success.
- Work only in a way that makes you happy. By doing so you create success for the company and for our collaborators.
- Work only with collaborators that have our same values.



Likewise, SanLucar is always looking into the future, and knows not only where it stands today but also what it wants to be tomorrow, and has a VISION which is based on four core principles:

- At SanLucar we believe in a healthy and natural world, a world in which everyone has the possibility and the right to eat the healthiest, most natural and tasty products.
- We want to be leaders in the development of new farming methods and in the innovation of products.
- We want to find Partners throughout the world that share our principles and commitments. People that are concerned about the society and the environment.
- We want to be a brand known for its social and environmental responsibility.

That is why SanLucar is committed to 360° quality and sustainable development as the basis of its business strategy; and since “actions speak louder than words” SanLucar proves it in every action, like the development of this first CR Report, which includes the information requested by our main stakeholders.

## Our values



The code of values of SanLucar comprises of a set of principles that form part of the DNA of each of our employees, together with our code of ethics and our recently approved environmental policy, they are transmitted to all our suppliers, partners and collaborators. Our aim is for all these stakeholders that form part of our value chain to know, to integrate and to apply these values and hence consider them as their own, because they also form part of SanLucar, of our family, and we therefore share the same DNA.



## SanLucar values

1. Collaboration and cooperation with our partners to move towards excellence.
2. Active listening of our stakeholders for a better understanding of their needs.
3. Responsible ethics and management: Business Fair-Play.
4. Honesty and transparency.
5. Quality: We take care down to the smallest detail throughout the entire process: Pre- planting, planting, growing, harvesting, distribution and marketing.
6. Sustainability: Respect and protection for the environment and people, regardless of their condition or circumstances.
7. Innovation for us means sustainable development and continuous learning.
8. Better anticipation than correction
9. The freshest, most natural and tastiest fruit and vegetables guaranteed throughout the year.
10. We will share SanLucar's values with our collaborators and will pass them on to all our stakeholders.

Specific policies are promoted from SanLucar Human Resources Management for a better understanding of the meaning of our values. Furthermore, at the beginning of 2011 and together with the working environment survey, SanLucar launched a survey of the values for all its employees in order to see how these are really applied and to what degree they have been interiorized.

To apply homogeneous ethical principles that improve the quality of life in our production areas is one of our main concerns and we therefore invest a lot of time and money in training our Quality technical staff in the standardization of our social auditing processes, adapting with flexibility to exceptional situations and serving as an ally whenever our farmers are willing to improve. We therefore ask our farmers to have our commitments and values in mind in their daily decision-making tasks, when treating their employees and the society in general.



A part of our quality department in Puzol.



# Our code of ethics

SanLucar has a Code of Ethics based mainly on the principles of the International standard SA8000, in respect of which SanLucar is certified since 2009, as well as on the United Nations Pact Principles.

## 1 Voluntary work

We do not resort to any form of forced labour, slavery, humiliation or involuntary work. The labour conditions must be determined in compliance with all the laws applicable in the country.

## 2 Child protection

We do not accept contracting children under the age of 15 or of the oldest age corresponding to the legislation of the country's compulsory education. Young employees may only be employed in circumstances which fully protect them from exploitation, from physical and moral dangers and from long term damages of their health as well as ensuring that their education is not interrupted. Likewise, young employees who are eligible to go to school must be motivated to do it and to participate in professional internships or other educational programs.

## 3 Right of association and collective negotiation

Employees will also have the right to join associations included in the law, without discrimination. An open attitude must be adopted with regard to the trade union

activities and those of the associations, and the employees' representatives will not be discriminated and must have the freedom to carry out their representative functions. To permit and comply with their tasks they must have access to all the workplaces.

## 4 Equality

All employees must be guaranteed to be treated in the same way, and to be offered the same opportunities. People with the same skills must be treated in the same way and discrimination must not exist in accessing the job positions.

## 5 Responsible employment contracts

The work relationship must be specified in a written employment contract. The employee must at least receive the copy of such. Employees will not be demanded to hand over their ID documents and will be free to leave the employment after notifying this with reasonable notice.



## 6 Legal and coherent working hours

The working hours, salaries, overtime payments and right of holidays must be determined in compliance with all the laws applicable in the country. The employees are not obliged to regularly work more than 48 hours per week and will have the right to rest at least one day per week. It is a fact that overtime working is required in certain period or times of the year, although this must not be in any case excessive and the overtime must be carried out voluntarily and must not exceed 12 hours per week.

## 7 Legal and coherent salary

The salary for a standard working week must respect the minimum legal standards. Employees must be informed in detail and understandably about the exact structure of their salary (itemization). Salaries

must be paid in time and a registry must be kept of the payments made to the employees. No salary deductions will be allowed that are not foreseen in the national laws.

## 8 Work health and safety and suitable working conditions

The workplace provided must be safe and hygienic, in such a way that the workplace must not damage the employees' health and safety. The internationally recognized health and safety standards must be abided. Hygienic toilets must be available at the workplace with no restrictions of use.

If applicable, the staff bedrooms or sleeping facilities must be kept clean and in good conditions, that is, they must have appropriate lighting, must be well ventilated, must provide access to drinkable water and hygienic bathrooms.

## 9 Commitment to Environmental protection

The company must acquire a clear commitment and strive to avoid or reduce the production of waste, the contamination of the environment and the depletion of the natural resources by means of specific measures and systems that prove this commitment.

## 10 Good governance and fight against corruption

The management body of SanLucar rejects any form of bribery, extortion and any kind of corruption, as defined in the applicable international agreements.



# Our Plan: Corporate Responsibility in 3D

The 2011-2013 SanLucar Corporate Responsibility Strategic Plan defines the strategic lines of the company's corporate responsibility.

Three CR dimensions or fields based on this plan have been defined at SanLucar:

**SL COMPANY, SL PRODUCTION and SL MARKET, defined strategies on each of these dimensions to achieve the CR goals, that are reflected in the following 10 steps:**

1. Feel and live according to our values: The SanLucar commitment.
2. Develop, comply and promote our ecological and ethical principles.
3. Develop, spread and promote our best ethical and environmental practices.
4. Use the best technologies available for innovation, sustainability and efficiency.
5. Guarantee an ethical and sustainable behavior throughout our value chain.
6. Minimization of the ecological impact of our product.
7. Effective and transparent communication.
8. Collaboration with our stakeholders based on trust, through an effective communication and joint action.
9. Considering local needs.
10. Global action to improve the conditions of society and the environment.

The SanLucar CR model is therefore a three-dimensional model from the inside to the outside, based on the application of a coherent strategy and the involvement of the main stakeholders, who are the backbone of this strategy. SanLucar hereby wants to become a catalyst and promoter of the business CR policies and a world reference within the fruit and vegetable sector.



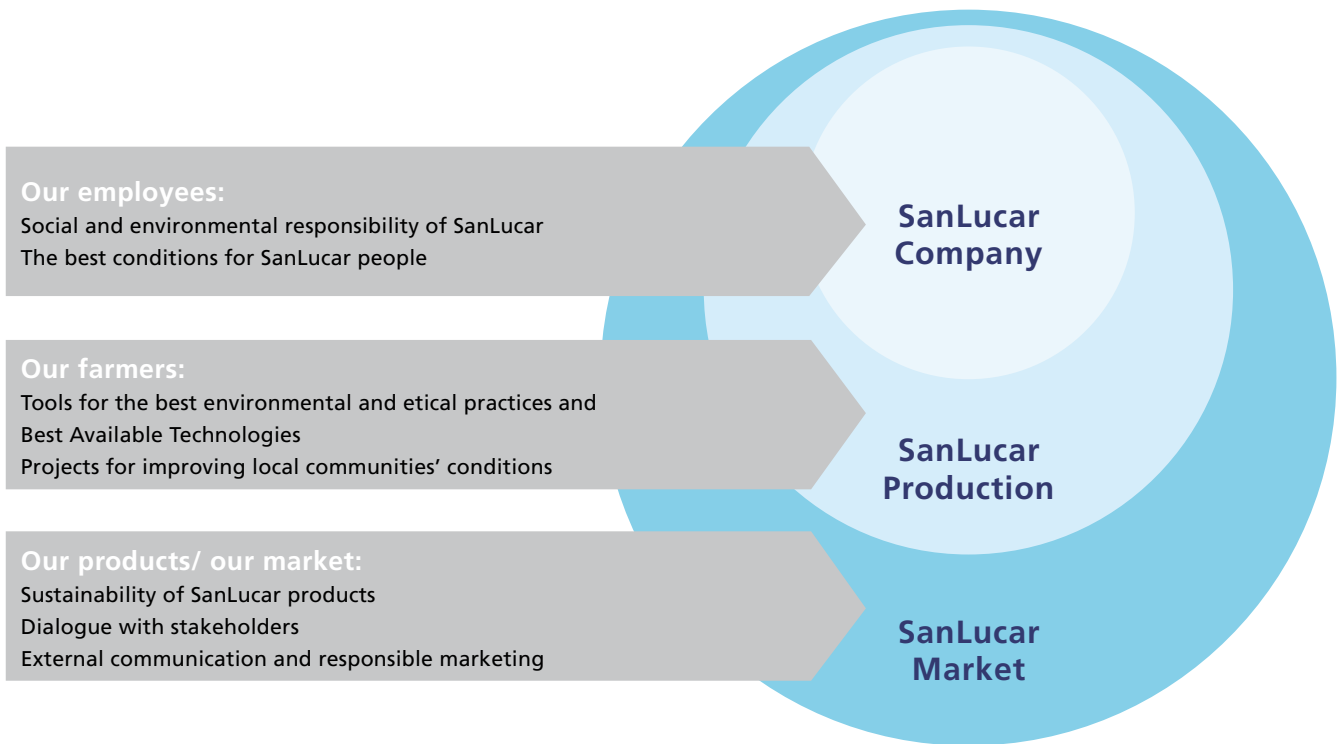


Figure 1:  
Our CR model

## Our team

To guarantee all the sustainability aspects are implemented within all SanLucar company activities, the CR model is linked to the business model of SanLucar, as it is through an integrated CR structure that the strategic and the operative implementation machinery is achieved.

Aware of the importance of Corporate Responsibility for the future of the company, for society and for the sustainable growth of the business, SanLucar created in 2010 a department from where SanLucar CR matters would be conducted.

The CR team is formed by a central manager within the department and the international project from Spain, Delia García, a manager for the project in Germany, Ilka Hein and a series of CR Ambassadors, corresponding to all the matters and areas that are relevant for corporate responsibility and in all the locations where SanLucar has presence, as are the cases of our colleague in Austria, Stephan Strasser or Nancy Daiss in Puzol (Spain).



Our Team in Puzol







## 2. We are SanLucar

- About us
- Where we work
- Where we sell
- Where we produce
- Looking to the future
- The operative structure



## About us

SanLucar represents the best fruit and vegetables in the world; for which many people from all over the world have worked, fought and contributed in many other ways, and continue to do so; among them are farmers, pickers, selectors, packers, drivers, and of course the colleagues from Puzol, Vienna and Karlsruhe. Without these people, SanLucar wouldn't be SanLucar.

SanLucar is a diversified, integrated and global company which guarantees a top quality product and exceptional taste all around the year respecting the environment and people.

## Where we work

Over 140 employees come to work every day to the headquarters that the company has in Puzol. The headoffice is 20 km from Valencia and is surrounded by gardens of clementines. It is here, among a multicultural atmosphere, where we devise the new varieties with which we are going to surprise our consumers, where we plan the following production, manage the transportation and market each of our products.

Although this is only a small part of SanLucar; another 675 workers must be added to this family, which are distributed throughout the company's delegations in Germany, Austria, France, Portugal, Turkey, Tunisia, South Africa, Chile, Ecuador and Costa Rica. In total we are more than 800 workers, and all with a common objective: To offer the freshest and safest fruit and vegetables, with the most intense taste and aroma.



Figure 2: Where we work



## Where we sell

From their countries of origin, our products are distributed to the points of sale in Europe. The main markets in which we are present are Germany, Austria, France, Luxembourg, Holland, United Kingdom, Spain, Italy and Poland. That is 9 countries, 30 clients and thousands of points of sale.

Our wide selection of fruits and vegetables reaches supermarkets, hypermarkets and fruit shops; we transmit them our know-how and our experience acquired from many years in defining commercial and communication strategies to deliver the best quality products to the consumers' tables.

Throughout this entire process we play a "Total Process Partner" role by which we establish synergies and integrated work among all the parties involved (producer – SanLucar – shop) to achieve the

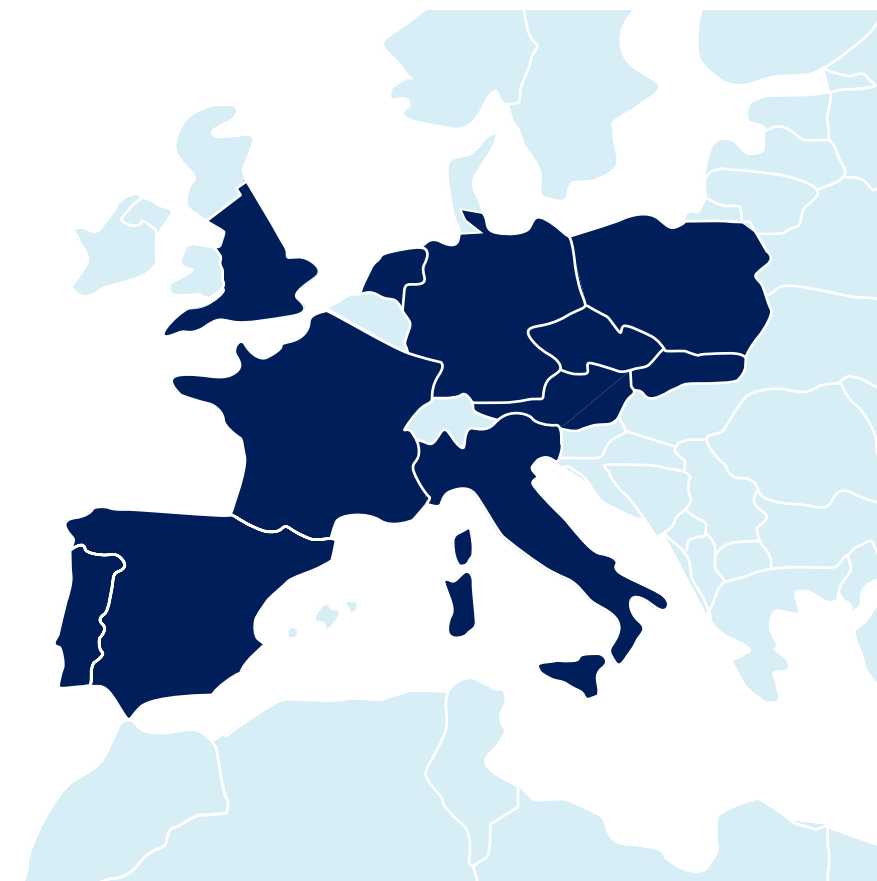


Figure 3: Where we sell

production volume that satisfies our clients' demand, without leaving aside our distinctive quality guarantee or our CR commitments. We therefore provide a traceability system, so that we can know at any time the place, the conditions and the arrival time of each of the orders. The 360° bond that we keep with our clients includes assessment in marketing and communication campaigns of the different products, as well as training trips.



# Where we produce

Our range of products includes approximately 90 varieties of fruit and vegetables and is composed of the products from each region, and the imports we carry out in other countries with the aim of offering our products 12 months of the year. This variety in our portfolio is due to a combination of the production in our own fields and the collaboration with other selected producers from all over the world, with whom we establish long-term relationships.

We have our own farms in Tunisia (undoubtedly one of our greatest self-owned production centres), Turkey and Portugal. The rest of the production comes from associated farms with which we have established relationships. Not any farm can become a SanLucar producer. We only collaborate with the best production farms to ensure that our final products comply with all SanLucar requirements. This is a key element of our success.

- Extern production.
- Own production.
- Strategic business development areas.

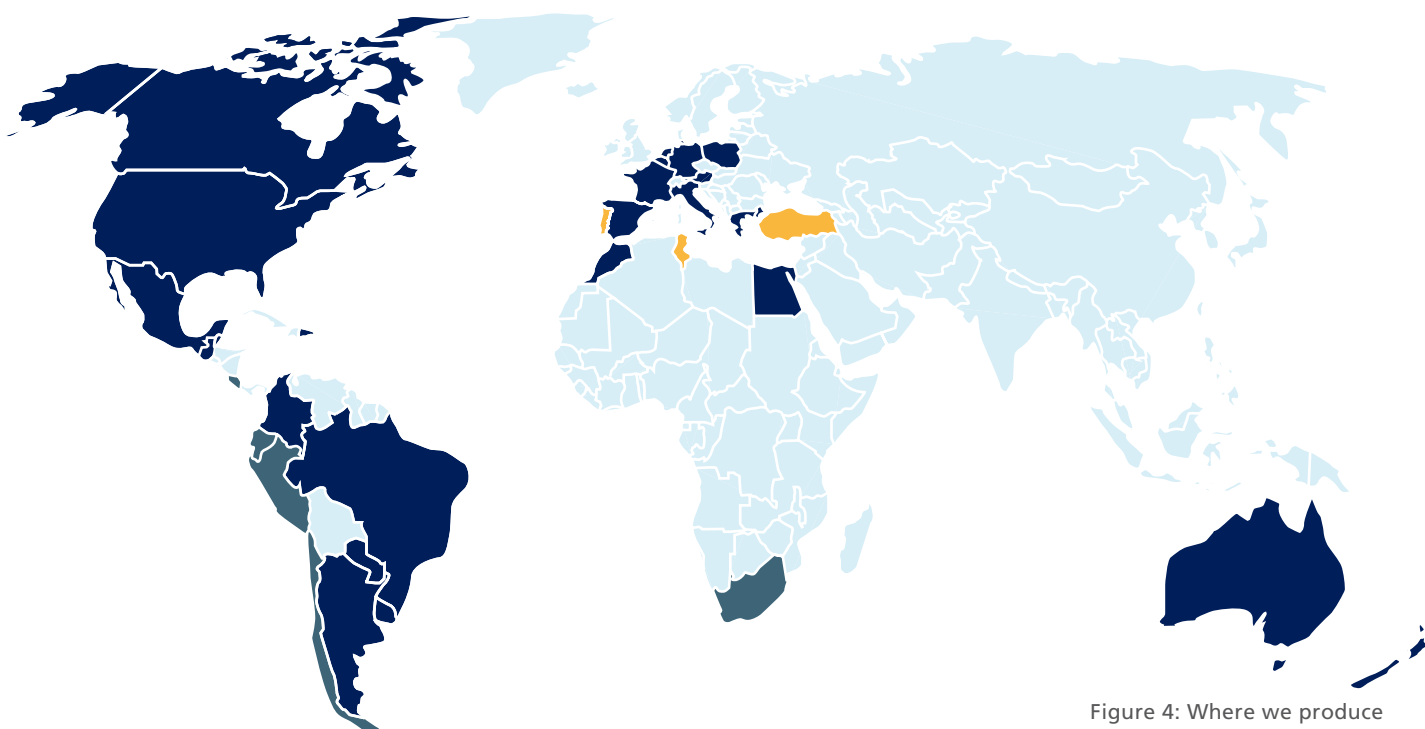


Figure 4: Where we produce



# Looking to the future

The SanLucar vision includes having a presence in the 5 continents by way of alliances with the best local producer-partners that guarantees for us and for our clients maximum quality products. The trust and collaboration with our partners is both fundamental and a requisite and is based on the good faith in our producers, R+D (Research and Development) and quality criteria spelt out by our Technical Department.

SanLucar has developed an ambitious business growth agenda envisaged over a 10-year period and involving production projects in several countries. This is a way of covering all the production seasons around the world. Set forth here is a summary of our Plan. The objective is full deployment in 2020.

Geographic area	Hectares Ha	Tonnage Tn	Employees	Product
Tunisia	4,000	100,000	30,000	Tomato Stone Fruit Citric Fruit Berries Melon and Watermelon Lettuce Peppers, egg-plant, zuchinni
South Africa	1,000	35,000	8,000	Stone Fruit Citric Fruit Berries Grapes
Chile/Peru	1,500	50,000	5,000	Citric Fruit Berries
Turkey	300	10,000	1,500	Stone Fruit
Central America	500	1,300	2,000	Pineapple and banana
Asia	300	1,000	1,800	Citric Fruit Berries Stone Fruit Mango

This development plan allows us, among other things, to optimize the use of natural resources in the production process, to improve local working conditions and to introduce new technology in production by way of major investment in R+D (see the example of Tunisia in the corresponding section).

Furthermore, SanLucar analyzes in its CR department the situation in each community where it has a presence today and those where a presence is planned in the future; hence our CR and Business Development Departments work closely together so that profitability for SanLucar also means social improvement and sustainability.



# The operative structure

The headquarters of SanLucar is organised by Directions, Areas and Departments as shown in the following figure.

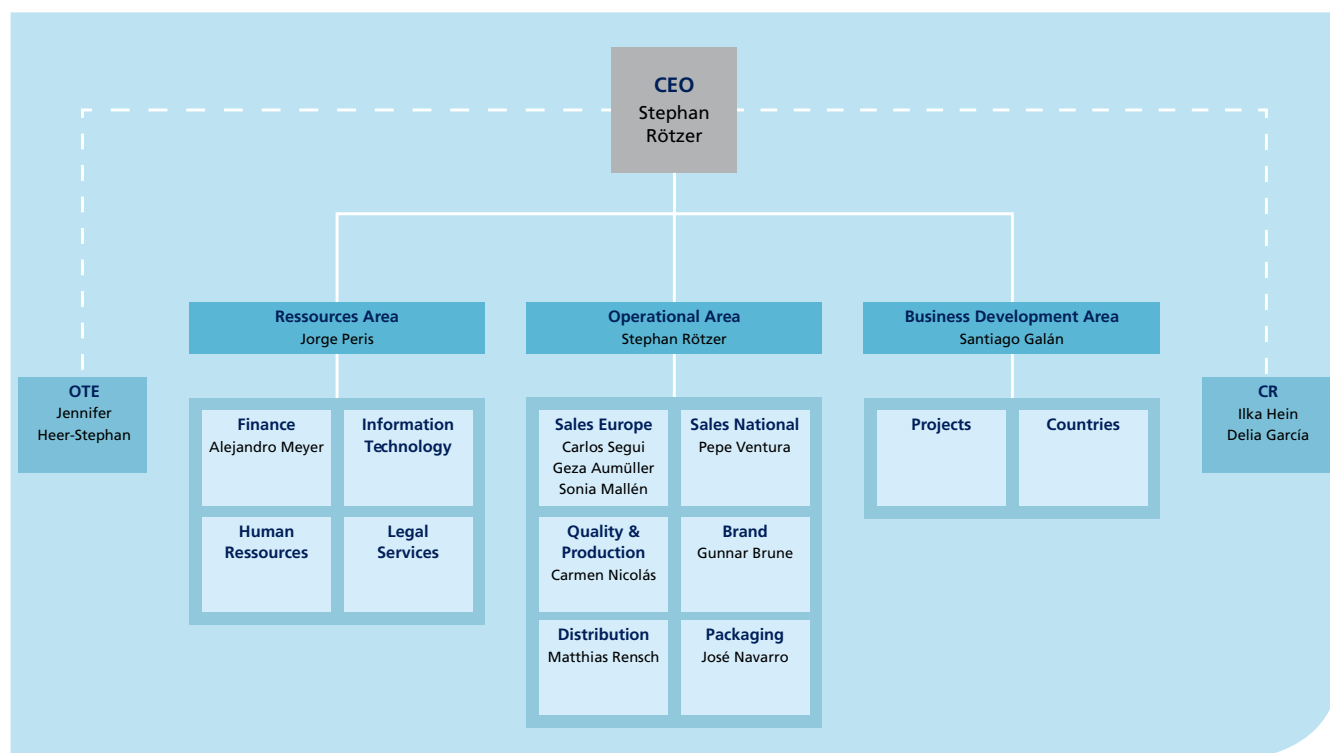


Figure 5: SanLucar Organisation chart

The Corporate Responsibility department is under the authority of the General Management, and is closely linked to all other departments, especially the Business Development, Quality and Product Management.

The rest of SanLucar delegations operate with their own Human Resources, Administration and Commercial departments, always in cooperation with their counterparts in the headquarters in Puzol.





### 3. The SanLucar brand

- Best fruits from all over the world -  
SanLucar Brand

## Best fruits from all over the world - SanLucar Brand

The SanLucar brand reflects what we are. It reflects our personality, our character and our philosophy. Although above all, the SanLucar brand defines our obsession: Taste. This is what differentiates us, what makes us unique. That is why we strive to bring the freshest and tastiest fruit and vegetables to the table.

For several years we have achieved a brand image among our consumers, which transmits naturalness and sincerity. An open and unique brand, that talks to the consumer in a close, caring and direct manner. We have achieved our consumers to trust SanLucar brand, because for them it is synonymous with quality and a guarantee of the taste and freshness that precedes us.

Besides all the production, logistics and commercial activity at SanLucar we are concerned about introducing innovative concepts for our clients to present and communicate the products, to build a true brand image from that close relationship and through our mutual trust.

This brand image results in a marketing strategy which has the aim of making life easier for our clients. This is the reason for which we launch new ideas and proposals to the market, such as the launching and marketing of new products and varieties such as ClemenGold or Magic Grapefruit, the communication of new concepts of products for lemons, apples and oranges or







simply regular actions, programmed by the product and campaign and that serve as sales incentive.

Our marketing activities are structured in two levels. A first branding strategic level aimed at building the brand image which reports presence in the consumer’s top-of-mind and a second more tactical level, which serves as support to the commercial activity –both of SanLucar and our clients- to boost the sale of specific products.

We differentiate between Below The Line and Above The Line activities. Included within the BTL ac-

tivities are promotional actions for specific products, contests, product tasting and decoration of the point of sale. In the ATL activities we include direct communication channels with the consumer through the social networks. We also carry out a B2B communication with our Newsletter and other material that we distribute to our clients with the aim of assuring that the entire chain is informed about our activities, actions and objectives.

As part of our communication task we also organise training trips with our clients to the farms, where we show them the installations to

know firsthand the methods and procedures we use at SanLucar, the staff dedicated to harvest and packing, the quality controls, as well as the training sessions where the latest news on the products is presented.

Another area of action is the innovation in the design of the packaging, where our team ensures the SanLucar brand image reaches the consumer through the product packaging, keeping in line with the rest of the communication and taking into consideration environmental aspects in our packaging.





## 4. SanLucar in facts

- Our Controlling department
- General information

# Our Controlling department

At SanLucar we work with a very special product, our fruit needs care, dedication and continuous treatment, therefore the flow of information must be much more frequent than in other companies. For example, the majority of our commercial reports are weekly and not monthly, as usual.

**Therefore we invest in having a powerful and modern information system (ERP). SanLucar management control allows having information of different areas:**

- a) **Commercial or Sales Controlling:** provides all the sales information to the commercial team and product managers. This information is almost in real time, as it is possible to obtain an assessment of volumes sold (kg/boxes/pallets), sales and gross results the following day.
- b) **Logistic Controlling:** the transport of perishable products like fruit makes the logistics one of the key elements for our clients to have a fresh product in perfect condition. The origin of our fruit is diverse, from bananas from Ecuador to tomatoes from Tunisia and the multiple routes to all our clients in Europe. Due to this the logistic costs are high and require that we are aware of what we spend every month and how to organise it better.
- c) **Group Controlling:** SanLucar has several companies distributed worldwide with different functions like marketing companies, fruit importers from overseas and production companies.. To keep control of all these companies on a financial and management level, it is important to have a monthly financial report system.
- d) **Financial Controlling:** it is information about several areas of the consolidated company in form of economic variables of great interest for the Management of SanLucar. A monthly scorecard is therefore elaborated as well as a profitability analysis of the company's areas and projects.



# General information

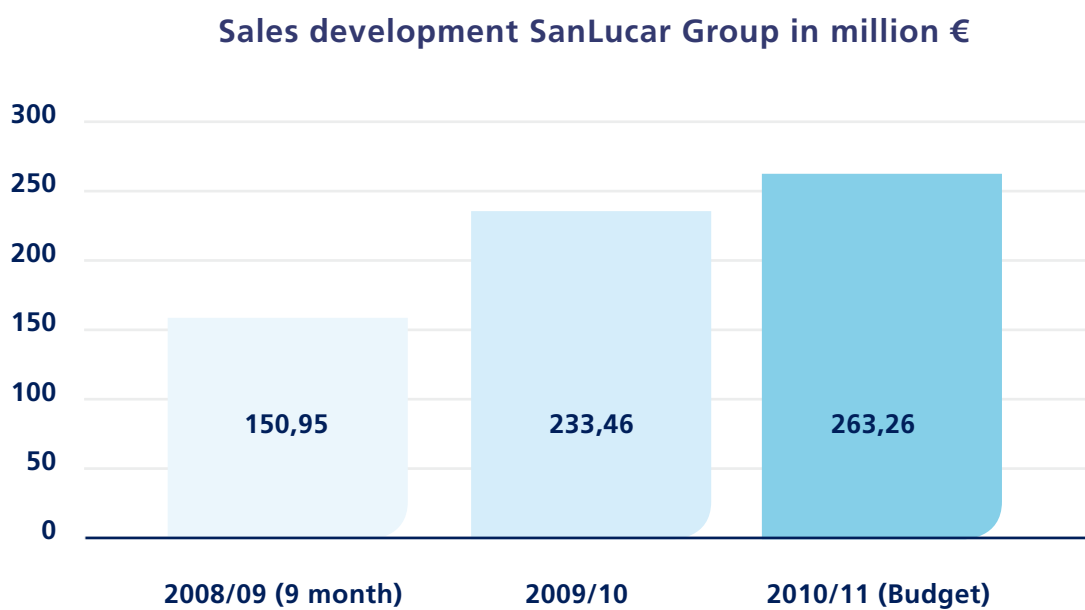


Figure 6: SanLucar parent company sales information (total)



### Distribution of sales by product Year 2009/10

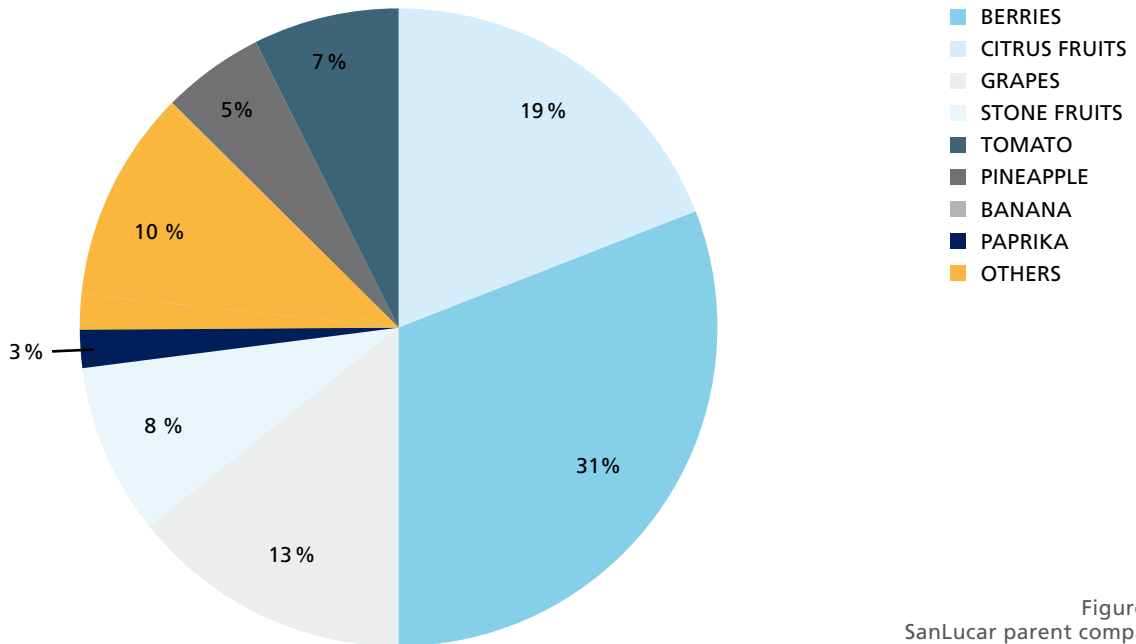


Figure 7:  
SanLucar parent company sales information, itemized by product

### Distribution of sales by country Year 2009/10

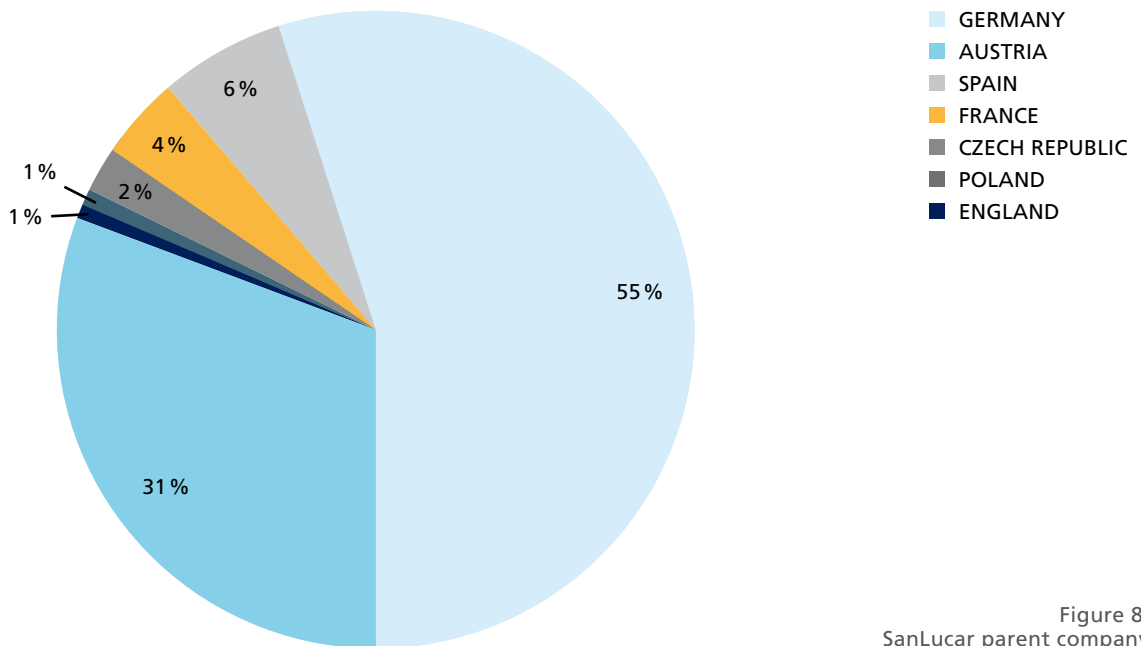


Figure 8:  
SanLucar parent company sales information, itemized by country





## 5. Commitment to our employees

- Our human capital
- Equality and diversity
- Training and development
- The SanLucar Academy Project
- Tools for internal communication and dialogue with our employees
- The working environment
- The SA8000

# Our human capital

At SanLucar our employees are our best asset. We care and look after them because without them our activities would not be possible. Therefore, every year SanLucar’s profit is proportionally distributed between its employees according to the compliance of objectives, that is, if we earn, we all earn.

Our employees are also an essential element for our CR policy. They invest part of their time for social purposes, such as our corporate volunteering program, the great success of the solidarity campaigns and the collaboration through the structure of CR ambassadors.

At SanLucar we all understand that we are part of a far larger team, which is the entire company. We value the importance of everybody’s work and attitude and how this affects the lives and the results of every team member and of the whole company. That is why we

promote initiative, invest in professional development, provide a safe and healthy working environment, guarantee equality of opportunities for all and have into account the diversity of the societies in which we operate. We don’t do all of this altruistically: We aim that everybody in SanLucar feels happy and motivated so that they give their best.

We also know how important it is to attend to our international suppliers and clients. Through our innovation capacity in different professional and geographic en-

vironments we try to reach different cultures and needs. We therefore promote cultural diversity in our working environment by means of an exchange of knowledge which develops interpersonal and social competences.

In this chapter you can find a summary of some of the policies adopted by the Human resources department.



# Equality and diversity

SanLucar is characterised especially for having diverse and egalitarian staff. We promote diversity, equality inclusion and management practices in our working environment to improve our competitiveness, to be able to meet the characteristics of our stakeholders, to contribute to our social responsibility and to improve the professional and private lives of all the people who form part of SanLucar.

## Equality

We consider that equal opportunities are not only a legal duty, but also a social responsibility and a competitive advantage. We are convinced that a greater harmonization between the company's needs and our employees promotes innovation, development and participation.

We promote and apply the principle of equal opportunities between men and women, in each and every field in which we develop the business activities. This principle is applied, from the selection to the promotion, through to wage policy, training, work and employment conditions, health at work, organisation of working time and conciliation. Likewise, SanLucar will carry out additional practices to promote equality through implementing its Equality Plan which is being developed until the end of 2011. Our Human Resources team therefore has a person who was trained as "Equality Agent" and who has elaborated a detailed diagnosis of the company's gender issues.

Salary bands	Women %	Men %	Total %
Less than 12.000 €	0	0	0
From 12.001 € till 14.000 €	0	0	0
From 14.001 € till 18.000 €	0	0	0
From 18.001 € till 24.000 €	23,6	6,6	30,2
From 24.001 € till 30.000 €	15,1	5,7	20,8
From 30.001 € till 36.000 €	11,3	5,7	17
More than 36.000 €	14,1	17,9	32
<b>TOTAL</b>	<b>64,1</b>	<b>35,9</b>	<b>100</b>

Figure 9: Analysis of the wage bands according to the gender of the employees

In the past months we have focused especially on improving the conciliation of the working and private life mainly by extending flexible working hours.

Furthermore, we have to emphasize that we have a higher representation of women than men (currently 64,1 % of the staff are women and 35,9 % are men).

The percentage of women reduces in the higher positions of our organizational structure, although the possibilities of promotion are the same regardless of the gender, and our human resources policy includes this aspect.

## Diversity

SanLucar is a multinational company with subsidiaries and collaborators throughout the world and with increasing international projects. This diversity on a business level is also reflected in our staff.

Diversity may cause problems, although above all it creates opportunities and it is a source of creativity and innovation. Thanks to our diversity we interact with each other, we are mutually interested in each other and we know how to interpret and see our challenges. Collaboration and coexistence in such a diverse working environment





is necessarily based on mutual support and tolerance.

This conviction and philosophy became official when we joined the Diversity Charter in 2010. In a survey carried out in February 2011 on quality and diversity, 98 % of the staff stated that diversity was a positive issue for them. Currently, at SanLucar Spain we already have 13 countries represented. Extending that to the entire business group, we have more than 20 nationalities represented.

We promote this diversity not only by means of new employees, but also through an internal communication aimed at bilingualism (Spanish and German) and by imparting

language courses. In this sense, more than 2,000 language training hours will be imparted through-

out the 2010/2011 financial year. Training which takes place during working hours.

### Staff (SanLucar Fruit) classified by gender and nationality (28.01.2011)

	Women	%	Men	%	Total
German	22	79	6	21	28
Austrian	0	0	1	100	1
Belgian	0	0	1	100	1
Czech	1	100	0	0	1
Chilean	0	0	1	100	1
Slovak	1	100	0	0	1
Spanish	27	52	25	48	52
French	5	83	1	17	6
Dutch	1	50	1	50	2
Italian	4	67	2	33	6
Moroccan	1	100	0	0	1
Polish	2	100	0	0	2
Turk	0	0	1	100	1
<b>Total</b>	<b>74</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>113</b>

Figure 10: SanLucar staff

## Training and development

SanLucar’s success depends mainly on the quality of its staff. We search, attract and retain talent and offer development opportunities to those people who, as well as their professional skills, prove to have entrepreneurial skills (client-oriented, people-oriented, goal-oriented, leadership, impact and self-confidence).

Besides the above mentioned ca-

pabilities, experience and basic competences, we do not take into consideration the origin of the employee, his/her nationality, race, religion, gender or age. At SanLucar we develop every employee’s capabilities to create high levels of motivation and performance and to allow them to achieve their full potential. Our policy is to have well-trained staff with high levels of knowledge, so they can develop

their tasks and be prepared for new responsibilities and challenges.

The internal transfer of the know-how is another matter of the Human Resources’ policies. Therefore, at SanLucar many internal courses are organised among employees as many of them have broad competences in specific matters. Thus, their communication skills are also promoted. More than 20 different



training actions in different areas were developed throughout 2010, such as regarding the SA8000 Standard, product specifications, computer programs, fruit packing processes and workshops.

We therefore invest in necessary specific training without restrictions, valuing the real training requirements and their short and medium-term benefits. 20 training actions with external Specialists are planned during the 2010/2011 campaign.

SanLucar is also committed to young talent and offers 4 to 6 months internship positions for students and young foreigners who just finished their education. A very complete internship programme has been developed throughout the past three years. We currently receive up to 25 internship students throughout the year, mainly from German speaking countries, but also from other European countries and other continents. We have obtained prestige among the universities and the mobility programme coordination

centres such as Leonardo-da-Vinci and Erasmus, as every year they continue to trust us by wanting to involve their students with us. We have been subsidized in three occasions by the European programme EURODISEA. And proof that our practices are the index of highly valued internship training is also that many of our ex-trainees end up by incorporating our permanent staff. Today, they are employees and develop their career at SanLucar.

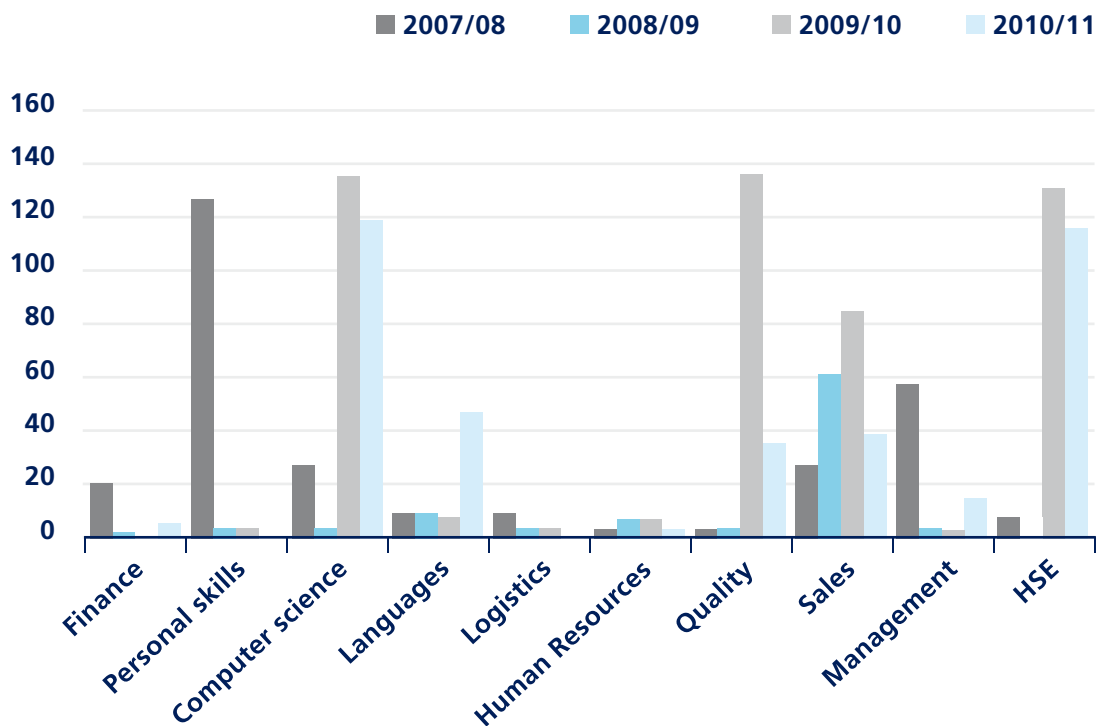


Figure 11: Training in SanLucar itemized by subject areas.



# The SanLucar Academy Project

SanLucar has a strong commitment to the training of our employees as well as our collaborators. This is why our IT Department is developing an e-learning platform for SanLucar; as from autumn 2011, online training courses, both internal and external on various themes of interest will be available.

## Some examples of the E-Learning contents are:

- Products
- Quality topics
- Use of computer tools
- Health and Safety
- Best environmental practices in the office
- Sustainable cultivation
- Human Resources policies
- Sustainable mobility
- Management systems
- Equality and Diversity

We are currently working on the contents but we have already designed a course on the SanLucar tomato and another one on how to create the Quality Report.

This platform will not only facilitate and improve the training of SanLucar personnel and partners, but also allows a better management of courses as well as an improved assimilation of their content. Furthermore, it is envisaged that it will play a vital part in professional development at SanLucar.



# Tools for internal communication and dialogue with our employees

Internal Communication (hereinafter, IC) provides a significant contribution to securing the company's vision, mission, objectives and strategies. Reason for which this is conducted with the indications and strategy marked by the General Management.

It is essential for SanLucar to optimize the organizational processes at the same time as promoting active exchange at all levels and all departments to thereby increase motivation and involvement, reinforce the development of a driving corporate culture and optimize the distribution of information.

Although SanLucar had tools for IC such as the Intranet before, it wasn't until 2009 when the decision was made to institutionalise the IC and therefore centralise it, coordinate it and turn it into a strategic tool, optimising the organisational processes, the exchange of motivation, the identification and commitment with the company.

We have therefore worked in structuring and defining a concept for the communication processes and promoting the participation of all the staff through a communication system of monitoring and sugges-

tions. There is an existing Internal Communication Plan since 2010 which defines the regular analysis of the situation, the communication objectives; the communications plan itself, the communications approach, style, method, target and its assessment.

The employees' communication needs have been measured and

analysed through a communications survey. Furthermore, a survey concerning the working environment is sent every year. This survey also asks about internal communication and everyone has the chance of expressing themselves freely and anonymously.

Several communication channels for the employees of SanLucar



The Intranet is supplemented by a website with internal news, named LucaNova.





Fruit have been introduced to re-inforce IC. On one side we have the Intranet where general information about the company can be found, but also communiqués about important facts and events. Throughout the 2010/2011 campaign approximately 170 communiqués have been sent to employees, mainly with information about Human Resources and Products, but also about solidarity campaigns and other matters of interest for the SanLucar employees.

The Intranet is supplemented by a website with internal news, named LucaNova, which was created in spring 2010. The contents and articles on LucaNova are written by the employees themselves. This medium serves to provide continuous information about projects, changes and achievements which take place every month. Furthermore, at the end of each article it is possible to leave a comment. Since it started, approximately 150 articles have been written about different subjects. Every month, the editors' committee follows-up the articles to evaluate which subjects are the most interesting for the SanLucar employees, and suggestions for improvements are made.





On the other hand, the exchange of opinions and proposals for improvement is promoted through a suggestions box (Apolo SA8000). This medium also allows anonymous communication on more delicate matters as the communications are received only by the employee's representative for the SA8000.

Another means of communication which was introduced is an internal dictionary named Lucapedia, which equally depends on the participation of all the staff. The Lucapedia includes explanations about expressions, products, etc. that form part of the SanLucar world. This medium is highly valued by all newcomers.

Internal communication is not only provided through different means of communication but also directly. The SanLucar premises are organized as open-plan, almost without any closed offices. We thereby guarantee a communicative and flat hierarchy facilitating a direct and fluid exchange of information.

Furthermore, our technical team has all the necessary tools to organise live and remote meetings. In 2010 we developed a tool which allows arranging at the same time an interview in Outlook with all the attendants, both internal and external, and book a room to ensure a quiet place as well as to book

the necessary means (notice board, projector, Wi-Fi connection, and teleconference and video-conference connections).





## The working environment

At SanLucar we are committed to our employees' satisfaction and their commitment to the company. We are interested in their opinion to become better and therefore we conduct annual working environment surveys which aim at analysing the overall satisfaction of the company's employees, as well as the satisfaction and opportunities of improvement related to the different variables, which are:

- Environmental conditions and ergonomics
- Work position
- Training and professional development
- Work colleagues
- Superiors, directive style
- Management
- Remuneration
- Communication
- The staff and working conditions policy
- Values



A working environment report is elaborated from the answers obtained and actions of improvement are proposed in the areas in which we find opportunities to improve. We have maintained most of the structure of the working environment survey since 2006, which allows us a good overview about the progress of the main variables.

We have also achieved an increasing the participation in this survey, with last year reaching 64% of the overall staff, of which 80% was from the staff at the headquarters.

For the past two years, the best rated aspects on the survey have always been overall satisfaction with the company and the work colleagues, valuing very positively the multicultural atmosphere and the youth and diversity of the staff. The job position, as well as staff training and development have also been rated very highly. The immediate superior and staff policy are on optimum levels, the remuneration gaining points against the previous years. Outstanding is also the flexibility of the HR policy and the management's general open-mind to new ideas. The company's overall





image is another highly positive aspect, as the employees perceive they work in a company recognised in the sector, with prestige, quality and with a well-defined brand. SanLucar represents dynamism and innovation.

The challenge we face, that is, the worst valued variables, is improving the communication and collaboration between departments or work teams, as well as to define the responsibilities more clearly.

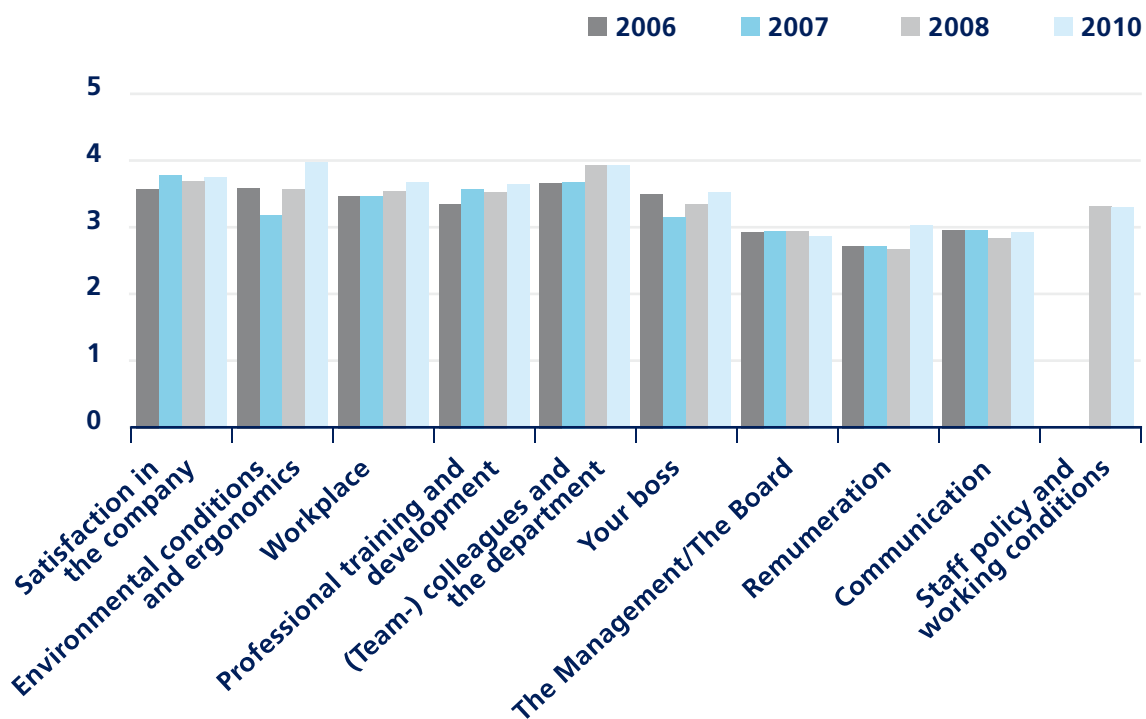


Figure 12: Summary of the history of results of the work environment survey (5= excellent; 0= very bad)



## The SA8000



Since its creation SanLucar has always acknowledged that social and ecological responsibility is linked to the fact of doing business and that it creates new areas of development. Social responsibility forms part of the main idea of our business and our corporate culture.

A significant step to prove our commitment in this sense was the company's certification based on the International Standard SA8000 since 2009. This Standard certifies a management system which guarantees the compliance of some basic social responsibility principles. It details nine components that include the protection of human rights and the improvement of the working conditions, based on the principles of the international human rights conventions of the ILO.

**In order to manage it accordingly a computer management system has been created, the Apolo SA8000, which is concerned with the following areas:**

- Child labour
- Forced labour
- Health and safety
- Freedom of association and the right to collective negotiation
- Discrimination
- Disciplinary measures
- Working hours
- Management Systems

All these areas are also reflected within the Company Policies, the Human Resources Policy and the Code of Ethics of SanLucar. A team of several people formed by various departments (Human Resources, Corporate Responsibility, Quality) works continuously, every year, to improve and apply this management system.





## 6. Environmental Commitment

- Sustainability
- Our carbon footprint
- The Tunisian example
- Light Weight Box®
- Paper-free office
- The office is the world
- Sustainable mobility

# Sustainability

Sustainability is not just a slogan for SanLucar. From the first moment of the production cycle SanLucar takes the environment into account, choosing those climates that mean minimising the consumption of natural resources and the best conditions for plant growth.



Likewise, watering in our fields is done through highly efficient systems that protect natural resources and, where possible, our farmers use crop rotation. Therefore, nature has time to recuperate.

Regarding the use of substances, only when there is the threat of an important crop loss, do we fall back on pesticides, but always in the strictly required amounts, fully controlled so that they are innocuous. This is not just a necessary condition for a healthy harvest, it also helps our farmers.

## SanLucar's activities could be grouped in:

- Sowing/planting
- Growth/Development
- Harvest
- Warehousing
- Transport to final delivery
- Transformation, if it is the case (oil)
- Administrative activities
- Presence at points of sale
- Presence at fairs and events

Each one of the activities has associated environmental impacts that are different in each case.



In 2011 SanLucar defined its environmental policy so that all of its activities take the SanLucar principles of sustainability (minimum contamination + maximum efficiency) into account.

**SanLucar, as a responsible member of society and of the fruit and vegetable sector, is aware of the fact that its activities have an impact on the environment and that they must carry out these activities within a framework of environmental protection. Therefore the companies within the SanLucar group, in order to collaborate in the sustainability of human activities, establish their Environmental Policy based on the following three fundamental principles:**

1. Fulfil applicable Environmental Legislation and Regulation and other requirements that SanLucar subscribes to.
2. Continuously improve our installations, equipment, activities, practices, and processes in order to:
  - Minimise the consumption of natural resources (fundamentally water and non-renewable energies).
  - Minimise the use of harmful or potentially contaminating substances.
  - Minimise the generation of waste and adequately manage it (separation, storage, management and treatment) – promoting reduction, re-use and recycling as alternatives to elimination.
  - Develop solutions that increase process efficiency and decrease the ecological impact of our products.
  - Prevent contamination in our ecosystems.
  - In the case of not having enough control capacity, compensate our ecological impact with alternative measures.
3. Involve, train, and make the people at SanLucar aware of their responsibility, so that they respect, share and apply the same environmental prevention and protection principles and criteria, whether they are workers, suppliers, collaborators or clients.
  - This policy must be applied in all SanLucar activities: pre-production, production, transport, logistics, packaging, development of marketing and sales materials and in administration.

This policy must be applied in all SanLucar activities: pre-production, production, transport, logistics, packaging, development of marketing and sales materials and in administration.



# Excellence of product versus the environment?

Plants, like all living beings, need carbon, hydrogen, oxygen, nitrogen, phosphorous, potassium and minerals in order to grow.

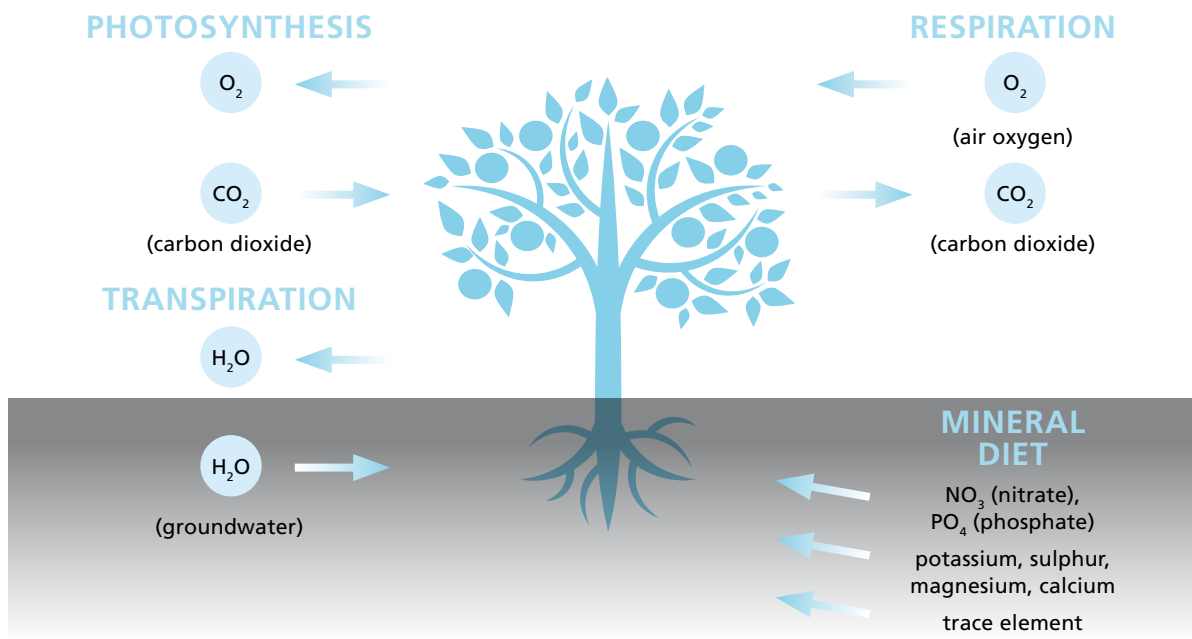


Figure 18: Outline of plant growth

SanLucar always aim at natural quality and in never use Genetically Modified Organisms.

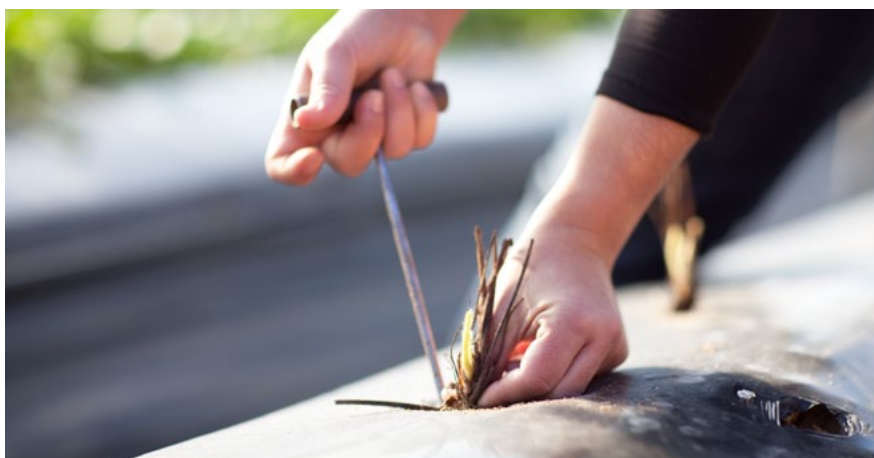
Our biggest efforts are focused on changing the habitual tendencies of traditional production, in which productivity and the low production infrastructure requirements are normally quite common. We move to a different concept, the SanLucar concept, where we place the organoleptic characteristics of the products first.



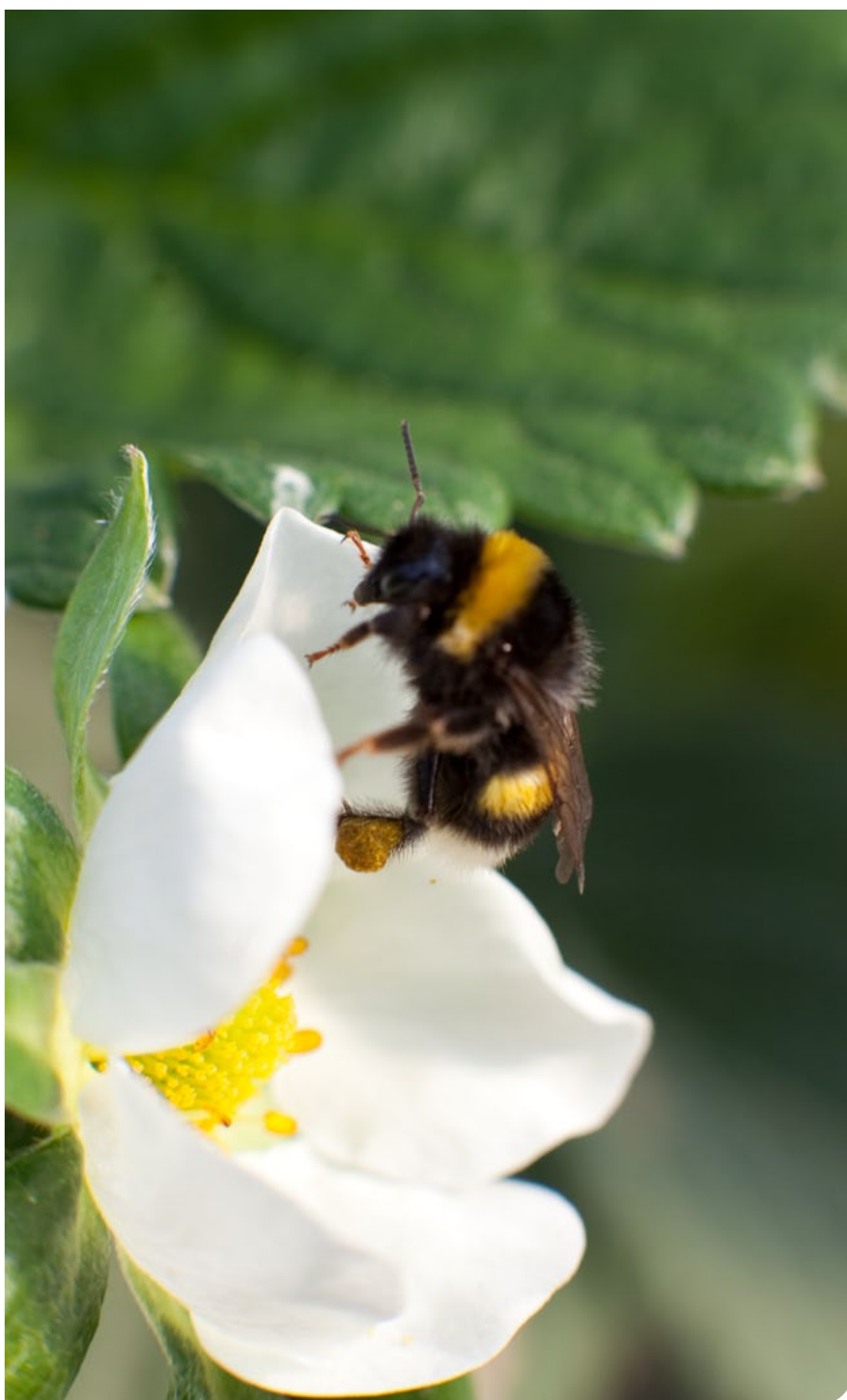
The fact that we focus on varieties that are perfect for consumption means developing innovative projects for a variety of selection every year. This may go hand in hand with elevated costs, utilization of non-productive spaces, application of latest technology, etc. and are part of the standard SanLucar way of enhancing the cultivation practices.

Simultaneously SanLucar adapt production practices and reduce pesticide applications and promote the auxiliary local fauna. This involves taking a very high risk on crop losses, which imply large investments in the infrastructures to physically protect the crop and have very highly qualified technical professionals available.

Likewise, every geographical area of the planet has determined climatic and edaphic characteristics that influence plant development, its energy cost requirements and its nutritional needs at all times. We could say that the guarantee for success for our high quality programmes is mainly based on the right choice of the crop area, which is the actual first step for a sustainable production. This means important savings in natural resources and chemical substances.



# SanLucar's controlled production



The collective work from variety selection and defining the whole production process system, its controls and the expected quality in each one of them, means making an enormous management effort that is only within the reach of true experts on fruit and vegetables and people who know how nature behaves.

There are beneficial insects in nature that help to control those that are considered to be plagues as they transmit diseases to the plantations or serious infections that are a risk to the production quality and even total crop loss.

Traditional production systems are based on the little controlled and unsustainable use of a large amount of pesticides of chemical synthesis that diminish the populations of beneficial insects and obligate the increase, season after season, the use of chemical products to control the different crop plagues. However, a well planned crop cultivation that respects the natural fauna, the environment and the workers' health, the local communities and the consumers, is based on the priority use of beneficial insects. Only





when these are not able to control the plague, alternative products are used that are selectively aggressive to the damaging insects and in such minimum quantities that it will disappear completely during the plant's growth process.

Additionally, on specific occasions, we have installations and technologies for the reproduction of some beneficial insects that cannot be found in the cultivation zone and make investments in reserves where these beneficial insects can take refuge at times of adverse climatic conditions to be available when plagues re-appear.

To sum it up, the SanLucar's controlled production is eminently sustainable. It takes the plant's real needs into account, the natural way to respond to these needs and also takes advantage of all synergies in nature, with maximum respect for the environment.



# Sustainable production

**Sustainable agriculture is supported by 7 pillars. In SanLucar we have taken steps in each one of them to ensure that we fulfil our sustainability commitment.**

- 1. Handling water: minimise water consumption and hydro impact**
  - In our plantations we have installed humidity sensors to optimise watering and fertilisation and reducing losses through lixiviation to the maximum.
  - We have installed anti-grass meshes in our citrus plots with the aim of reducing water evaporation during watering and to increase wet surface areas, improving the working of the radicular system and reducing water consumption.
- 2. Soil: maintain soil diversity and balance**
  - Non-digging practices to not break the soil structure and to reduce erosion.
  - Maintain the land curve levels to avoid soil waste through slides by the rain and minimise their impact.
  - Crushing of pruning waste.
- 3. Emissions: minimise the emissions of GHG**
  - Calculate the carbon footprint of our products.
- 4. Energy: minimise the energy consumption and focus on renewable energies**
  - In Tunisia: use of geothermic energy.
  - In citrus fruits: progress renovation of the machinery fleet to reduce fuel consumption.
- 5. Crop protection**
  - Continuous and gradual use of pesticides, minimising the number of chemical treatments and rejecting the products that are most dangerous for the environment.



## 6. The project ZERO Residue

**Project ZERO Residue:** In our experimental lemon estate in Murcia we produce lemons with “0” residue, of the same external quality as those obtained through conventional production.

The project ZERO Residue is our Quality Department’s great objective. Thanks to our investment in R+D and the ongoing extension of surface area under “0 Residue” production, we are striving for 100% of SanLucar’s production activity to be in accordance with these principles and hence will contain zero residues:

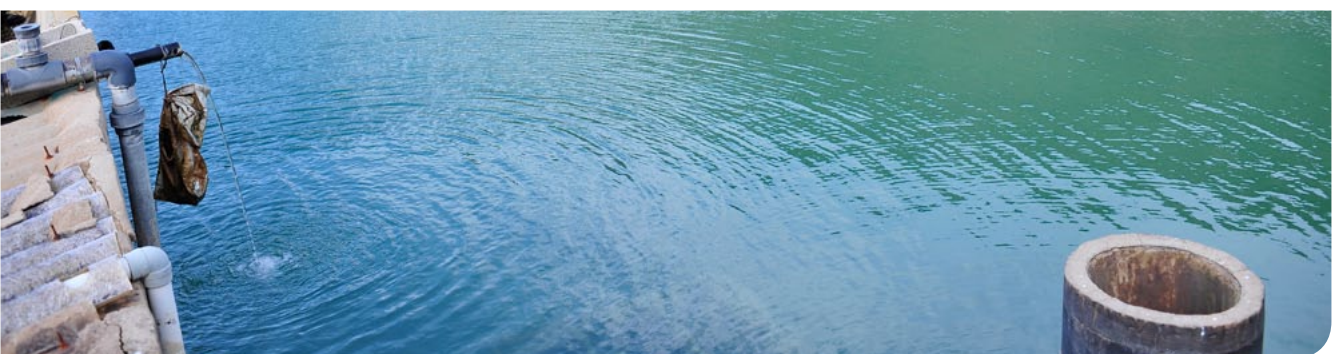
- Knowledge about the dissipation curves in all permitted pesticides in the cultivation of oranges, mandarins, grapefruit and lemons, and constantly challenge the minimum spray requirements of conventional pesticide treatments.
- Use of biotechnical control methods at the end of the cultivation: physiological or bio- rational pesticides, pesticides from natural origin, semi-chemical pesticides, autocide fight, etc.
- R & D: development of studies in our own trial plots to test new biological products aimed at reducing chemical applications in our fruit and vegetables with protecting the environment as main aim.

## 7. Recycling of waste

- Protocols to recycle the sub-products generated in their productive processes through authorised managers.
  - Carton.
  - Plastic.
  - Metal.

## 8. Biodiversity

- Through the minimisation of the use of chemical substances we protect the biodiversity of our ecosystems.



# Our carbon footprint



Apart from the improvements in our crops and the Light Weight Box® (LWB), another fact that will reduce our carbon footprint is the optimisation of our logistical system when our own logistic centre in the South West of Germany will be opened, near Karlsruhe in 2011.

Through this logistic centre the transportation routes will be optimised and therefore the trips that our products have to make from the plantation to the consumer will drastically be reduced and as well as the number of required trips. This means reducing many road kilometers and therefore our emissions of green house effect gases (GHG).

The perimeter of our logistics center is 54.000 m<sup>2</sup>, and there we have a refrigerated warehouse of approx. 8.000 m<sup>2</sup> surface area with 23 docks for loading and unloading and a maximum warehousing capacity of 3.000 pallets. Furthermore there is also an office building of approx. 2.000 m<sup>2</sup>.

In order to better understand our process to reduce our ecological and environmental impact, which is one of our CR goals, SanLucar has

started a pilot project of calculation and compensation of the carbon footprint compared to habitual standards. The Quality department is now working hand in hand with the CR department evaluating the carbon footprint of SanLucar lemon. This is not an isolated project as

SanLucar will continuously evaluate the ecological impact of its products and processes to be able to identify our system's optimisation points.



# The Tunisian example

Tunisia has a series of climatic, geographic and energetic advantages that favour the cultivation of fruit and vegetables whilst respecting the environment and with the least impact on products.

In this country coexists various climates that are distributed along more than 450 km, making climatic variations that offer great cultivation possibilities. The north of Tunisia has a Mediterranean climate, with soft winters and hot summers, while the climate in the south is completely desert with great thermal changes in short periods of time.

This climate is characterised by low precipitations compared to other European countries. Although it sounds contradictory, less rains favours the production of fruit because there are less incidences of diseases in the plantations. The rain usually bring infections and diseases to the plants, making it indispensable to use chemicals to fight them, but the Tunisian climate facilitates the possibility of the easier implementation of cultivation techniques oriented to "ZERO Residue" (see corresponding section).

Undoubtedly, the most advantageous characteristic for the crops is the natural energy potential that our Oasis enjoys, where the sun nearly always shines. Even in February, which is the month with less

energy potential, the daily electrical energy obtained is 2.000 Jules, three times more than in France, for the same time of the year. This energy potential offers better production possibilities and less need for artificial light.

For the water supply in the Oasis, geothermal water is used, extracted from the subsoil with a pump, at a temperature of 68°C. The use of this water makes the greenhouse heating process more sustainable ecologically because the effect that low night temperature has on plantations, is reduced. The control of

a constant temperature, makes it feasible to have an integral and biological fight against parasites, as well as reduced pesticide usage during the cultivation. Only 5% of the pumped water is used for agriculture. The remaining 95% is cooled down and used as drinking water in the villages next to El Hamma and Gabes.

This water also contains a high percentage of salt. Through the inverse osmosis process and through the injection of fresh water, the salt content in the water used for watering, is reduced. The salt is not com-





pletely eliminated as watering with this type of water favours the growth of fruit varieties with a unique quality and incomparable taste. Watering with salt water is reflected, for example, in the quality of our tomatoes, that acquire a more intense taste, a stronger aroma and better colouring.

Our installations in Tunisia also stand out in terms of our watering system of water re-usage. The system of recycling drained water from the plants requires a double treatment : a first process that treats it with UV and a second process with chlorine, in getting better process efficiency. Through this treatment and re-use of water we achieve a consumption saving of 35 %.

Recycling drainage water also allows us to minimise the fertilisers used as carrying out a continuous adequate analysis we can maintain the nutritive elements that the watering water already contains and not lose it during the recycling process. This system allows for the agricultural process to be more sustainable by saving basic natural resources like water and the chemical substances used,

also respecting the different water tables and getting a product with an exquisite taste.

Apart from all these aspects, Tunisia has a privileged geographical location that allows us to establish direct, continuous and faster connection with European ports. Our product arrivals are centred in the ports of Marsella and Genoa, therefore reducing the transportation time to the final markets in Germany and Austria to 3 or 4 days.



## Light Weight Box®

Our commitment to the environment has motivated us to develop projects to reduce our ecological footprint and our global environmental impact.



**The Light Weight Box® is the result of this corporate environmental commitment and means a great advantage because it:**

1. is between 5 and 15% lighter, as it uses maximum quality paper from abedul wood that, in spite of its lightness, is extremely resistant;
2. uses a paper that is 100% sustainable with certified origin as it comes from a nursery in the forests of Sweden destined for the production of paper pulp and, therefore, we contribute in avoiding the exploitation of our forests;
3. needs less amounts of natural resources: the Light Weight Box® can take the same volume of products having an inferior specific weight with the amount of paper needed to produce it. In this way we reduce the required raw material and the waste volume generated per box;
4. uses less chemical substances: to print the LWB only one ink is used, reducing the environmental impact. Moreover, the organic, natural beige tone of the box, in line with the SanLucar corporate image, just needs one ink for printing, therefore avoiding the use of bleaching chemicals and their subsequent environmental impact;
5. reduces the carbon footprint: the weight reduction per box reduces CO<sub>2</sub> emissions caused through transportation.





Making a media calculation for the box of 15 kg 600x400x180 SanLucar and calculating it for 11 million boxes, thanks to the LightWeightBox® we use:

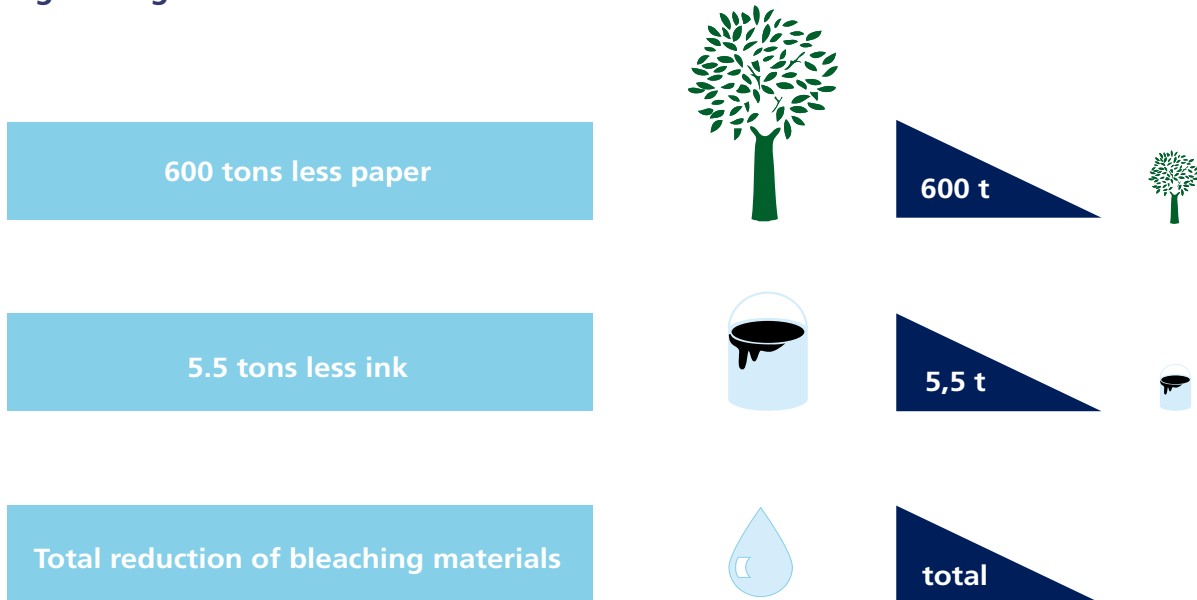


Figure 19: Materials consumed, Light Weight Box®

All of this means a saving of 3,7 mg of CO<sub>2</sub> per box that we transport if we only take into account the direct emissions due to transportation. This data may seem insignificant, but when we are talking about more than 11 million boxes those 3,7 mg become 14.195 kg of CO<sub>2</sub> for just one SanLucar citrus campaign.

The introduction of this box will be done progressively, year after year, until we reach 8,5 million units in 2014, meaning 75 % of the total number of boxes used in SanLucar.

In addition to this project, SanLucar focuses on the use of added value materials against fossil materials. We should point out that we prioritize the use of recycled PET (RPET). Likewise, more than 50 % of the carton used for our packaging comes from forests managed in a sustainable way based on FSC standards, an aspect that we also take into account when buying materials for administration and marketing campaign use, where, from 2011 on, all the purchases will be done through a specific procedure of sustainable procurement.





# Paper-free office

Through an initiative in 2009 in the Finance department, SanLucar has been carrying out a project to minimise the consumption of paper in its administration activities.

In 2009 the Finance department, which is responsible for a large part of the paper consumption at SanLucar (invoices, sales accounts, etc.), identified a very high savings potential of natural resources, because the company used, printed and stored large amounts of envelopes, invoices and faxes. It was therefore decided to develop this project via 3 stages.



In the first project stage; the elimination of all envelopes in the sales accounts files and the modification of the fax system, therefore the fax files were not obligatorily printed but instead they were saved in an electronic format (Zetafax). This meant a saving of nearly 400.000 sheets per year.

involve the training and awareness of the SanLucar personnel so that they know the impact of their actions when printing e-mails, invoices, documents, etc. This stage of the project will be led by the CR department and it will be in

charge of designing and elaborating the materials and tools that are required to inform and make the employees aware of the best environmental practices for resource consumption, no matter if it is paper, water or energy.

In the second stage, which is the current state of the project, the SanLucar information file is being digitalised and the idea is to eliminate approximately 60% of the paper file. Likewise, most of the printed invoices and accounts will be eliminated and electronic invoicing will be done whenever possible.

The third stage of the project will

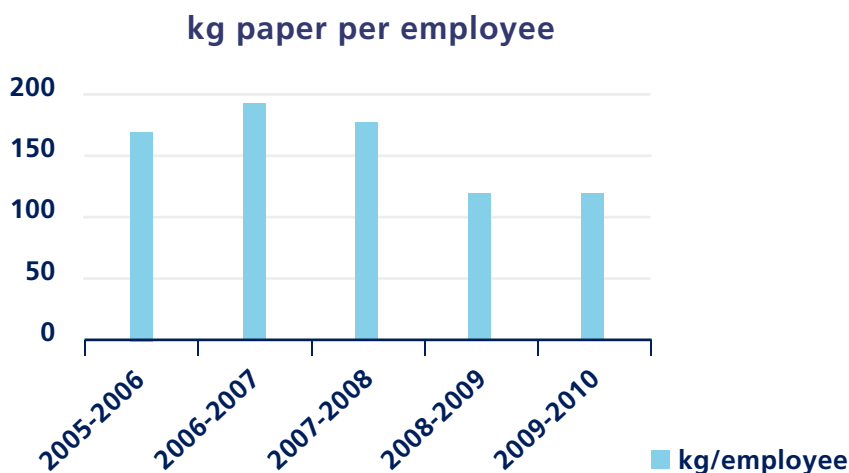


Figure 20: Background of paper consumption by administration activities at SanLucar



# The office is the world

The Internet and new technologies have meant a great qualitative change for the way we understand our work. We can work anywhere in the world, at any time of day, and we don't need to go to the office to carry out our daily tasks. This allows us to optimise processes and conciliate our working and family lives, and also reduces our contribution to the climate change.

Along this line, one of the initiatives that we started in SanLucar has been to change the way we communicate between ourselves and our collaborators, introducing a new concept called Unified Communications. Until now, if we wanted to locate someone, we phoned the office, if he/she wasn't there, we phoned the mobile and if that didn't work, we sent an e-mail. With all of these changes and with this

new concept: you only have to call one phone number and the system will take care of locating the person you are calling.

Moreover, we have introduced a new concept called Presence, which lets us know whether the person we contact is available or not, whether he/she is in the office or at home, so that we can phone him/her, send an e-mail, send a small text message or

even make a videoconference call.

These systems don't just improve the company's internal communications, they also extend to the rest of our stakeholders (clients and partners), as we can carry out virtual meetings, multi-conferences, online presentations, etc. and completely change our way of working.



# Sustainable mobility

Although a Sustainable Mobility Plan recently didn't exist, during the years we had introduced measures to increase, on one hand, our staff's road safety and, on the other hand, to contribute to the reduction of CO<sub>2</sub> emissions. Some of these measures have been taken by the employees themselves and other were taken by the company.

In 2010 the decision was taken to resume and develop these measures even more through a Sustainable Mobility Plan. This plan will be carried out in two stages. The first stage will concentrate on a detailed study and an action programme focused on making the trips which are made by the SanLucar Fruit staff more efficient, more sustainable and safer. To achieve this, a Mobility Committee has been set up and a diagnosis of the current situation has been carried out, with the participation of the entire staff. The second stage will include our farmers and transport companies.

Our aim is to be an active part in the reduction of traffic accidents, making the entire staff aware of the importance of road safety and creating a real awareness about

environmental responsibility, reducing energy consumption and fossil fuels through efficient driving and responsible usage of transport.

To carry out the mobility study, during the first stage a diagnosis of mobility at SanLucar was made. Therefore a distance analysis from the workplace to the employee's place of residence, using their post codes, was carried out. According to this analysis it was found that

48 % of employees live in the city of Valencia and the rest outside Valencia, with only 30,4 % living in towns within a radius of less than 7 km from Puzol. The rest lives more than 7 km away, and some in towns even further away from Valencia. 13 % of the employees at SanLucar in Puzol live in the same municipality.

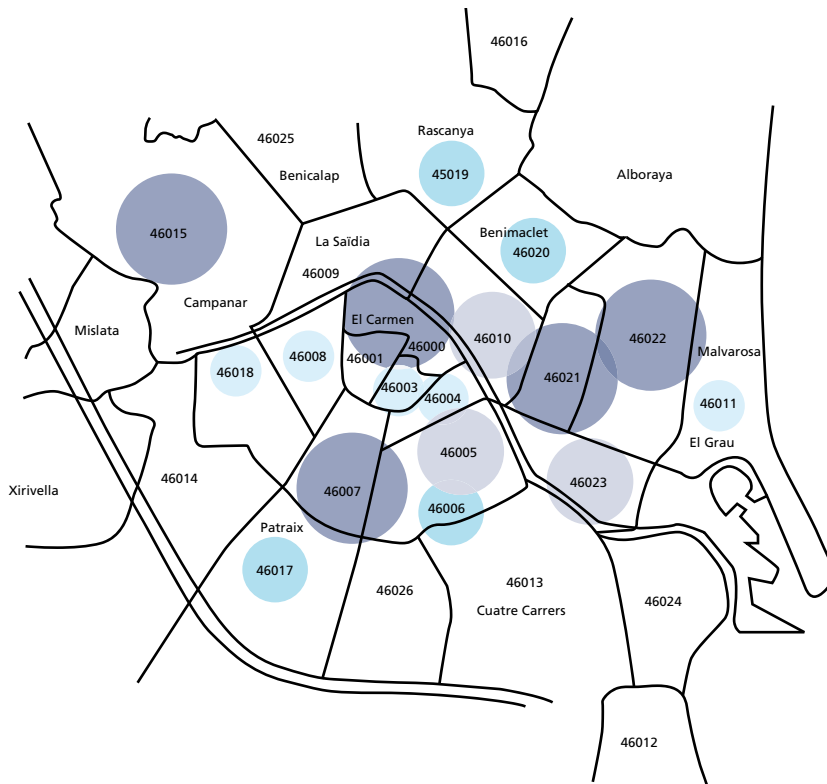


Figure 21: Population density map of SanLucar employees in Valencia by post code





## 7. Commitment to our farmers: our value chain

- Value chain
- SanLucar, with complete trust
- Fair Play: SanLucar's price policy in the context of a sustainable relationship with our farmers
- Dialogue with our farmers: our quality technicians
- The Web Portal

# Our value chain

Our most important partner in producing the best fruit and vegetables is nature itself.



Our philosophy is based on taking care and protecting it. This attitude is an essential requirement for everybody that works with and for us. When choosing our producers we cooperate with farmers who run their business with same strong values and the same ambition than we do: to continue improving and offering something special to our consumers. The high quality of our products is not the only thing that matters, the related factors have to fit in as well, for example social

responsibility and protecting the environment. Our strict principles are applied equally to everybody. With social and sustainable responsibility we can sell products that people like and value.

In our personal relationships, fair play is our most important commandment. For example, if a harvest is damaged by natural hazards, we economically compensate our farmers and partners.

## SanLucar, with complete trust

At SanLucar, we trust our farmers. We do not just think they are the best, we are sure about it. But this is not purely faith; we base this on a series of evaluations.

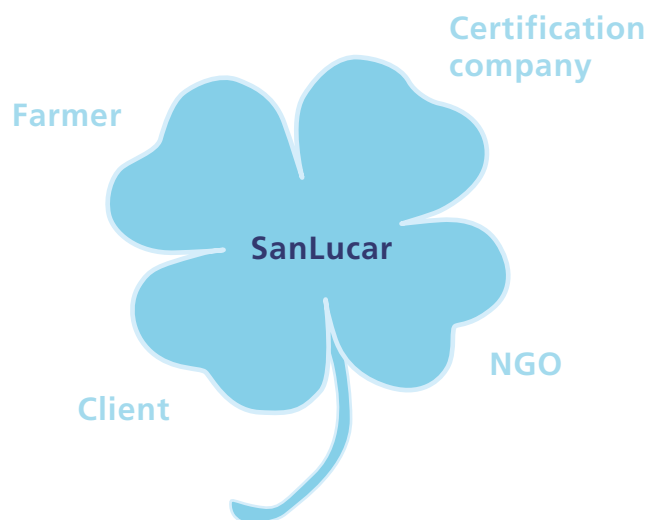


Figure 13: Summary of the processes that give us Feedback about our quality



# SanLucar's integrated management system

Since 2008 SanLucar has used an integrated management system that guarantees maximum SanLucar process and product quality, just as stipulated by the most stringent standards and technical specifications. This management system is certified on habitual standards (ISO 9001, IFS and SA8000). This integrated management system is evaluated and audited by third parties on a half-yearly basis.

In order to guarantee the ethical management of our whole value chain, we have been audited by TÜV regarding the SA8000 SOCIAL RESPONSIBILITY Norm, with the result of having obtained an excellent qualification. With this international Norm we ensure the fulfillment of the 13 main international agreements on Human Rights as stated by the International Labour Organisation.



Figure 14: SanLucar Certificates



## Value chain: selection, control and trust

**To verify that the required quality is maintained throughout the process. Our technicians apply systematic and regular control measures at various points of our supply chain, verifying that the strictest standards that we demand are met, in order to offer only the best to our customers.**

Likewise, to improve the follow-up on our suppliers, fruit and vegetables as well as packaging, logistic/transport, annual system and process revisions are conducted. If any inconsistencies are discovered, preventive or corrective measures are taken to foster continuous improvement which is in line with the standards and requirements that SanLucar has established.

This concept of continuous improvement in our production can still be developed. Therefore SanLucar annually specifies improvement plans where absolute excellence is our final aim.

The checks that our quality technicians perform, are our main source of information for carrying out our farmer selection. Only those farmers that fulfill very well-established

quality requirements can work with SanLucar.

But as we also have to continuously improve, we are working on a new farmer qualification system that aims for improving information and working with a complete producer profile.

This encompasses all the aspects of caring for stakeholders with regard to quality, the environment and ethical behavior. Through this we can classify our farmers and have a useful decision-making tool that will also make it easier to elaborate on our annual improvement plans.



## We have also been tested, and we got a good mark!

Some non-governmental organisations like Greenpeace periodically carry out studies concerning the quality and chemical residues in products in the fruit and vegetables sector available in the main supermarkets within different countries. The results are then published and the brands ranked accordingly.

These studies are highly valued by both producer and consumer alike, given the high level of credibility that these food vigilance and safety bodies have. SanLucar is proud to frequently be placed amongst the top of these rankings, and have been ranked at the top spot on several occasions.

<http://blog.sanlucar.com/ernaehrung/greenpeace-bestaetigt-mit-sanlucar-ist-gut-beeren-naschen/>

Likewise, other independent entities like "Öko-test" have analysed some SanLucar products, for example, strawberries and tomatoes, awarding us the best result in the category.

These are just some examples of third party evaluation that place SanLucar's quality in medal winning positions.

The European Union also has introduced a control protocol that adheres both the phytosanitary and quality of all fruit entering the EU and other controls with the aim of verifying that they fulfill the established requirements under current legislation. Controls exist to make sure that fruit coming from other continents do not introduce new plagues into the EU or that fruit and vegetable containers are not used for trafficking drugs or arms. During 2010 there were no significant incidents regarding the fulfillment of European legislation and all the established controls were passed.





# Fair Play: SanLucar's price policy in the context of a sustainable relationship with our farmers

Within our main sales markets like Germany, Austria and France, we have to face an aggressive price policy that tries to get competitive advantages in this way over other sales companies. The permanent fruit and vegetable special offers influence, amongst other things, the value of the products for the consumers.

In the context of this price war, the retail market expects its players to continuously compete on prices, which takes us to the limit. Additionally we had to face the clear increase, in fruit and vegetable quality requirements during the last few years, which has had a direct influence in the cultivation cost structure.

At SanLucar we are convinced that a sustainable relationship with our producers means offering them the necessary economic base to allow for the sustainable cultivation of the best fruits and vegetables, as forcing farmers to work at the limit of their economic possibilities only leads to a violation of commercial laws, from both the qualitative and ethical points of view.

Our production chain that respects sustainability, allows us as production partners, to get involved in the matter right when it starts, and assist us in understanding the eco-

conomic demands which it entails. Thanks to our distribution and sales network, we can make prevailing prices in the market that help everybody involved to reach amounts that fulfill the requirements to be sustainable. For all producers including ourselves, this means that we do not have to make economic concessions that weigh down our

conscience regarding our responsibility to nature and the environment. This is applicable to all fields, from choosing the seeds, cultivation management, up to employing qualified workers. Investment in innovation and ongoing improvement is essential if maximum quality is to be achieved. A responsible pricing policy makes this a reality.



Moreover, we make important contributions through many of our on-line and offline marketing activities so that the end consumer knows what good, fresh fruit and vegetables are. Through this the market

will learn to appreciate to appreciate quality, and will therefore be willing to pay an appropriate price, as they will have understand that something which is exceptionally good also has its price.



## Dialogue with our farmers: our quality technicians

SanLucar has its own technical team of 18 people who are permanently in 8 countries, and when required, will travel to 26 countries during the campaign. Likewise, SanLucar has agreements with technicians or technical service companies in determined countries, in order to cover each and every one of the SanLucar sources, and guarantee SanLucar quality.

### The main work we carry out with our producers is:

- Quality controls at origin. To verify that our farmers work according to SanLucar and/or our clients' specifications.
- Technical assessment for local producers.
- Collaboration projects with producers at origin for R & D & I (Research, Development and Innovation) (e.g. new cultivation techniques, reduction of pesticides, environmental protection, new varieties).
- Quality controls at destination. They help us to get information about how our products reach the client and, at the same time, we can give our producers feedback.



The following map shows the places where we offer technical support:

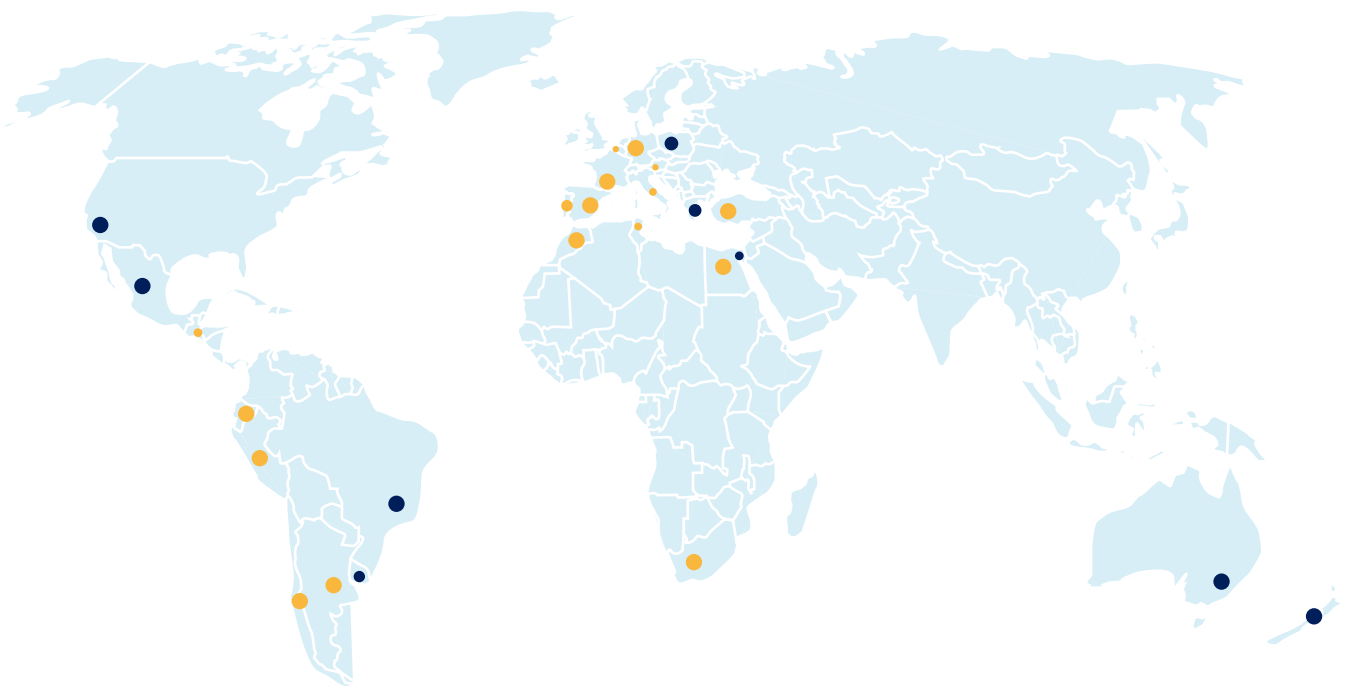


Figure 15: Localisation map of SanLucar quality technicians

- Areas, where our technicians are permanently present
- Areas, where our technicians move when needed



# The Web Portal

We constantly exchange large amounts of information with our clients and partners for the correct performance of our activities by fax, e-mail, post etc. This may mean that there could be a risk that the information is not available at the time we need it or that it gets misplaced, because the recipient has not been specified, or because another person who is not the original addressee receives it or simply because it gets lost up in paperwork. Moreover, it is important that all this valuable information obtained from our supply chain is centralised and available as a dialogue tool with our stakeholders in real time.

A few years ago, together with our collaborators, we started thinking about, a way to centralise all the information that we send and receive in just one accessible file and therefore reduce the communication means that we use, easing communication with our value chain. That's how the idea of

laborators and which is accessible to all of them, taking into account appropriate security measures.

We currently have a Web Portal in place, on which our clients and partners can consult orders, delivery notes, invoices, specifications, quality certificates and CR, as well

whole value chain and make the administrative processes in SanLucar as efficient as possible.

This tool helps in our daily work by achieving a more agile and efficient flow of information.

To access the Web Portal the supplier just needs Internet connection and a browser installed on his/her computer. The access URL is:

<http://extranet.sanlucar.com>

We are currently training all of our producers towards the correct use of this tool. To do so the day-to-day work carried out by our technicians in all the production areas is fundamental and, of course, this would not be possible if our farmers would not be willing to change their mentality, which this new communication tool requires.

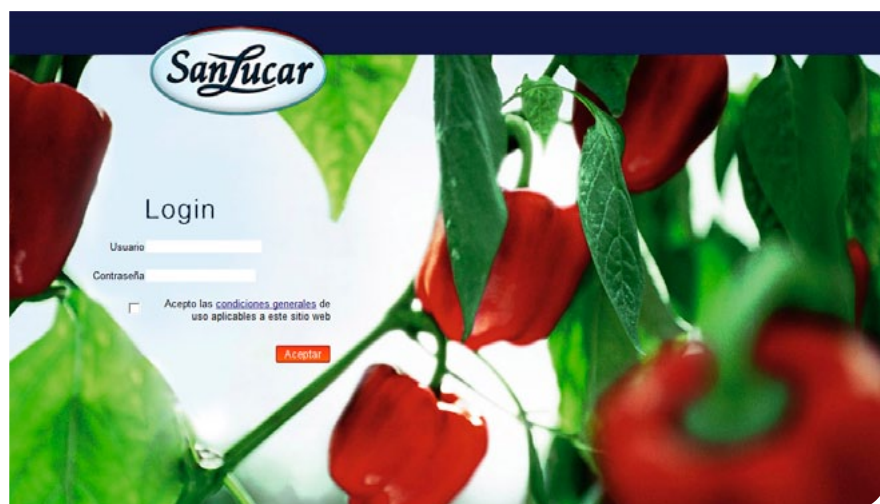


Figure 16: Website home screen

building a Web Portal came about, an Extranet that served as a common file with all the information that we interchange with our col-

laborators and which is accessible to all of them, taking into account appropriate security measures. Through this we centralise the essential information concerning our





## 8. Commitment to our clients: cultivating trust

- Transparency at SanLucar
- Our client's trust: the KAMs
- Our client's satisfaction
- External communication
- Social networks
- SanLucar Homepage
- CRM: management addressed to SanLucar's clients for a better understanding of the fruit and vegetable world

# Transparency at SanLucar

One of the main SanLucar values is its commitment to the client. This commitment is seen in many of our management aspects, amongst which we would highlight transparency.

The SanLucar Quality department works on a daily basis to provide clients with all the information related to the quality of our products and the fulfillment of European standards regarding Food Traceability and Safety. Likewise, we have developed a collaborative platform with the aim of total transparency.

This collaborative platform or Web Portal allows our farmers to

submit all the information related to the product, productive units, traceability, field treatments, post-harvest treatments, analysis etc. Once the documentation has been sent, it is revised by an external and independent company and made available to our clients for their revision. In this way they have total visibility for the productive processes, treatments, traceability etc. for all merchandise that they

receive in their platforms.

Likewise, our merchandise identification system allows us full traceability at any point in the supply chain concerning the origin and history of the merchandise. By that we are able to identify the day it was made, producer, transport company, intermediary areas, consignees, etc.

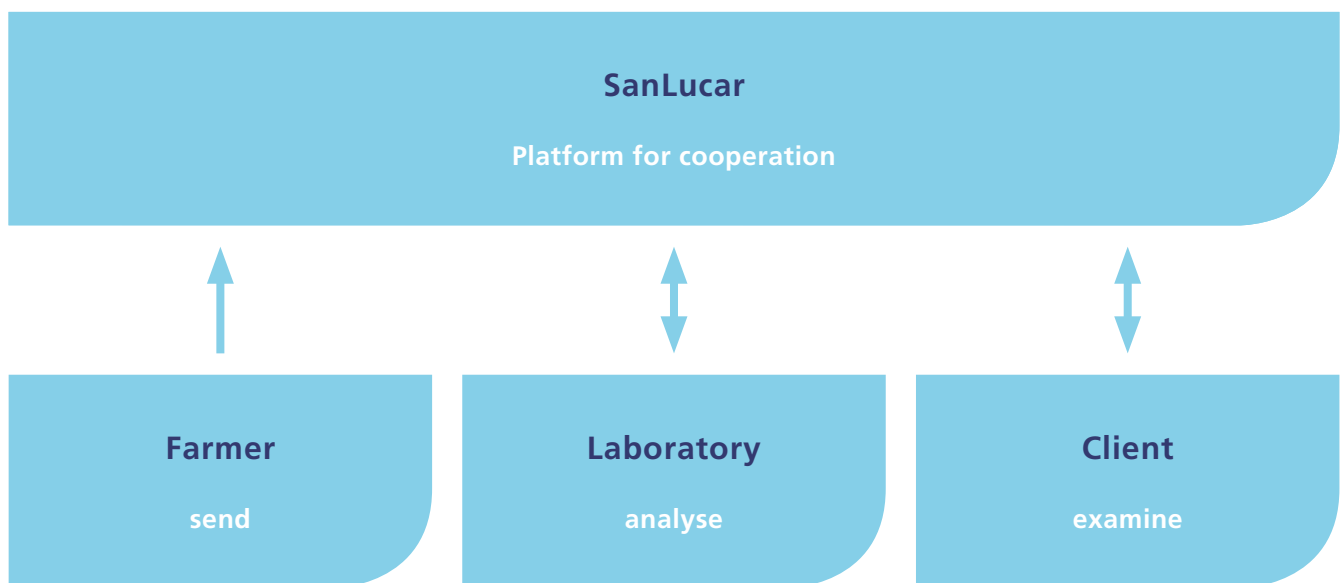


Figure 17: Summary of management processes in the Web Portal



## Our client's trust: the KAMs

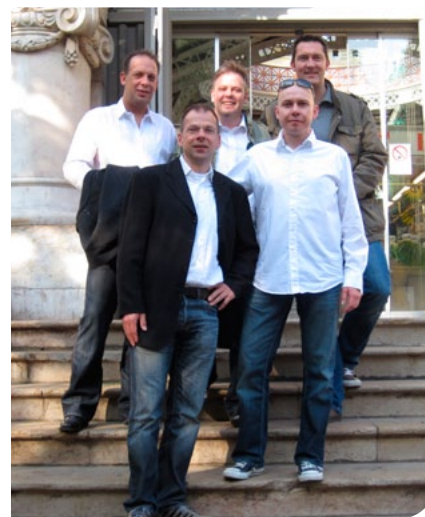


The more specifically we know our consumers' expectations understand them and can turn them into trustworthy products, the more success we will have.

Therefore, our aim is to become the leader in the „Fruit and vegetables that taste good and that I can trust“ market. We want to fulfill our consumers' expectations, and even exceed them. Our daily work is therefore to “stimulate the consumer”.

Our clients' satisfaction and fidelity is of utmost priority for SanLucar. To understand their needs with the aim to fulfill their expectations with our products, are the most important tasks when dealing with our consumers.

As we are one of the leading companies in the fruit and vegetable sector we can use this potential (which also forms part of our responsibility) to provide our client with a consumer product that is



Part of our Kams-Team

sustainable. That is why quality communication and consumer need orientation, are basic essential requirements for us.

Through this we create the social and ecological bases when deciding on fruit and vegetable purchases.

To be able to achieve all of this every day, we work in very close collaboration with distributors and clients (our key account managers), which means, with those that re-sell our merchandise to consumers. This means that we are in daily contact with clients, informing them about novelties, regularly training market personnel and explaining our sustainable strategies to everyone who does not know it yet.

In 2010 we also carried out additional training sessions with external assessors focused on how to better treat clients with problems. Just in Spain, Austria and Germany more than 80 employees took part in this course.



## Our client's satisfaction

SanLucar has a defined procedure for managing complaints and claims that could arise internally or externally with the priority aim of responding in the shortest possible time and with greatest clarity and transparency.

Periodically, the quality department and the sales department carry out studies about claims with the aim of not only documenting them and analysing their historical evolution but also to make an in-depth analysis to evaluate the causes, and if necessary, develop the improvement plans.

This aspect is very important at SanLucar and forms part of our quality indicators, which are periodically revised within the framework of our Integrated

Management system and give us a view of our fulfilment level in comparison to the objectives that are set annually.

SanLucar also sends a satisfaction questionnaire to all of its clients every year. The results from these surveys allow us to complement the data obtained concerning complaints and claims management and are a very valuable source of information that we bear in mind to continuously improve our processes and services.

Consumers can also get in touch with us through our forms at

[www.sanlucar.com](http://www.sanlucar.com).

Our commitment with the end consumer also includes speed and transparency so that any doubt they may have about our products, quality processes, etc. can be resolved by our professionals in the shortest possible time and with the precision that our clients deserve.





## External communication

Fresh fruit needs equally fresh communication; This is why SanLucar goes for a type of communication that is just as diverse as our products.

We launch a weekly B2B bulletin that offers more than 250 subscribers information about current offers and promotions. Included in this comes practical informative leaflets that synoptically explain the SanLucar advantages and sales concepts and training courses in Valencia that bring salespeople and cultivators closer to the SanLucar world. Along with this is, naturally, communication with the end consumer: elements created by us like hanging adds and luminous boxes that stand out and liven up the world of SanLucar at the point of sales. We also have a half-yearly magazine, the SanLucar-Magazine, including cooking recipes with our products, food advice and a visit of our workers and cultivators to demonstrate their day-to-day commitment for our products. All of these activities are complemented with pamphlet hand outs, adds on regional radio, promotions and competitions with prizes. Additionally, SanLucar keeps the German press informed about new events in the company through various distributors. If there were to be a crisis in any section of the company, we have a special communications plan ready.

## Social networks

SanLucar is convinced about the growing importance of social networks and that is why, we have been in contact with our consumers through the SanLucar blog, our own page in Facebook, the personal channel in Youtube and an account in Twitter since 2009.

The SanLucar blog is updated nearly every day giving all interested Internet users information in German about everything related to SanLucar and healthy eating. It is, moreover, a direct interchange platform between us and the consumers, where we have placed interactive tools like the comments function below each article and the link to Facebook with the "I like" button that allows the consumer to contact us directly.





We hope this blog increases the popularity of SanLucar and also acts in the future as a starting point to create a virtual community.

All SanLucar information is available on the blog as daily articles edited by various authors. The articles can be easily and quickly searched for through key words attributed to each article. In addition to creating company reports, for example, new investments, job offers and other actions, there is also information in the blog about every SanLucar product, its cultivation and use (special recipes and some advice about nutrition). The writers offer all their expertise for SanLucar's sake. The SanLucar blog also contains links to other blogs in the field of "Healthy eating", "Taste", "Enjoy" and "Companies in the food sector".

Another form of communication in the social media category is represented by our page of SanLucar friends on Facebook, that already has 850 followers throughout the world. On this page we publish and link to the blog contents and it has a photo gallery, prize competitions and lotteries aimed at attracting attention to our promotions. From here our friends/consumers also have the possibility to interchange information with SanLucar using the comments function; moreover, with the "I like" button that we have incorporated into the blog, it is possible to open and comment on SanLucar activities.

Finally, we should mention that SanLucar also hosts its own channel on Youtube where we can see video material about our crops and merchandise. For the future,

we are planning to considerably increase the number of videos available there.

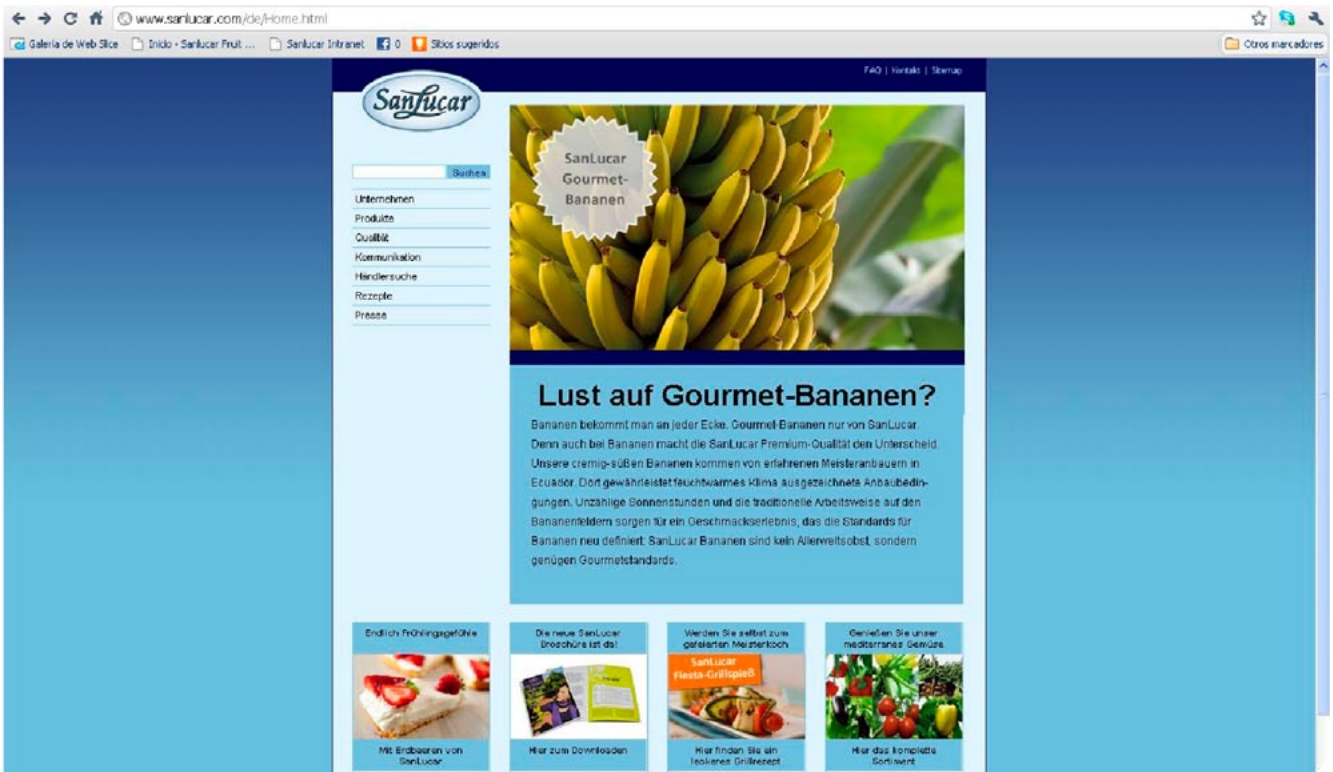
Through our own account on Twitter, SanLucar offers the Internet community brief news items about the company.



# SanLucar Homepage

We are also present on the Internet through our domain [www.sanlucar.com](http://www.sanlucar.com). Here we offer general information about the SanLucar company in German, Spanish and English. The SanLucar home page provides a quick overview about the company and its activities.

Moreover, [sanlucar.com](http://sanlucar.com) offers data about our ranges with product catalogues, seasonal calendars and information pages. It has an integrated retailer search engine that offers the consumers the closest sales point and a contact form that let them ask SanLucar any question they like. People interested in working with us can upload their curriculum to the homepage and send it directly to the H.R. department. Our own press sector takes care of sending journalists up-to-date press releases about SanLucar.



# CRM: management addressed to SanLucar's clients for a better understanding of the fruit and vegetable world

A fruit and vegetable section managed with professionalism, passion and dedication is nowadays a basic guarantee to have a successful business. Of course, that also includes the workers who represent the authentic specialised labour force that knows so much about fruit and vegetables and their cultivation, and who can transmit their knowledge to our clients. Knowledge is the guarantee of sustainable behaviour, both by the business as well as by the consumer.

In SanLucar it makes us sad to think that such a large and important sector like the fruit and vegetables sector does not have adequate professional training. What we mean is that the professional vendor specialised in fruit and vegetables, does not exist. Given the fact that we want to be sure of being represented by professionals, we invest

in the continuous training of the personnel at point of sale.

That's why we travel several times a year with various groups of fruit and vegetable sellers to corresponding cultivation areas, with the aim of starting them out on the secrets of cultivating the best fruit and vegetables, whether grapes from

the south of Italy, clementines from Spain or apples from the Austrian Estira. Only with first hand experience, they can understand what sustainability really means back in the field where the crop is cultivated.

These training excursions are backed up with informative films made in the crop regions and are shown to our sales partners during the training courses.

We are sure that this method of internal education is an important attribute that will enhance the selling of fruit and vegetables in a significant way, as sellers who are motivated and trained correctly, can better inform the end consumers and offer them a correct element of evaluation.



Training trip at cherry fields in Liria (Spain)





## 9. Commitment with our communities: Vitamin S

- What is Vitamin S?
- Corporate volunteers
- Our educational quality project in Costa Rica
- Social commitment in Tunisia
- For a happy, healthy and fit society

## What is Vitamin S?

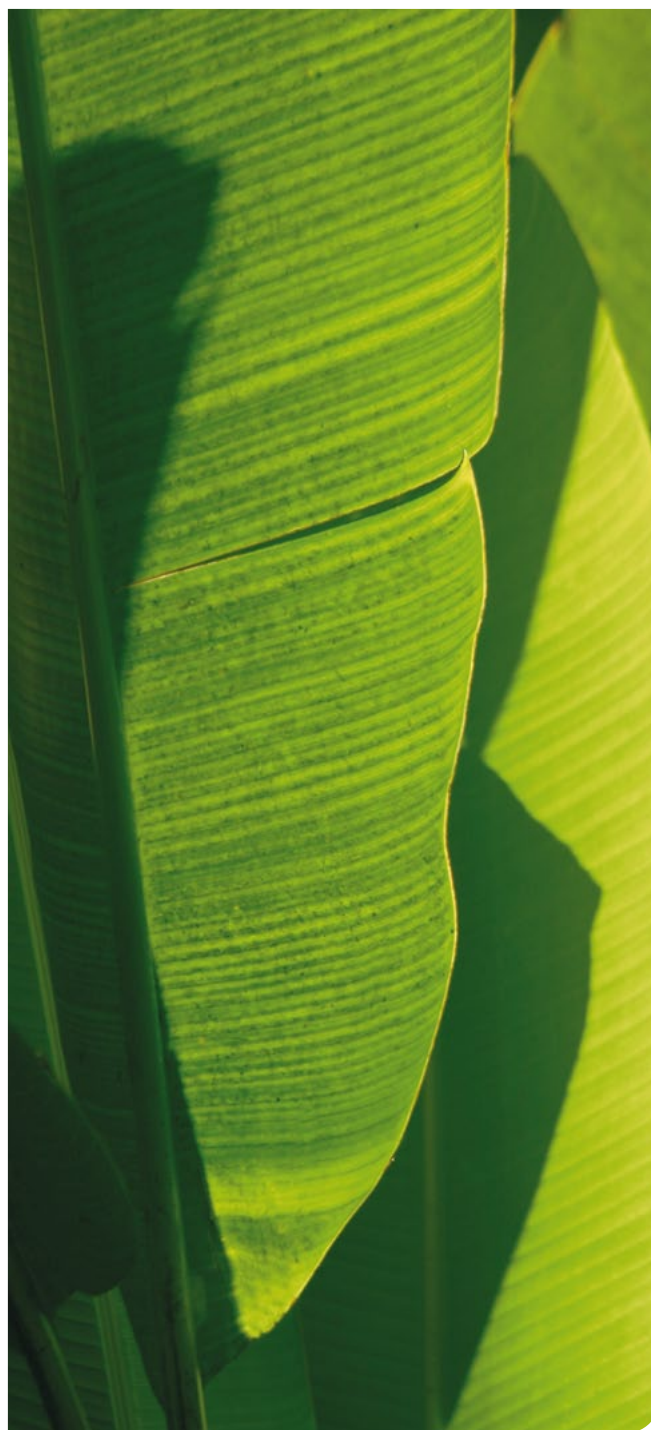
The SanLucar commitment is not just towards its employees and collaborators, it is also towards society in general and has been demonstrated for several years now.

SanLucar is aware of the charity potential that it has and knows the community's needs. This first hand global experience in places where employees, producers or sales points are, is extremely valuable (see section 2: We are SanLucar).

For this reason SanLucar collaborates with many associations, foundations and NGO's in a habitual way, for example AFIM: (Help, Training and Integration of disabled people), DASYC, Intra, Urban Mission in Valencia, the Social Kitchen in Sagunto, the Reto center in Rafelbunyol, Aldeas Infantiles, Uneson, Save the Children, etc. The collaboration with these associations is different in each case, either with annual quotes, donations of fruit and vegetables, one-off donations or joint organisation and solidarity campaigns.

SanLucar is proud of its people and the way they are. In many cases it is the employees themselves who motivate solidarity initiatives. For example, in 2007 some employees set up the collection of foodstuffs every last Friday of the month that was given to a social institution around SanLucar.

Our employees dedicate more than 3 % of their time to solidarity projects (corporate volunteers, solidarity campaigns and collaboration in different CR projects).





Christmas solidarity campaign in Puzol (Valencia)



SanLucar Golf Tournament in Ebreichsdorf (Austria)

### Christmas solidarity campaign in Puzol (Valencia)

SanLucar joined in 2010 Christmas campaigns such as “Give a kilo of your shopping” and “This Christmas everything in” by the DASYS Foundation in Valencia, that gave out food and toys to more than 115 families in precarious situations living in El Cabañal and Malvarrosa (Valencia) districts. The people at SanLucar are always willing to help and that is something that the company is very proud of. SanLucar employees gave large amounts of food and toys. Furthermore, the company, being aware of the needs of those families, duplicated the amount of aliments given by its employees so that everybody could enjoy a Merry Christmas with SanLucar fresh fruit and vegetables.

SanLucar also collaborated at Christmas with the Intra Foundation that manages the distribution of clothes to underprivileged people and people in risk of exclusion and gives socio-labour training and integration to these people.

### SanLucar Golf Tournament in Ebreichsdorf

After so many events of this type we managed to get so much experience that we decided to create our own solidarity tournament in 2009. That year we gave a donation of 67.000 Euros to less privileged families. In 2010 we managed to reach the sum of

72.000 Euros, which was distributed to three different institutions as follows:

For “Pferde Stärken” ( support with horses) an association that uses horse therapy for people with special needs. The dream of “support with horses” is to get a place where they can ride, regardless of the weather, as right now they can only do so in the open air. With the donated money they took a step forward in achieving their dream. They now have the land.

The organisation that helps infants “Rettet das Kind” (Save the child) in Austria, specifically in the areas of Salzburg and Estiria, also received help. They are dedicated to protecting children that have had to abandon their original families and have been taken in by institutions that act as new homes. In order to make their lives as pleasant as possible we have provided a new kitchen, seaside holidays and a new gym.



### “Pferde Stärken” summer festival at Ebreichsdorf

Our SanLucar solidarity golf tournament didn't just donate a cheque here because we felt the need to take part in the summer festival by offering fruit and vegetable salads for a voluntary donation and the collected money was given to the horse therapy association to reinforce their activities.

### World Vision in Austria

In this organisation we took on the fostering of four children: two in Sierra Leone and two in Vietnam. This started three years ago and consists of our clients renouncing their Christmas gifts in order to offer a better world to kids on other continents, and we do so by giving our stepchildren's families a special annual donation. For example, buying plants from which they can profit from all year and sending the kids a surprise present for their birthdays. We get photos and mails from these countries and they make us very happy and their positive response is an authentic reward.



Companies solidarity day in Valencia (Spain)

### Solidarity market in Austria

This institution was opened years ago for people whose incomes are on the edge of the poverty line and the aim is to help them shop in an economical way. We help out in three markets: one in Baden and two in Vienna as well as Le+O, a social project run by Caritas Vienna, by giving them free fruit and vegetables.





# Corporate volunteers

## Companies solidarity day

SanLucar participated in the día solidario de las empresas (solidarity day for enterprises) on the 23rd of October 2010.

This initiative, which is promoted and organised by the Antena 3 Foundation and International Cooperation NGO (Cooperación Internacional ONG in Spanish) is held in five Spanish cities every year and is an opportunity for companies and their employees to find out about and get closer to what the world of corporate volunteering is all about. The event was well attended in SanLucar. No less than 23 people (the biggest group) were volunteers. They divided into two groups to share a leisure activity with disabled young people from the Espurna Foundation. One group went to Oceanographic where they had a guided tour and the other opted for sport and went bowling. All the volunteers were really grateful for the chance to participate in these volunteer activities and showed interest in volunteer work.

In SanLucar we have placed a strong bet on corporate volunteering because, in addition to all the other

vitamins, we value vitamin S (solidarity), that is and must be part of what we do and part of what we are in our day-to-day lives.

You can visit the antenna 3 video about the company solidarity day under the following link:

[http://www.antena3.com/noticias/sociedad/fundacion-antena\\_2010102300047.html](http://www.antena3.com/noticias/sociedad/fundacion-antena_2010102300047.html)

## ENGAGE Valencia

2011 is the international volunteer year and SanLucar has some employees who are committed and have shown their commitment vocation on many occasions and their willingness to carry out social and/or environmental volunteer activities.

Therefore, in 2010 SanLucar joined the European multi-programme ENGAGE-Cities, that is currently developed in Valencia by Fundar. This program is being carried out in various European cities and is based on community commitment through different volunteer activities.



ENGAGE Valencia carries out volunteer activities to improve the social and environmental condition in the Community of Valencia through reinsertion workshops in the Picassent prison, training workshops and prevention of school absenteeism and works to improve local ecosystems. Nearly 30 SanLucar employees have signed up to form part of this programme in various lines of action, which will be developed from May 2011 onwards.

### International Volunteers

SanLucar is a company that is present in many countries around the world and it is aware of the fact that its activity influences the life conditions of local communities. This influence can be turned into

a positive effect if it is managed correctly and by being strongly convinced that we all have rights and we must all be treated with respect and kindness, no matter who we are or where we were born.

Therefore, and also because we think that volunteering is an opportunity to grow and develop personally and professionally, SanLucar has developed its programme of volunteer grants for international cooperation. With this various SanLucar employees can live out a unique experience and contribute their time, experience, effort and willingness to improving conditions in the local community and the ecosystems in the countries where SanLucar is present.



## Interview with Kathrin the 18th of march 2011

The first person who has been given a SanLucar grant for international volunteers is our colleague Kathrin Ampferl who is part of the Marketing team and who, in 2010, showed her wish to carry out volunteer work in international cooperation. Once we had analysed her motives, profile in relation to the project and establishing a series of requirements set down by the company, Kathrin received a SanLucar international volunteer grant and went off to South Africa for a few weeks where today she collaborates with various organisation and helps homeless children and women who are trying to make a better future for their families. We wanted her to tell us about her experience:



Why did you decide to be a volunteer?

*It's not the first time I have gone to a developing country as a volunteer. After my stay in India I was completely convinced that I wanted to do something like that again. This year, through the SanLucar international volunteer programme, my proposal became a reality: apart from the help before and during the volunteer work, I especially appreciate being able to get back into my department again after the volunteer work and be able to continue with my contribution inside SanLucar after the experience.*

Why South Africa?

*I wanted to work in an African orphanage for quite a while. Ad-*

*ditionally, as my volunteer work is carried out within the framework of the SanLucar programme, I decided on South Africa. That's because, as you know, this country is closely linked to many SanLucar fruits like clementine, oranges, apples, pears and grapes that grow here. But there are many other reasons as well: I had heard a lot about South Africa, above all the Townships and their friendly peoples, and a German friend has been living there for years and he recommended a children's home with a very interesting social project that was looking for volunteers. Moreover, along with the volunteer work, South Africa offers the visitor some beautiful national parks and fantastic landscapes for weekend excursions.*



What do you think is the motivating factor to be a volunteer worker in South Africa? Why is volunteer work needed there?

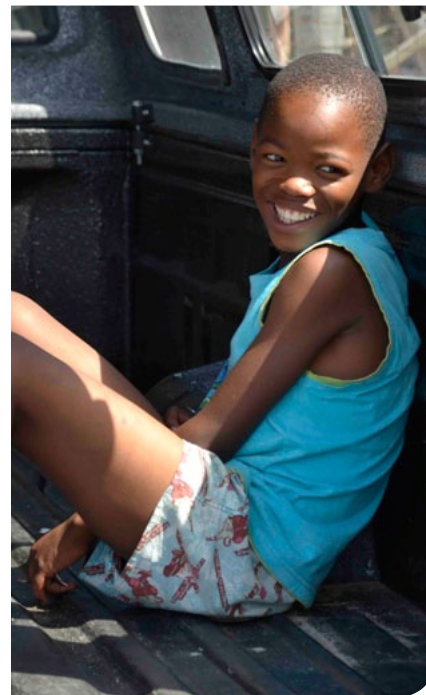
*When you see and experience the poverty in the area and the need for help in the children's home, you stop asking yourself why you are here and you get on with the work.*

*I had already done the same type of work years before in my native city where I worked with young people. I wanted to give my time to children who desperately need it. In my work in the children's home I am aware, day after day, of the disadvantages that these kids have, of the prosperity of the majority in Europe and how important it would*

*be if the rich population shared its wealth. That's why I think I made the right decision to come here. It fills me with satisfaction and joy to see how the children trust me more and more every day, they tell me more things and open up to me. Above all, they even share their weekly doughnut with me (they get one doughnut a week and it is a sacred thing for them).*

What do you do exactly?

*I work for an organisation called "The Homestead -Projects for street children". These children are often sent onto the streets by their own mothers because they can't feed them. Many mothers in the Townships are single mothers and some have a number of children by different men. As there is practically no government help, the misery is enormous. Organisations like The Homestead try to resolve this situation. Educators try to convince the children to leave the streets and to go to one of the homes that The Homestead has throughout the world. There they are attended within a family structure, they go to school and learn how to take better decisions, really, how to have*

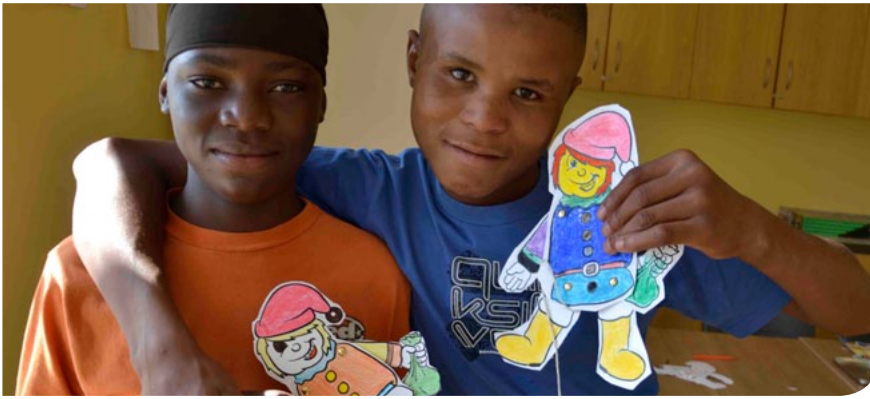


*a regular life and to have a goal in life using their talents. The Homestead takes care of children up to the age of 18, before they start taking care of themselves.*

*The Homestead also has a small workshop where the mothers of these children make dress jewellery. With this work the women learn a trade and become financially independent, become more confident through the occupation, learn how to work in teams and develop professionally.*

*My work at the Homestead is very versatile. In the afternoons I am in one of the children's homes, whether in the municipality of Khayelitsha, or in the 6th District. After school the kids have a snack, they are happy that there are people there who are waiting to listen and help them, to whom they can*





*explain what they have learnt during the school day. I also help the older children with their painting work or I play with them. In the morning I help out in the dress jewellery workshop. I am also creating a catalogue that will be distributed in hotels, commerce or restaurants. And I think about ways to increase the jewellery sales. In a few weeks' time, we want to open up a small shop, but there's still a lot to do: organise the shelves, organise the opening event, etc.*

What is so special about this country? What did you expect?

*Before my trip to South Africa I had read a lot about the country and friends who had been here on holidays and people I know who live in Cape Town had told me lots of things about it. However, it's very different seeing things with your own eyes and experience the country and its people personally.*

**The rainbow nation**

South Africa is a country where the clash of different ethnics and cultures has led it to be known as the Rainbow Nation. Even though racial segregation was abolished in 1991, this fact is still stamped in the minds of people who continue feeling that they belong to one of these groups – whites, half-castes, Asians or blacks. The South Africans that I have met are friendly, people with a smile who radiate a contagious confidence and enthusiasm for life.

**The "Townships" districts and boats**

A large part of the black South African population live in most absolute poverty. Particularly on the outskirts of Johannesburg and Cape Town where there are some poor districts full of shanties without health services, electricity or drinking water. These areas are called the Townships where the residences of the blacks, half-castes and Asians were during the period of racial segregation. One of The Homestead homes is in the Township of Khayelitsha, over one million people live there.

**Differences between blacks and whites**

The income gap between black and white is wider than in any other country in the world. The majority of the black South African population lives below the poverty line. The unemployment figures for the south of Africa fundamentally refer to the black population. On the other hand, the whites live in luxurious residences behind walls and with security installations and the majority of the blacks poorly live in shanties. I live in a residential area of Cape Town, Gardens, where the residents are mainly white.

**Crime**

South Africa has traditionally had a high crime rate. The reason for this is the great social difference in the population and the high poverty level of the black population. The residential areas are behind large walls. I feel very safe in my house, but when I arrive home I first have to pass the security barrier in front of my apartment door, where a thick iron door opens up in front of me and separates the two worlds.





Is your experience from SanLucar helping you to develop your volunteer work? And the other way round: do you think this experience will help in your professional future with SanLucar?

*SanLucar is a multi-cultural company with subsidiaries and commercial relations in many countries around the world, and with employees in more than 15 nations. 4 years in SanLucar have given me international and inter-cultural experience when dealing with people, the different cultures, languages, etc. My experience cooperating with the CR team has also been very use-*

*ful. Moreover, the jewellery workshop that I mentioned also needed urgent help with marketing and publicity that I could apply thanks to my experience in the marketing department that I belong to in SanLucar.*

*My activity as a social volunteer doesn't stop here in South Africa. I am going to continue participating in my spare time and, possibly, also as the SanLucar CR ambassador. Maybe I can motivate one or two colleagues to form part of the SanLucar volunteer programme and to work as a volunteer in a developing country.*

The next calling for international volunteer grants will be published internally before the summer 2011.



# Our educational quality project in Costa Rica

**In 2008 SanLucar, in collaboration with some of its farmers in Costa Rica, carried out reforms in two schools located in the production area of Matina in the province of Limón on the East coast: the schools of Saborio and Maravilla.**

The district of Matina is one of the least developed municipalities in Costa Rica according to the Ministry of Planning, the population (a large part is indigenous) having limited access to education. Before the urgent need for infrastructures to carry out the classes in a dignified and safe manner, SanLucar gave its help and financial resources to buy furniture, computers and books and, to carry out the reforms under the following objectives:

- Facilitate the resources required for an adequate education (for example, a chair for each student and enough school material to carry out the classes).
- Increase infrastructure safety (for example, safe electrical installations or improve furniture to avoid cuts and other injuries).
- Create additional infrastructures that are sufficiently fitted out (dining room, sports pavilion, kids park, etc.)
- In general, help in regional development to improve the quality of education for children in the area.





School before reforms

School after reforms

After 2 months of renovation, which were done during the summer holidays, the students went back to class and got a great surprise.

The Administrators of the school, the students and their relatives (many of whom work in the nearby plantations) expressed their gratitude and showed enormous satisfaction with the results.





# Social commitment in Tunisia

In Tunisia we have one of our biggest owned production centers, in which we cultivate different varieties of fruits and vegetables: tomato, melon, strawberry, raspberry and our aim is to increase not only the cultivation surface area but also the varieties. All together SanLucar currently has 623 employees in its production center in Tunisia. Women represent 77% of the work force.

All of our plants have the Global-Gap certification, which promotes good practices in land cultivation in order to achieve safe and sustainable products. We ensure that the work carried out in our plants is done with integrity, equality, safety, with responsible use of natural resources and with work safety always present as well as offering social benefits to our workers.



With the aim on continuity and professionalism of our work force, SanLucar has established salaries that are higher than the national agreement and also gives a series of incentives and social benefits:

- We have implemented a bonus for schooling to help in the education of all our workers' children.
- We have established a bonus for long-lasting working relationship to appreciate the loyalty of our team.
- Likewise, we have a training bonus for all those workers who have the responsibility to train new staff so that they can see their efforts and capacities are rewarded.
- Also, we have a performance bonus that favours those workers who work better and with better results.
- The workers also have company transport so that they can arrive from the towns and surroundings to our Production Centre and return home again after work.
- We have also installed modern dining rooms and changing rooms that have high hygiene and comfort conditions. We are also currently establishing reading rooms.
- SanLucar provides its employees with training courses about agricultural work and crop sustainability.





## For a happy, healthy and fit society

### Workshops in kindergartens

Today, we take fruit and vegetable to the kids in nurseries so that they can get to know them by first-hand experience. We want to motivate their creativity, also that they themselves prepare them, taste them with their eyes blindfolded and put them into fresh and dried fruit categories. The aim is to accentuate the children's awareness, that they know that both are an important part for healthy eating.

### Children's castle festival in Liechtenstein

We are the main sponsors of this fiesta of the medical therapy department for kids and young people in the hospital clinic in the thermal region of Mödling. The number of visitors that this event receives is incredible; we have volunteers at our stand who cut rich fruit into kiddie mouth size pieces and fill glasses with fruit salads that they distribute among the kids and their families in exchange for a voluntary donation. The money raised goes to child disease research and to projects that ensure that there is intensive care available later on.





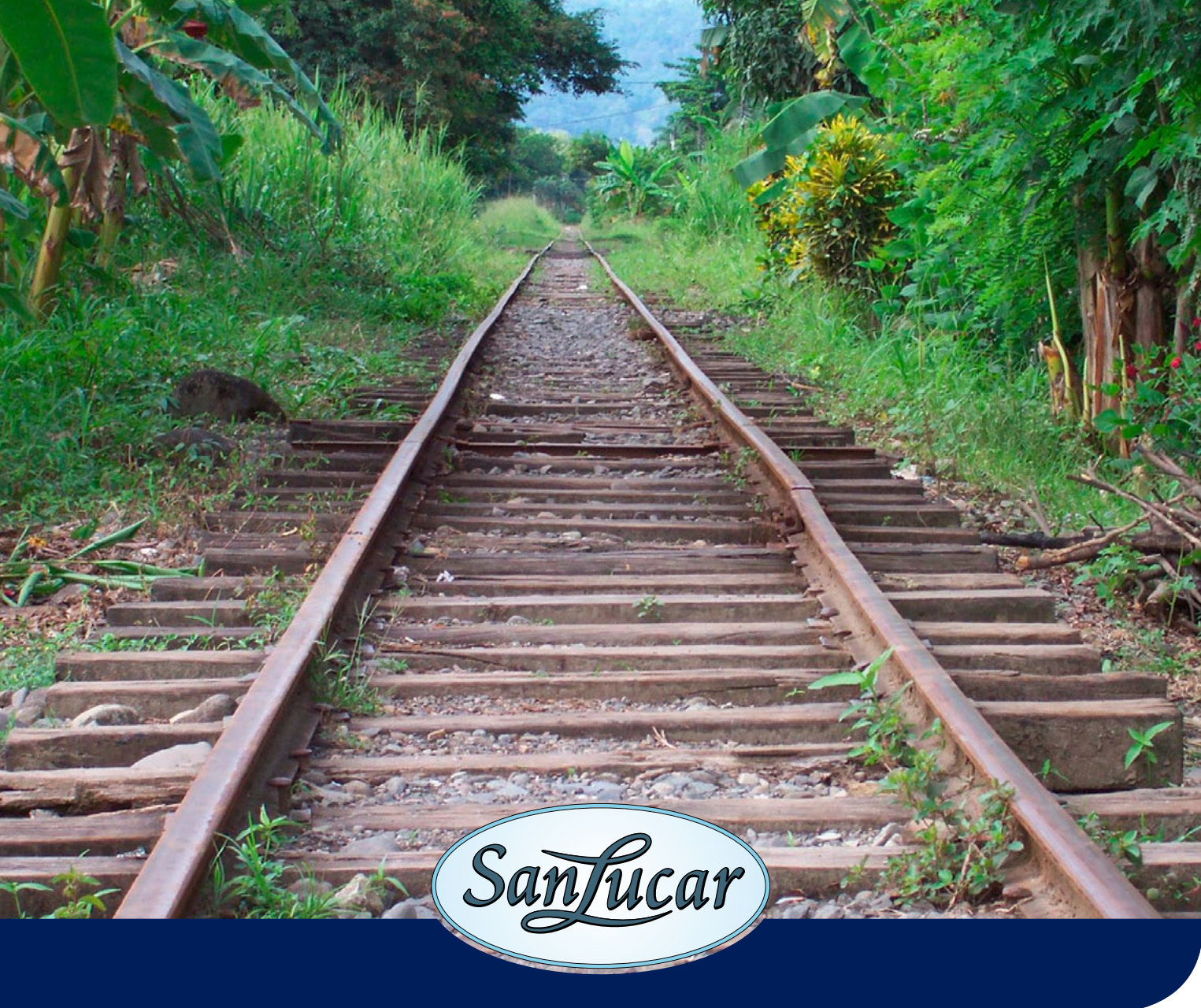
### Sporthilfe Austria 2010/2011 anti-smoking campaign in schools

Austria received a poor result in the study carried out by the OCDE on tobacco and youths. Our two sports champions Gregor Schlierenzauer (ski jump) and Mirna Jukic (swimming) are the representatives in this anti-tobacco campaign, the slogan of which is “Young Austrians are champions in smoking”, a title to which both say NO. Participation invitations were sent to schools throughout Austria so that they could take part in this campaign and carry out projects. The winning schools will be given prizes: in collaboration with Sporthilfe of Austria, we will invite the winners to get to know one of our producers.

### Austrian Sporthilfe Golf tournament

We were also present in the golf tournaments organised by this Austrian organisation that gives help to sport. All the funds raised were given to develop new talents and elite sportspeople. Some of the association’s sponsors are active sports people and retired ones as well as partners from the world of politics, economy and culture.





## Annex

- [Contacts](#)
- [Glossary](#)

# Contacts

**Together it's better!**

Can we provide something good to YOUR region?  
If you are thinking about something specific,  
please get in touch with us.

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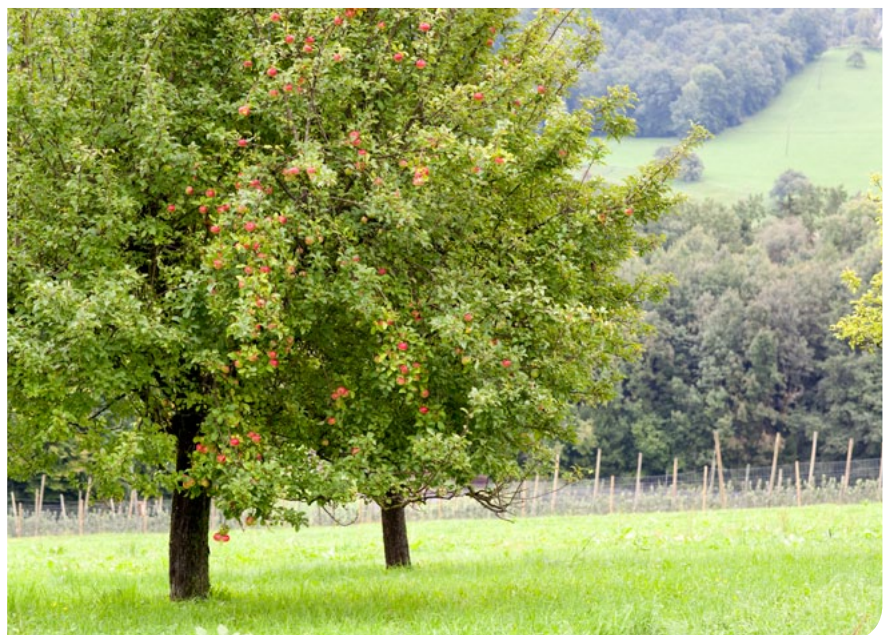
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# Glossary

## Corporate Responsibility

“Corporate Social Responsibility (CSR) is a Voluntary integration of social and environmental concerns in business operations and in relations with stakeholders by enterprises” definition of the European Commission Green Paper “Foment a European Framework for Social Responsibility in Companies”, 2001.

### For us,

#### IT IS

- A new form of business culture.
- A tool for competitiveness and an important sales argument to the client.
- The possibility of international recognition and easier access to markets.
- A transversal and strategic element.

#### IT IS NOT

- Just philanthropy (give money).
- Fulfilling a legislation.
- Just marketing.
- A certificate.
- A “satellite” element.
- A fashion/craze.

## Sustainable Development

The term sustainable development, used referring to socio-economical development, was firstly formalized in the Brundtland Report, released by the United Nations in 1987. This report included what is now one of the most widely recognised definitions: “Sustainable development is development that meets the needs

of the present without compromising the ability of future generations to meet their own needs”. This definition was also assumed within the 3rd principle of the Rio Declaration on Environment and Development in 1992.

## United Nations Global Compact

The General Secretary of the United Nations, Kofi Annan, presented at the World Economic Summit in Davos in 1999, an initiative aimed at companies that peruse the implementation of some basic conduct and action principles, the United Nations Global Compact.

The ten principles of the Global Compact are founded on the Universal Declarations and Conventions principles (like the Universal Declaration of Human Rights) and are written up in four thematic areas: Human Rights, Labour Standards and Norms, Environment and Anti-corruption.

There are currently more than 8.000 entities throughout more than 116 countries that adhere to the Global Compact. Adhering to the Global Compact implies the voluntary commitment of companies to align their strategies and operations with ten universally accepted principles.

The companies that sign the Global Compact are committed to respecting the following principles:

### Human Rights

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** make sure that they are not complacent in human rights abuses.

### Labour

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labour;
- Principle 5:** the effective abolishment of child labour; and
- Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

<http://www.unglobalcompact.org/>



## Millennium Development Goals (MDG)

Set in September 2000, the Millennium Development Goals are eight goals that 192 independent countries agreed on in the 55th General Assembly of the United Nations in New York and they correspond to a catalogue of aims that all member states are committed to. The fundamentals, corroborated by the international community, are to fight against poverty, keep the peace and protect the environment, keep watch over the fight against extreme poverty, understood not only as a lack of income but also as a lack of opportunities and possibilities.

For the consecution of the Millennium Declaration in 2001, a work group from the United Nations, the international bank, the OECD and other organisations created a list of eight goals, the denominated "Millennium Development Goals, MDGs" whose main objectives are specified in 19 sub-targets and 48 indicators and the fulfilment date for the majority of them is forecasted for the year 2015.

### These MDG are:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote equality between the sexes and the autonomy of women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Guarantee the sustainability of the environment
- Goal 8: Develop a global partnership for development

<http://www.un.org/millenniumgoals/>

## Stakeholder, interested parties and other interest groups

Interest Groups, stakeholders or interested parties are those individuals or groups that have an interest in any decision or activity of an organisation. These groups can influence, directly or indirectly the development of the organisation's activities,

and can be internal or external.

These groups are, in the case of SanLucar, the employees, the farmers, the clients, the local communities and others.

## SA8000

The Norm Social Accountability (SA)8000 was developed based on the International Convention on Human Rights and by the recommendation of the International Labour Organisation with the intention of improving work conditions, especially those of the supplying companies in developing countries throughout the world and to allow companies that are certified through it to guarantee their clients that their products are made under humanitarian work conditions. The development of these norms was done by company representatives, NGO, govern-

mental offices, workers, unions and commerce from all business sectors.

The norms are based on numerous international documents that exist about human rights, including the International Labour Organisation conventions, the Universal Declaration on Human Rights and the United Nations Convention about Children's Rights and in the development of SA8000 the fulfillment of management systems were observed, like ISO 9000 (quality management) and ISO 14001.

### Specifically, the SA8000 takes the following thematic areas into account:

- Prohibition of child labour.
- Prohibition of forced labour.
- Guarantee hygiene and safety at the workplace.
- The right of free association for workers and collective negotiations.
- Prohibition of discrimination.
- Prohibition of disciplinary punishment measures.
- Limitation of weekly working hours to 48 hours (and additionally 12 hours maximum voluntary overtime per week).
- Sufficient remuneration.
- The presence of a management system that maintains and efficiently guarantees these conditions.



unternehmen. verbinden. gestalten

