



**AGRO
MEDITERRÁNEA**

CORPORATE
SOCIAL
RESPONSIBILITY

REPORT
2015





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WELCOME





Welcome

Rafael Martínez Soriano

Managing Director of Agromediterránea

Agromediterránea Hortofrutícola, S.L. publishes its annual review for the third consecutive year, complying with its commitment to transparency, and to relate to the interest groups the impact that our company generates on a daily basis through their activity, and of the progress made in the last year.

In 2015 we managed to complete a profitable year, increasing our turnover by 42%, from 60 to more than 85 million euro and have been able to generate 134 new work posts.

Our philosophy and *raison d'être* is to provide our customers and consumers with the highest quality and food safety. Our produce are fresh, healthy and safe, and always being the most competitive in the market. To offer the best product with the best service and with the greater competitiveness, we are convinced that the continued investment constitutes a fundamental strategic axis. In 2015, Agromediterránea

invested more than 3 million euros in the improvement of its processing plant and has modernized information systems with an investment of almost € 500,000.

This dynamic is motivated because Agromediterránea is aware that an important part our growth is due to innovation, one of our fundamental pillars.

Our main assets are the workers, and they have been beneficiaries of many improvements, including motivation and internal promotion policies. In addition, we have strengthened the relationship with our suppliers, with whom we work to build long-term, stable relationships that benefit all parties. In this line of improvement, interest groups are also important, advances in social action policies and collaboration with the local community, via the activation of agreements with the charity Cáritas and Red Cross, with donation of produce to the

most disadvantaged; and also collaborating with institutions such as the Association +Broccoli (*Asociación +Brócoli*), Proexport, the University of Murcia (*Universidad de Murcia*) or the University-Enterprise Foundation (*Fundación Universidad Empresa*).

Ultimately, we want to keep Agromediterránea being a sustainable, efficient, competitive and profitable company, and to do this we need the close collaboration and dialogue with all our groups of interest, with which we try to keep increasing relations of cooperation.

We are convinced that together, clients and end consumers, employees, suppliers, society and the capital, contribute to Agromediterránea's continued growth, and as an excellent example of a company for its sector.



THE COMPANY





The company

Founded in 1983, Agromediterránea is one of the leading agricultural companies in the Region of Murcia, with more than 5,000 hectares of farmland generating an annual volume of raw material of about 115,000 tons. The company has more than 1,300 employees, and in the last year it had a turnover of 85 million Euros.

It is an intersupplier of Mercadona and is one of Spain's main producers of romaine lettuce, little gem, iceberg lettuce and green courgette. The production plant, located in Dolores Pacheco (Murcia), has the latest technologies at all stages of the production process, ensuring the highest quality and freshness of the produce as well as offering customer service 365 days of the year.

START OF ACTIVITIES	1983
HEAD OFFICE	Carretera Pozo Aledo, Km. 3. 30739, Dolores de Pacheco, Murcia
TELEPHONE	+34 968 17 30 01
EMAIL	info@agromediterranea.es
WEB	www.agromediterranea.es
MARKET	Production and handling of fruit and vegetables, both national and international
CSR ADHESION	Organization affiliated to the United Nations Global Compact under the Social Compact for the Environment in the Region of Murcia
N° OF EMPLOYEES	Annual average of 1,300 employees



01
THE CONSUMER
“THE BOSS”





- 1.1. HEALTHY PRODUCE FOR A HEALTHY DIET
- 1.2. FOOD SAFETY, OUR NUMBER ONE PRIORITY
- 1.3. MAXIMUM QUALITY AND FRESHNESS AT THE MOST COMPETITIVE PRICE
- 1.4. INNOVATION
- 1.5. PRODUCT RANGE

The consumer (“The Boss”)

1.1. Healthy Produce for a Healthy Diet

The main objective of Agromediterránea is to offer healthy produce of the highest quality that allow us to provide a healthy diet for the end consumer.

Our daily challenge is to reach those people who are concerned about taking care of their food. Because we are what we eat, food helps us to maintain well-being and to prevent and treat diseases.

Some examples of this are:





Broccoli

Is considered a **super-vegetable**, because in addition to having good amounts of fiber and certain minerals, it also stands out for its high antioxidant power due to its **vitamin C** content (100g of broccoli cover the daily needs of this vitamin), and beta carotene. It is also associated with the prevention of various types of cancer, due to the already mentioned nutrient antioxidants, fiber, and photochemical, of which sulforaphane is one.



Courgette

Are composed of **95% water**. This food barely contains calories (100g of courgettes provide only 15kcal), on the other hand it contains an extraordinary amount of minerals and trace elements, as well as phosphorus, potassium, magnesium and calcium.



Cabbages

Help block the potentially carcinogens agents that surround us and are effective **detoxifiers** of our body, in addition to being a great source of minerals and **restoratives**. It is a good source of **hydrogen** for those who do not eat meat. Being rich in chlorophyll helps the formation of hemoglobin and fights anemia. Its sulphur and potassium salts help the intestines to enjoy good health.



Aromatic herbs

Transform any kind of preparation of a special dish, contributing finesse, flavour and wellness for health. Its properties are enormous, highlighting: **basil** which activates the immune system, and is an anti-inflammatory, digestive and it combats depression, insomnia and migraines), **chives** (antiseptic, digestive and diuretic; alkalizes the blood and eases arthritic pain), **coriander** (antispasmodic, depurative, digestive and stimulates the system nervous, improving the) mental performance), **mint** (interesting digestive and antiseptic qualities, relaxing properties, relieves headache and respiratory problems), **dill** (aids digestion, has carminative properties, is a natural diuretic and an excellent source of vitamin C), **parsley** (thanks to its diuretic properties can help us to eliminate water retention and to clean the kidneys, is a powerful antioxidant, has a great amount of iron and helps to have a good digestion).



Lettuce

Rich in **betacarotene**, pectin, fiber, lactucina, and a variety of **vitamins** such as A, E, C, B1, B2 and B3. They also have calcium, magnesium, potassium and sodium. They contain a lot of iron, and help fight anemia and fatigue. It is somniferous because of its quality of own **effects, sedatives and tranquilizers**, in such a way that calms nerves, relieves palpitations and controlling insomnia problems. They have **analgesic properties** and also soothe muscle aches. They have **antioxidants** that help reduce cellular aging; reducing cholesterol levels and helps circulation.



Corn

Is a food that it directs with ease. Its **fiber** content improves intestinal transit; It also blocks the absorption of cholesterol, so it is indicated for **lowering cholesterol levels** in blood. Its richness in vitamins of group B, makes it an excellent food to **protect the brain** and ensures its smooth operation. In addition, it provides a lot of energy to the body thanks to the carbohydrates content.



Peppers

Are foods rich in **fiber**, in folate, **vitamins and antioxidants**, especially in vitamin C. And the reds they also have lycopene, anticancer action.



Radish

Provides **fiber**, ideal in diets of those who are looking to lose weight because it causes feeling of fullness in an immediate way. It also provides a great source of vitamin C, by the It protects from colds or flu during the winter, since it increases defenses quickly. Provides a large amount of **calcium**, extremely useful to fortify the bones and prevent the emergence of osteoporosis. By consuming radish you also bring to your diet all the B complex vitamins.

Our philosophy is clearly oriented to our customers, we are aware that with them we have a great responsibility and that is why our commitment is to provide them with the highest quality, with full food safety, and the best service 365 days a year, and to always be the most competitive in the market.





1.2. Food safety, our number one priority

Food safety is the number one priority of Agromediterránea.

Continuous improvement is an essential part of our company philosophy.

For years we have been making major economic and human efforts in best practice development throughout the production process, focusing on the improvement of quality and competitiveness of our produce along with maximum food safety.

During all stages of planting, harvesting, handling, transporting, storage and conservation our produce are maintained in strict accordance with their regulatory conditions and technical specifications with regard to freshness, quality and food safety. Agromediterránea has its own in-house quality control Department for the vitally important assessment of produce and to ensure that they comply with our clients' requirements and specifications.

In addition, Agromediterránea's producers also comply with the even more demanding international standards of quality and food safety. All producers are currently certified with the international standard of good agricultural practices Global G.A.P. also, the main producers have been audited successfully in the **G.R.A.S.P. module of Social Risk Assessment**, covering the liability-related indicators of social corporate responsibility and workers.

The objective is to progressively implement this evaluation of all of our producers.

In parallel, throughout 2015 they exceeded all audits of warehouse production with maximum solvency, obtaining the highest level equally for QS and IFS standards, and thereby keeping us within the BRC unannounced audit programme.

In the last year we have also been audited as a QS coordinator and we are implementing the QS Production Protocol for all producers of Agromediterránea.

As part of the company's process of internationalization its doors were kept open to all new customers during the last season, successfully undergoing audits by our international customers. Also, we have continued to carry out all of our processes in order to maintain end consumer confidence.

In addition, following the Model of Total Quality of the company, we carry out certification audits of our suppliers in accordance with our own references, thus ensuring compliance with all of the points that we consider critical at the level of food safety and quality assurance in our products.



GLOBAL STANDARD
FOR FOOD SAFETY



Training in Food Safety and Quality



During 2015 the company placed special emphasis on the training of staff in relation to the processes of Food Safety and Quality. Plant and field employees of Agromediterránea were provided with courses highlighting *Food Defense* in food chain safety, and training in the extension of knowledge, especially related with new protocols for quality.



**Laboratory accredited
to international level**



Within its Total Quality Model and in accordance with the rules and laws in force, Agromediterránea evaluates all produce, ensuring that there are no personal health and safety risks. For this we have our own laboratory equipped with of the most advanced technologies and accredited by ENAC according to ISO/IEC 17025:2005 standard.

In 2015 our laboratory included in its scope of accreditation 7 new matrices and 15 new active ingredients, allowing the increase of our analysis portfolio and through this the service to our producers. The number of samples tested during 2015 was superior to 3,500, doubling the volume reached in the previous year.

**In 2015 we doubled the
number of raw samples
analyzed by our in-house
laboratory**

1.3. Maximum quality and freshness at the most competitive price

To achieve our goal of meeting the needs of our customers and end consumers, Agromediterránea carries exhaustive controls throughout the production process - from seed to table. Our produce are selected daily at their peaks of freshness, quality and food safety, with a methodology of work aimed at the continuous improvement of production processes.

We have the resources necessary to ensure the optimal levels of freshness, food quality and safety

- Production 52 weeks a year, **365 days**
- **Programming of crops** and development department.
- **R+D+i** Department: study of varietal development, new varieties, plant protection, fertilizer, herbicides, etc.
- **Own seedlings nursery**: 10 hectares in 3 locations, accommodating up to 200 million plants.
- **160 ha. greenhouses** - and multitunnel greenhouses, depending on the growing conditions, to guarantee the supply of several produce.
- **5,100 hectares of annual production**
- **19 farms farming in 5 provinces**: Murcia, Albacete, Alicante, Almería and Granada.
- **Geographical mobility**: distribution of the crops according to the best weather conditions at every moment: summer estates, winter farms and mid-altitude estates for spring and autumn.
- **12 collection platforms** - making: savings in costs and breakthrough in pro quality (practically no handling of produce) and freshness (direct faster access from the farm to distribution platforms). In addition, we have 5 special platforms for the collection and preparation of chard and spinach, and two cabbages belts.
- **Night harvesting** in summer periods to obtain the freshest possible produce.
- **68 tractors** and 384 elements of agricultural machinery.
- **Production plant** with the highest technological advances stock management, traceability control and intelligent storage.
- **Vacuum Cooler** in the production plant for rapid cooling of pallets: from 22 °C to 4 - 5 °C in 20 minutes.



From the seed to the table

Agromediterránea has all the means to ensure that the entire process from our seed beds to our consumers is integrated in an effective and thorough organization. Our main competitive advantage is the strict control of all productive and commercial processes as this is vital for the realization of fresh, safe produce of optimum quality.



Own seedbeds

A 10 hectares area of seedbeds is divided between three farms that have a collective production capacity of 200 million plants. This allows us to provide service to all farms in an efficient and constant way, as well as to maintain thorough quality inspections from the reception of the seeds, controlling their temperature, and irrigating them with the appropriate doses and measures. Care and technology combine to create a solid base from which to obtain the best produce.



Agricultural capacity

A cultivation area of 5,100 acres in 19 farms guarantees agricultural production 365 days. Located in 5 Spanish provinces - Alicante, Almería, Granada, Albacete and Murcia - the farms allow us to always have the optimum agricultural production during the different periods of the year and, therefore, to offer a constant service to our clients, with the maximum guarantee of freshness and food safety. 160 hectares of multi-span greenhouses and multitunnel greenhouses - depending on the growing conditions -contribute to ensuring the supply of various produce.



Tractors

Agricultural machinery

- fumigating tanks
- trailers
- pallet loaders and pallet holders
- rotavators and weed trimmers
- cutting machines
- hoeing machines
- subsoilers
- fertilizer
- precision seeders
- various agricultural machinery/ equipment



Agricultural machinery

Our own powerful agricultural machinery allows us to meet our customers' needs and makes us more competitive, and this requires the constant acquisition of new working tools. Some examples of our competence in this regard are:

Various vehicles,

such as reapers, forklifts, shovel loaders, motorcycles or quads for farms

Our own generators



Harvesters

Our latest generation of harvesting machines allow the harvesting and packaging of the produce directly on the farm. This advantage of agility brings us a leap in quality and freshness as the process is completed on-site and it can be transported at that very moment to the distribution platforms.

- romaine lettuce harvesters
- iceberg lettuce harvesters
- little gem lettuce harvesters
- leaf lettuce harvesters
- cabbage belts





Production Plant

We have the agricultural sector's most modern automated installations of more than 17,000 m², and a storage capacity of 50,000 m³ and 5,500 pallets.

The fact that we have more than 100 pallets of flow per hour and powerful control and identification systems, allows us to reduce costs and improve packaging and product quality control.

The facilities are located in a plot of 64,000 m² and its design is based on 4 key concepts:

- Food Safety and Quality.
- Elimination of too much effort and achievement of safe and ergonomic working environments.
- Environmental and social commitment.
- Competitiveness.

With the plant's modern infrastructures of packaging and storage lines, we are able to respond to the individual demands of customers and to introduce the produce in the cold chain with the maximum speed. Real time control of stocks and automatic identification systems of the produce allow us to have control and total reliability of the entire process.

Fleet of trucks

Our own fleet of more than 50 refrigerated trucks, allows us to have exhaustive control of the cold chain, as well as provide a more efficient and secure service, getting directly from the field and the production plant to the customer.

GROMEDITERRÁNEA



1.4 Innovation

New crops

At Agromediterránea we want to grow each day and offer more healthy options to our end consumers. To do this we work to diversify our range and offer a greater variety of produce for those discerning consumers who want a healthy, fruit and vegetable rich diet.

In 2015 we went from growing 18 types of vegetable to more than 30

In 2015 Agromediterránea invested strongly in the category of fresh herbs, increasing the references with the addition of basil and chives to the existing coriander and mint.

Also, in 2015 we introduced chard and spinach crops for the national market, as well as special lettuces for all markets, such as endives, curly endives, radicchio, green oak leaf, green trocadero, red lollo (*lollo rosso*) and white lollo (*lollo biondo*).

At international level, Agromediterránea invested to tailor its produce to the tastes and needs of new customers, highlighting new produce such as celery, pak choi and kale.



New packaging, new image

The increase in number of product lines has led Agromediterránea to opt for a renewed, more fresh image, which allows the identification the quality of its products through a new uniform design for the entire range.

Freshness, quality, naturalness... are the objectives in each of our products, something we transmit with our renovated image.





New markets

In 2014, we started the internationalization process that has made us present in more than 20 markets. So now our products reach new consumers who value the quality and freshness of produce that comes from the Mediterranean market garden.

Germany
United Kingdom
Switzerland
Austria
Italy
France
Belgium
Czech Republic
Sweden
Poland
Lithuania
Netherlands

Ireland
Hungary
Greece
Croatia
Serbia
Denmark
Finland
Romania
Bulgaria
Norway
Portugal



Participation in international trade fairs: Fruit Attraction Madrid

From 15 to 17 October, Agromediterránea participated in one of the sector's most important fairs, together with thirty companies under the umbrella of the Fruit and Vegetable Association of Producers and Exporters of the Region of Murcia (PROEXPORT).

This was the second time that we attended this fair, which has become in recent years an international showcase for Spanish agricultural produce.

We are confident that with the participation in this event we have reinforced the presence of our brand and our produce in new markets.

With an impressive 64 m² stand, we took advantage of this showcase to present all of our produce and new lines, as well as to strengthen ties with our customers and suppliers.



1.5 Product range



+30
Agricultural
references





02
THE WORKER





- 2.1 COMMITMENT TO STABLE AND QUALITY WORK
- 2.2 CODE OF ETHICS AND RESPONSIBLE CONDUCT
- 2.3 TRAINING, A COMMITMENT TO THE FUTURE
- 2.4 SAFETY AND OCCUPATIONAL HEALTH

The worker

2.1 Commitment to stable and quality work

The worker is the most valuable resource of Agromediterránea, therefore the management of human potential is conceived in a comprehensive manner and is considered vital to achieve our common goals. The company's growth is accompanied by job creation, contributing to social wealth.

We are proud of having created a multicultural and multidisciplinary team, very cohesive and committed to pursuing a common goal. For this reason, Agromediterránea advocates for policies that promote stable employment and of quality, promoting the personal and professional development of people.

The largest volume of business generated by the company in 2015 has resulted in that Agromediterránea workforce has grown. 134 new jobs have been created which means an 11% increase of the staff, reaching 1,326 employees.

**134 new jobs have been
created meaning a workforce
increase of 11%**

Regarding the growth in areas of the company, we would like to highlight:

Plant: a workforce of 283 people. Employees in the plant represent 20% of the total staff of the company.

Field: a 963 workforce of field workers represent 70% of the total staff of Agromediterránea.

Agromediterránea invests in stable and quality employment. Thus, **93% of the staff contracts are indefinite and 99% full time**. By gender, 60% are male and 40% female. Agromediterránea's approach to people is to implement measures to ensure compliance with our good practices, promoting the respect of human rights and implementing measures towards contracted and collaborating companies.

The Agromediterránea workforce is composed of 24 nationalities, and we are very proud of it.

In Agromediterránea we defend equality from an overall perspective, strictly ensuring non-discrimination. Good professional practices involve ensuring equal opportunities among people with different race, sex, nationality or belief. It is the duty of the company to ensure that everyone who works in the company will be treated as such, regardless their position or their category.

**More than 90%
of indefinite
and full time
employment
contracts**

**Our staff
comprises
24 nationalities**





2.2 Code of Ethics and Responsible Conduct

With the aim of ensuring internal social responsibility, Agromediterránea's Code of Ethics and Responsible Conduct is a document that sets the standards of conduct of the company towards workers and ensures professional practices. Created as a framework of reference to follow at work, and which defines a number of principles that are part of the way of working and of the professional culture and which are intended to further the way to responsible management.

The document, which is translated into Arabic - the second majority language among our workers, brings together the values with which we identify ourselves from our origin of more than 30 years, adapting them to the new needs of the environment and the people. This code is a way to be consistent with those values and commitments, always striving for excellence and competitiveness in our management.

Both the Social Responsibility Policy of Agromediterránea and the Code of Ethics and Responsible Conduct documents are known to all employees and are adapted to different languages and formats for their better understanding. In addition, they are given to each employee to ensure their effectiveness, and are also published and adapted on the Intranet, in order obtain the appropriate communication, actions, training and awareness for their understanding and implementation.

Both internal documents are delivered to the new workers and constitute a working document for all employees. For general inquiries or default communications, Agromediterránea provides the staff with a platform for consultation and notification, allowing anyone connected with the organization to confidentially communicate any infringement.



2.3 Training, a commitment to the future

3,000 hours of training

One of the priority responsibilities of the organization is the training and development of its employees. Aiming to enrich and add value to the great team that Agromediterránea is, during the year 2015, multiple training activities have been carried out that respond to the needs identified by each area of work.

In 2015 100% of the staff received training

Training of skills and competences

Agromediterránea considers the talent or training of people as well their attitude toward the work, the team and the organization to be of vital importance, and it is for this reason there is an ongoing effort in the training of skills and competences, along with innovative training and development programmes which seek the continuous improvement of employees.

2015 has been an important turning point with regard to the development of projects aimed at the internal talent of Agromediterránea.

- Conferences for field, plant and office managers, in which the powerful technique based on **Lego Serious Play (LSP)** we carried out a day of team work to bring together current issues in Agromediterránea, detect areas for improvement and propose objectives and group challenges for the future.
- **Development Center sessions:** a total of 27 people from plant and field middle management, participated in various sessions of the Development Center, through which we were able to know in greater depth all the capabilities of the participants, discover our internal talent and think as a team, all in a dynamic and fun environment.
- **II Edition Grado GAC (GAC Degree):** In November 2015, the second edition of the GAC degree started a training and development programme for 17 students. Six months of subjects, in a practical way, with visits to various centres, several master classes and included a final project degree.
- **Training in skills,** in the year 2015 different workshops were developed, for example **Communication-Oratory, Negotiation, Conflict Management or Time Management/Productivity**, where many employees of the company participated.
- **Teambuilding Day:** outdoor training format, the members of the Direction Committee and several managers carried out a teamwork, collaboration and cohesion day.
- From the more operational point of view, also during 2015 we worked with various **HH.RR tools**, such as update and redesign **Posts Manual** of Agromediterránea , implementation of different systems of **Performance Evaluation** to perform assessments and self-assessments of the teams based on determined skills/conduct.



Technical training

One of the main focuses of training during 2015 was in the area of Quality. Mainly in **Food Safety** and **Food Defense**, and has directed the training to the two divisions of the organization - both employees of the agricultural area and of the production plant. Also, all the workers in the production plant have been on courses on product health to respond to the needs and specifications of new international customers.



2.4 Occupational safety and health

Prevention of Occupational Hazards is undoubtedly one of the most important pillars in the organization and management of Agromediterránea. We understand that people must be cared for and protected while carrying out their tasks. The objective is to promote the employees' safety and health in the workplace, preventing risks derived from work.

The Prevention of Occupational Hazards is assumed as fundamental, since the effective implementation contributes to the elimination of accidents and occupational diseases at work, facilitates security, improves the workers satisfaction and motivation and therefore contributes to the improvement of the overall management of the organization.

With the priority objective of a health and occupational hazards preventive plan that becomes more effective each day, in 2015 we implemented training programmes in a number of areas including:

685

employees have participated in specific training on safety and health in agricultural activities

195

plant production employees have participated in the specific training on safety and health in their posts

34

tractor drivers have participated in specific theoretical and practical training for their posts

29

middle managers have attended awareness workshops for the prevention of occupational hazards

26

plant support service employees (maintenance, cleaning, laboratory), have received the specific training in prevention of occupational hazards

23

employees have participated in specific courses for the prevention of occupational hazards in the transport of goods by road

21

employees have received specific theoretical and practical training in the safety of forklift operations

18

employees of the agricultural area have received technical training for the application of phytosanitary products

14

employees have participated in theoretical and practical training of road safety

10

employees in the area of maintenance have received practical training for working at height



During 2015 1,059 employees have participated in courses of Occupational Hazards Prevention

Also, improvements in the operational management of prevention have been implemented, as well as in the associated document management in order to ensure that the actions serve to achieve the objective of preventing and reducing accidents; among those measures are:

- **Review, improvement and adaptation of the different tools and protocols** related to Occupational Hazards Prevention (IPE- Individual Protection Equipment-, protocols, ergonomic measures ,...).
- **Specific assessment of all farms** for coordination of business activities.
- **Collaboration with the Institute of Occupational Safety and Health of Murcia (ISSL)** with arranged visits and statistical studies of the sector when so requested, and active participation of our team of Prevention of Occupational Hazards in the ISSL technical seminars.

At Agromediterránea we work continuously on the process of awareness of all staff of the Prevention of Occupational Hazards, and we support all the necessary measures to improve the safety practices of our employees, both in plant and field. Following our philosophy of continuous improvement, prevention efforts are not focused for one particular instance, but are planned and maintained in the long term.





03
THE SUPPLIER





The supplier

Agromediterránea works to build and maintain strong and stable relationships with their suppliers. From the seed suppliers or the manufacturers of materials, to the customer or distributor, each component of the product chain of value is essential to achieve the goal of satisfying end consumer needs.

Through long term agreements and the allocation of planned business volumes, we guarantee a mutual-benefit relationship in which all parties grow and generate wealth. Stable relationships with our suppliers contribute to better planning and development, thus facilitating innovation, new investment and job creation.

Agromediterránea works with local suppliers for the purchase of agricultural materials such as plant protection and fertilizer

Agricultural supplies

The introduction of new crops in the Agromediterránea range has considerably increased consumption of agricultural supplies.

Seeds

A considerable fact is the volume in the purchasing of seeds, the source of our activity. We went from 170 varieties in 2014 to more than 300 in 2015.

To ensure the supply and thus meet the needs of our customers, in 2015 we launched a biannual program of seeds supply. In this way, we promote more solid commercial agreements with our seed suppliers.

Fertilizers and other components

Between the fertilizers N-P-K (nitrogen, phosphorus and potassium) and others as correctors to compensate for other shortcomings, their total purchase reached 5,900 tons. These are basic for the development of the plants' tissues.

Plant protection products

300,000 kilolitres.

Total amount of agricultural supplies: **10.5 million euros.**

New acquisitions of materials to respond to growth

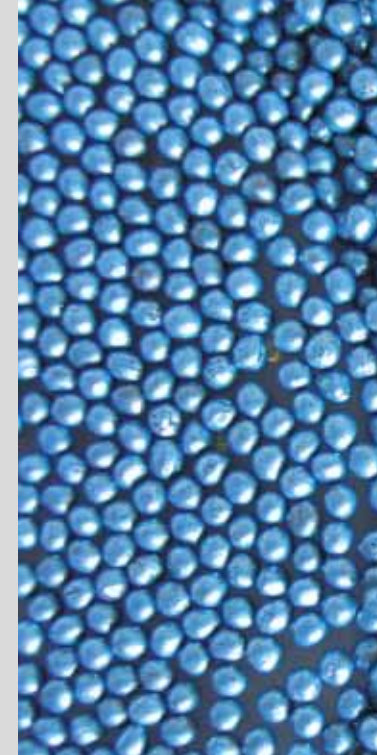
The increase in our agricultural activity during the months of 2015 resulted in the need to invest in the acquisition of materials of different nature.

We carried out the purchase of 50,000 new expanded polystyrene trays for our seedbeds, supplied by domestic manufacturers, at the beginning of summer.

We acquired 3,500 agricultural boxes for transportation of the raw material to the processing plant, allowing us to increase our ability to transport 500,000 kg.

The renovation of part of our area of greenhouses plastics meant the acquisition of 90,000 kg of three-layer plastic.

Total purchase of auxiliary materials: **650,000 euros.**





Renewal of light fleet

In 2015, we carried out the first phase renewal of the light vehicles fleet (ATVs, cars and vans). The objective being the replacement of old vehicles by other more modern, less fuel consumption, lower CO₂ emissions and, therefore, more the environment friendly. To that effect, in 2015 we renewed 15 vehicles.

Containers and film

The growth of production and sales of the company has also meant an increase in the flow of cardboard, with a boxes flow of 3,100,000, tripling the volume of 2014.

Material for packaging also experienced a remarkable increase, driven by exports and the introduction in the national market of four new references, such as chives, basil, chard and endive. Subsequently, we reached 19,600 km of film (flow pack).

Total box purchases: **2.3 million euros.**

More than 3 million cardboard containers

About 20 million metres of film (flow pack)





04
THE SOCIETY





- 4.1 PRODUCT DONATION
- 4.2 COMMITMENT TO THE ENVIRONMENT
- 4.3 RELATIONSHIP WITH THE UNIVERSITY AMBIT
- 4.4 PROMOTING HEALTHY LIVING & EATING HABITS
- 4.5 RELATIONSHIP WITH THE BUSINESS SECTOR

The society

4.1 Product donation

In order to actively support the most disadvantaged, Agromediterránea performs regular donations of produce to different associations.

In 2015 Agromediterránea donated more than 35,000 kilos of vegetables and 55,000 pieces of assorted of lettuce to the charity Caritas Diocese of Cartagena, who is responsible for the distribution of these foods to the care Centers that Caritas has in the Region of Murcia, and contribute to the support of people in need.

This donation of produce is part of the collaboration agreement signed between Agromediterránea and Caritas Diocese of Cartagena in April 2014, although the company has been cooperating with this association from 2012.

Within the framework of this agreement, the produce donated by Agromediterránea goes to the food store of Caritas in Murcia, which is responsible for the distribution of resources for people with needs or at risk of social exclusion, and handing out contributions from companies to their different parishes. The agreement establishes a framework for the long term cooperation and dialogue between the two organizations. Agromediterránea is also a business partner of the Red Cross Since 2009. In this way, the company contributes to the work that this NGO does in

providing society the means for more people to have greater opportunities. The constant and firm backing of Agromediterránea goes to support projects for the most vulnerable groups as well as international cooperation projects, preservation of health, of the environment and the promotion of the values of solidarity.



 **Caritas**
Diócesis de Cartagena

4.2 Commitment to the environment

The management of environmental aspects and impacts has become, in recent years, an increasingly relevant factor within Agromediterránea's policies of quality, health, and food safety. Our activity in the Spanish Southeast takes advantage of the conditions of this privileged location for fruit and vegetable cultivation, and it is for this reason that the company manages these resources responsibly, fundamental for achieving sustained growth and minimal impact in these natural areas. One of the measures is the implementation of an internal Environment Protocol, its purpose being the establishment of preventive measures that look after the environment so bad actions that could damage or impair it are not taken, measures that encompass all levels and apply to the staff. Some of the good practices carried out during 2015 are:



Containers

- Reduction of obsolete stock and optimization of packaging material and auxiliary materials.



Raw material

- Generation of new handling processes to provide certain manufacturing to other clients, taking 100% advantage of the available product.
- Use of the product in the field to processed vegetable businesses (fresh cut products).



Energy

- Modification of the lines to optimize the operation and the diversification of production, which translates into a high degree of flexibility, productivity and energy savings.



Water

- Awareness of the staff for correct use of tap water.
- Optimization of water consumption irrigation, prioritizing repairs to reduce losses generated in irrigation systems.
- Reduction of irrigation in lettuce in the last days of the cycle before harvesting, represent a saving of 60,000-108,000 annual m³.



4.3 Relationship with the university ambit

Commitment to the University of Murcia Chair of Corporate Social Responsibility

Agromediterránea's sponsorship of the University of Murcia (UMU) CSR Chair is a demonstration of the company's commitment to the public University and the CSR. The Chair was inaugurated in 2010 thanks to the agreement signed by the University of Murcia and the Ministry of Education, Employment and Training in the Region of Murcia, with the support of organizations and companies such as Agromediterránea to boost the research of all matters related to CSR.

The Chair has the following objectives:

- The momentum in topics of CSR activities.
- The promotion of the active involvement of universities, organizations and the whole society in the momentum of CSR policies.
- Dissemination, information and awareness of CSR among companies, institutions and society.
- Development of education and training in the field of CSR among organizations, universities and any other interested parties.
- The generation of knowledge, the exchange of experiences and good practices among companies in the field of CSR.
- Encouraging companies and universities to develop and communicate their CSR policies

Agromediterránea actually works with the CSR Master of the University of Murcia, helping to train students and collaborating in the carrying out of research projects.



Partners in the Region of Murcia University-Business Foundation

Agromediterránea is a member of the Foundation University- Business Region of Murcia, an entity created in 1988 to be the "link between the university and the company." Among the objectives of the Foundation the main ones are promoting and developing mutual understanding, dialogue and cooperation between the academic world and the business to enhance entrepreneurship, growth and economic development in the Region of Murcia in particular, and of our social environment in general.

Also Agromediterránea works with ENAE Business School, the leading business school in southeast Spain, belonging to the University Business Foundation of the Region of Murcia.





4.4 Promoting a healthy diet and life habits



+ Broccoli (+Brócoli)

In our effort to promote healthy life habits of the consumers and society in general, Agromediterránea is member of the + Broccoli association. The entity - whose primary purpose is the encouragement of broccoli consumption - brings together farmers, traders, researchers, nutritionists, restaurateurs, and all related entities and people interested in spreading the healthy, nutritious and tasty benefits, brought by this cruciferous vegetable. Agromediterránea has occupied the presidency of the association since 2012.



Five a Day (Cinco al Día)

Agromediterránea is an active promoter of the "5 a Day" promotion, a campaign composed of companies, institutions and people that "get the message" and collaborate in spreading the word about the health benefits derived by consuming 5 daily rations of fruit and vegetables, and subsequently helping achieve the improvement of eating habits in our society.



4.5 Relations with the business sector

As an innovative and environmentally involved company, Agromediterránea is an active member of the main business associations of the Region of Murcia. Including the Murcia Regional Confederation of Corporate Organizations (CROEM) and the Association of producers-exporters of fruit and vegetables of the Region of Murcia (PROEXPORT).





05
THE CAPITAL



The capital

	2015	2014	VARIATION
TURNOVER	85,684,960€	60,201,000€	+42%
UNITS	176,609,915	114,700,000	+53%
KG.	114,582,221	74,000,000	+55%

Agromediterránea is a company with more than 30 years experience in the agricultural sector. Their commitment during all this time has always been, and still remains, to offering the best product with an excellent service to the customer and the end consumer and being increasingly competitive to ensure the sustainability of business and the environment within which it operates.

In 2015, Agromediterránea 's turnover of €85,684,960 was a **42% increase over the previous year**. Regarding volume, it has also experienced significant growth both in sold tons (+ 55%) and product units sold (+ 53%).

This growth in all business indicators is due mainly to the increment of domestic market sales to its main client, Mercadona, and the expansion of the company in international markets. In 2015 Agromediterránea reached more than 20 markets and has established trade relations with nearly 30 distributors. International billing is already 20% of the company turnover.

The most sold produce
in the last period are:

TOP >10 PRODUCTION



Little Gem lettuce
47,000,000 units



Iceberg lettuce
45,000,000 units



Romaine lettuce
43,000,000 units



Broccoli
11,000,000 kg.



Green Courgettes
15,000,000 kg.



More than
30
crops

Exporting to
more than
20
countries

More than
114,600
tons of production



Cabbages
8,000,000 Kg.



Spinach
4,000,000 Kg.



Curly Endives
4,000,000 Kg.



White Courgettes
3,000,000 Kg.



Chard
3,000,000 Kg.

INVESTMENT FOR CONTINUED GROWTH

Agromediterránea is committed to continual growth investment. In 2015, to respond to the new needs of the company and to generate greater business opportunities, the company made important investments, both at technological and agricultural level.





Greater efficiency and productivity in the Processing Plant

In 2015, in response to business needs, Agromediterránea invested a total of **3 million euros in the improvement of its processing plant**. The restructuring of facilities contributed to the company's **greater automation, efficiency, and agility** in processes, allowing us to deal with any new needs arising from our internationalization strategy.

The major changes during the months of August to October occurred in the already existing **stored and processed** produce facilities. Among other reforms are the remodeling and subsequent capacity increase of the automatic storage silos, and also the rearrangement of workflows for greater efficiency. The installation of **new processing** lines and the **remodeling of the areas of packing and automatic palletizing**, provides more flexibility and also the possibility of adaptation to different box types to comply with client needs.

Also, the restructuring of the plant included the creation of a **specific store for broccoli**, and a **220% increase** in the **Vacuum capacity** of homogeneous cooling of produce coming fresh from the fields.

Greater capacity, flexibility and efficiency

The reform of the store has added increased capacity, flexibility and efficiency to the company's operations. We highlight the main improvements:

- 01 **Increasing the capacity of rapid cooling of pallets in the Vacuum Cooler** Cooling in 20 minutes from 22°C to 4 / 5°C.
- 02 Entry to the automatic **warehouse with greater flexibility** accommodates different types of raw material pallets.
- 03 **Increase of product storage capacity** is made up of 1,000 more positions, moving up from 2,550 to 3,550.
- 04 Palletizing of the most possible **types of different boxes**, with the adaptation of the robots to do so (various types, sizes and materials).
- 05 Improvement of the **flow of people and materials in all lines of production**.
- 06 **Flexibility in the supply of different box** models to all the packing points.
- 07 **Increased flexibility of production** for sanitized lines.



The project had a
budget of € 3,000,000

25 participating companies
at both local and national levels

**80 professionals from
various sectors**
have been carrying out the work
necessary to realize the project

20+ tons removed
of non contributing value elements

Renovation of almost
**1 kilometer of
conveyor elements**
(belts, rollers etc.)

SAP implementation: better planning and management of resources

Between the months of March and September Agromediterránea lived out the implementation of the SAP project. An ambitious technological change that has brought the company a powerful tool for the planning and management of resources, and the benefit of which has resulted from an investment of **480,000 euros**.

Thanks to the SAP project, the company now has information systems that allow, on one hand, the **operational backbone of the principal business departments** – which are, Commercial, Agricultural Production, Logistics and the Production plant –, and on the other hand to have **indicators to be able to manage the business** with the maximum efficiency.

Also specific tools have been developed for the short and medium term for the **supply chain planning Department**, one of the company's most important areas, which coordinates and sets the pace for the entire organization.

The benefits of the project for the daily work in Agromediterránea are, among others:

- **Planning in the medium term** by comparing agricultural availability versus the sales potential.
- **Manage the enterprise-wide operational planning** from a single screen.
- A unique tool to **manage stocks** of raw materials, finished produce, auxiliary materials, etc.
- Tools for in **plant management**: from planning, notification of hand work, consumption, waste, etc.
- Tools to **ensure the quality and freshness** of the produce that we sell.
- Tools for **planning and operational management of the shipping** dock, both outputs and inputs. Incorporation of radio frequency pistols for the in-store management of produce.
- **Online cost control reports** divided by crop.
- Reports of **performance and field** cost controls.

The introduction of SAP provides a base tool that will manage our business in the coming years. A solid foundation is the backbone of our growth, with a focus on the effectiveness and efficiency of our processes, and in the excellence of our planning. In short, a solid foundation for further growth.





06
ANNEX





Annex

Renewal of commitment to the 2015 Global Compact

Agromediterránea Hortofrutícola S.L. is a company with a strong tradition in doing work that is well done, efficiently and with the ability to adapt quickly to changes in market trends. With a clear orientation to the customer, the company has always had, as a reference and challenge, to offer them the maximum value and the maximum performance at the best price, and being very aware that for this, work has to be very well done indeed.

For Agromediterránea it is of strategic interest to cultivate proper management and dialogue with the areas of influence of interest groups, to the extent that all activities are developed in response to needs and provide benefit to clients, consumers, workers, suppliers, to society and to our own capital. From this derives the active attitude of the company of maintaining the high satisfaction of all company shareholders.



**Agromediterránea's
areas of influence:**

**The Consumer
(‘The Boss’)**

The Capital

The Worker

The Society

The Supplier





This report certifies that during 2015 Agromediterránea worked from different areas and with different interest groups to set goals and areas for the improvement that will allow us to align our strategy and operations with the ten principles of corporate governance responsible for universally accepted and outlined by the Global Compact. This year, we renew our commitment to keep working along these lines and strengthen our indicators in the four areas covered by the Compact: human rights, labour standards, the environment and anti-corruption.

Report profile

Edition: III Agromediterránea Hortofrutícola, S.L CSR Report. 2015

Annual Reports presentation cycle: Annual.

Contact for communications about the CSR Report: comunicacion@agromediterranea.es

Level of compliance of the report: G4 - Essential (Global Reporting Initiative Guidelines G4).

Verification Policy: Independent verification report.

Methodology: G4. Global Reporting Initiative Guidelines.

Dolores de Pachecho (Murcia) 10 de Junio de 2016

Un año más Agromediterránea Hortofrutícola S.L. declara su compromiso con la RSC presentando su Memoria de RSC 2015, que resume los principales avances logrados por la compañía en su firme apuesta por los valores que rigen la RSC y, por consiguiente, con los principios del Pacto Mundial. Seguimos ilusionados en poder formar parte de las empresas que adquieren, mantienen y renuevan su sentido compromiso con las actividades promovidas por el Global Compact.

Tal y como concluye nuestro diálogo con todos los grupos de interés somos una empresa que debe focalizar toda su atención en mantener unos elevados índices de calidad y seguridad alimentaria, siendo nuestro objetivo prioritario ofrecer al consumidor productos saludables y de la máxima calidad y seguridad. Este año 2015 se ha seguido invirtiendo en que esto sea así, prestando una relevante atención también a los aspectos sociales y medioambientales que en nuestro negocio agroalimentario tienen también una gran importancia.

En esta Memoria de RSC 2015 se describen las políticas económicas, sociales y medioambientales de la empresa orientadas a maximizar el bienestar de nuestros grupos de interés, y que se corresponden con los 10 principios del Pacto Mundial que la compañía suscribió hace ya 3 años.

El cambio accionarial producido a lo largo de 2014 ha supuesto un impulso definitivo a la alineación estratégica de la compañía con los principios de dirección y gestión responsable. Esto ha conllevado en 2015 importantes avances en la seguridad y calidad alimentaria, derechos sociales, reducción de consumo energético, optimización de procesos y colaboración activa y sistemática con la comunidad local y los grupos desfavorecidos. Todo ello ha contribuido a la promoción de forma activa de políticas vinculadas a los diez principios del Pacto Mundial.



Ateritamento,

Rafael Martínez Soriano

Director General Agromediterránea

Informe de Progreso Pacto Mundial 2015

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INFORME DE VERIFICACIÓN

Junio 2016

La Cátedra de RSC ha realizado a petición de Agromediterránea Hortofrutícola S.L. la verificación independiente del Documento "Memoria de RSC de Agromediterránea Hortofrutícola S.L. 2015". El alcance de la verificación incluye el texto y datos contenidos en el documento de referencia, no incluyendo la información y/o datos referenciados y no introducidos en el documento.

La información contenida en el documento y su elaboración es responsabilidad de Agromediterránea Hortofrutícola S.L. La Cátedra de RSC actúa como verificador independiente, comprobando la adecuación de los contenidos del mismo. El contenido del informe y las opiniones vertidas son responsabilidad única de Agromediterránea Hortofrutícola S.L.

Para verificar la Memoria se ha entrevistado al personal responsable de la obtención y preparación de los datos. No se pone de manifiesto ningún error o ausencia significativa en la revisión de los indicadores GRI, con la salvedad de no estar enumerados en un índice de contenidos. Se destacan como puntos fuertes la información reportada sobre la gestión medioambiental y de seguridad alimentaria, considerando los asuntos materiales detectados en la organización. Como asunto a mejorar se podría hacer mención a la información facilitada sobre aspectos relacionados con el gobierno corporativo.

Sobre la base de esta verificación, se considera que el Documento "Memoria de RSC de Agromediterránea Hortofrutícola S.L. 2015" contiene información y datos fiables que representan de manera coherente actividades y resultados para el periodo reflejado, y ha sido elaborado siguiendo los principios de la Guía para la Elaboración de Memorias de Sostenibilidad GRI (G4) del Global Reporting Initiative (GRI) a nivel esencial, excluyendo el índice de contenidos. Por último, Agromediterránea Hortofrutícola S.L. dispone, en general, de sistemas de gestión para identificar y responder a los impactos sociales, económicos y medioambientales de sus actividades, incluyendo la identificación y respuesta a los puntos de vista de las partes interesadas.

Longinos Marín
GRI Certified Training Program
Director de la Cátedra de RSC de la Universidad de Murcia.

