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**ANNUAL REPORT**



2017

**ANNUAL REPORT**







## **Scope and Annual Report Development Process 2017**

Transparent management is one of the vital elements which the GAC business model is based on, both regarding internal communication and social and economic fields: customers, suppliers and society in general. For these reasons, the aim of this annual report is to provide a clear, vivid vision of the company's performance in 2017.

This document focuses on the organization's impact on economic, environmental and social spheres, as with its value generation in the long term for different areas of interest related to the company. With this target in mind, this report gathers all those aspects and initiatives that may be considered relevant both externally and internally: business figures, investments, social corporate responsibility, innovation and new products or corporate structure.

GAC's enhancement in sustainability, quality and product safety, as well as its continuous innovation are all part of the objectives pursued in this opening proposal to society.

This report offers information regarding performance and operations carried out by the company throughout the calendar year 2017. Inter alia, special reference is made to our international business expansion, new products, research investment and development or employment creation. We would also like to present the great team of people that make our group what it is, our brands and products, as well as the company's vast productive capacity as for agriculture and industry, and our bet for sustainability and the efficient use of resources in all our processes. Ultimately, the publication of this annual report conveys GAC's commitment in reporting about its endeavor, aligning external communication with its guidelines for good practice when it comes to international sustainability. Clarity and transparency in its acts are the basis for the workings of our company. Going beyond commitment, our way to be.









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Operative efficiency  
Focused on food safety  
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# 2017 in key figures

**6**

PROCESSING PLANTS

**25**

CROP FIELDS

**+5,000**

HECTARES OF AGRICULTURAL SURFACE AREA

**253M€**

TURNOVER (+5.5%)

**30**

CUSTOMERS IN 20 COUNTRIES

**+200**

RANGE REFERENCES





**2,153**

EMPLOYEES

**+3M€**

RESEARCH AND DEVELOPMENT INVESTMENT

**189**

MILLIONS OF UNITS OF READY-  
TO-EAT SALADS(+18.8%)

**107,000**

TONNES OF AGRICULTURAL  
PRODUCTION (+5.3%)

**29**

MILLIONS OF UNITS OF TUBS  
AND POUCHES (+7.6%)





# Letter from the President

**T**he year 2017 will be remembered for the enormous effort made by the those of us who make up the team at GAC. My first words are to thank them and convey my congratulations to all, nowadays GAC is a company which has undergone a transformation to prepare it for the future. We have grown for yet another year in a row thanks to the enormous effort and work carried out, turning all our processes and structures around. Indeed, what should make us proudest is that all these changes have taken place while respecting and strengthening our philosophy, our identity.

Thanks to everything we have achieved throughout 2017, nowadays we are better equipped, more focussed, more centred on our business, more capable to grow which is our fundamental purpose. To grow integrally, loyal to our principles, with a clear identity, sustainable in time.

In this annual report we have gathered the most significant achievements which invite us look back on what we have achieved, it's a great tool to recall our efforts and share our projects; even to echo some of the many awards that we have been awarded, as is that of the Best Agri-food Industry in Spain, awarded to us by the Ministry of Agriculture, Fishing, Foodstuff and Environment.

This year's results and recognition strengthen us in our operational leadership. To that effect, I would like to highlight our 'fifth range' project in Antequera, a project which targets food safety, quality and efficiency, allowing us to be prepared for the future in the highest product growth categories.

Turning to agricultural innovation, we have inaugurated our own Agricultural Research Centre in Montserrat (CIAM), that alongside the project which involves cultivating fresh sprouts in live soil, allows us to pave the way into improving our competitive position in the direct sowing cultivation field, where we are already market leaders for spinach and chard.

For a year longer, we have demonstrated our product leadership, and Kantar Wordpanel and Qcom.es have acknowledged this by granting us distinction and the award for the most innovative beverage in Spain, for our smoothie 'Mascletà'.

Besides we are pioneers in Spain for such surprising product innovations, both for fresh microwavable dishes, trendy ethnic dishes made up of fresh vegetables, pasta or rice as a carbohydrate source, and a delicious sauce that gives them that special touch that represents the culture of the dish itself.

We have also developed "Microgreens" at CIAM, plants at a very early age, that contain an enormous proportion of nutrients, much higher than in fully grown plants, in multiple varieties: broccoli, wild radish, mustard or kale.

The latest consumer trends, our great bet for the next few years, go hand in hand with





the development of the fermented vegetable drink categories. Its main bet being a line of fermented oat drink in different flavours.

Our operative efficiency and innovative product capacity grant us an outstanding position to keep on growing by our customer's sides. Thus, our international venture already constitutes 20% of our turnover and we have succeeded in continuous growth both in our agricultural business and in our nutritional business. Furthermore, we have to add the onset of the expansion of the fourth range, opening market in Portugal and in channels such as the food service sector (hotel, restaurant and catering), with great success and enormous prospects.

After going over everything that has been achieved in 2017, it's time to look to the future, time to keep on adapting and growing. I would like to reiterate my gratitude to the great GAC team, and I encourage you to go on adding our spirit of excellence, and loyalty to our philosophy, to everything you do.

Joaquín Ballester Martinavarro  
President

# Milestones of the year

*We keep on growing, we keep on innovating and we keep on gaining our supplier's, customer's and consumer's confidence*



## **Taking a responsible approach to society**

By means of different projects in 2017, we have contributed to the outright integration of those in danger of social exclusion. Along with our employees, we have participated in charitable causes such as the Women's run in Valencia.—P. 39



## **The Spanish Food Prizes**

The Ministry of Agriculture, Fishing, Food and Environment has acknowledged our bet for innovation by granting us the award for Best Alimentary Industry in our country. — P. 48



## **Agronomical Research Centre (CIAM)**

The CIAM arose in response to the need of an agricultural laboratory for the group. It allows us to research more sustainable and efficient processes and cultivation methods, as well as to carry out trials for the improvement of new agricultural varieties, such as 'baby leaf' or 'microgreens'. — P. 60



## **Antequera is growing stronger in the 'fifth range'**

We have installed a second clean room at our Antequera plant for the production of toppings for our salads. The new line allows us to practically treble our production capacity, up to 55 million units.— P. 70



### Continuous innovation

Our innovation capacity has allowed us to launch over a hundred new developments onto the market. Inter alia, 'Micro Veggies', the first reference that combines hydrates and fresh vegetables in a novel microwavable packet—P. 80



### Our brands are trendy

Our enhancement has gone hand in hand with new consumer communication channels. Product websites and social media profiles that look to inspire and offer practical tips for a healthy, Mediterranean lifestyle. — P. 88



### Aranda leading the way with its new multi-client model

The Aranda plant has aimed to adapt the company to a new multi-client model for the 'fourth range' area with recent changes. From then on products for new markets and channels are elaborated there. . —P. 102



### Sun&Vegs in Portugal

Our most groundbreaking fresh products have been launched onto the Portuguese market. Sun&Vegs has touched down with its 'Micro Veggies', Supersalads and salads on Portuguese shelves as well as pot format products such as Quinoa and Tabouleh. — P. 112



### Ten years of Mesturados Canarios

Mesturados Canarios has been producing its products for the last ten years in and for the Canary Islands, where the company has a 60% market share. Here we are, celebrating a decade of success with the authorities and employees. —P. 117



### Sustainable growth

In 2017 we have kept up our growth, reaching a 253 millions euro turnover, 5.5% higher than last year. We are consolidating a new business model with new customers, new markets and new channels. — P. 118





## Who we are

We are experts in elaborating fresh, healthy,  
Mediterranean food.

We help our consumers follow a balanced diet with  
products that allow them to enjoy their day to day  
anywhere, at any time.



# Our roots

**1946**

Pioneers in exporting the taste of the Mediterranean all over Europe, thanks to the Ballester-Martinavarro family's endeavor (the founders of the group).

**2000**

Our innovation offers health aware consumers the best solutions: our salads and vegetables came into being, in practical, prêt à manger formats.

**2003-2007**

We bring the Mediterranean diet and lifestyle to our consumers' tables. Covering all Spanish territory, straight from our centres in Valencia, Malaga, Burgos and Tenerife.

**2010**

Thanks to our innovative spirit and our experience, our new product concept based on nutritional balance is born. From Carlet, we offer specific solutions for children, athletes and different consumption times.

**2013**

We start our own vegetable production in the heart of the Mediterranean, monitoring their origins, assuring our consumers of the maximum freshness, quality and variety.

**2017**

The Spanish Agricultural and Food Ministry acknowledges our corporate trajectory and opts for innovation granting us the Spanish Food Award for the Best Alimentary Industry.

**2018**

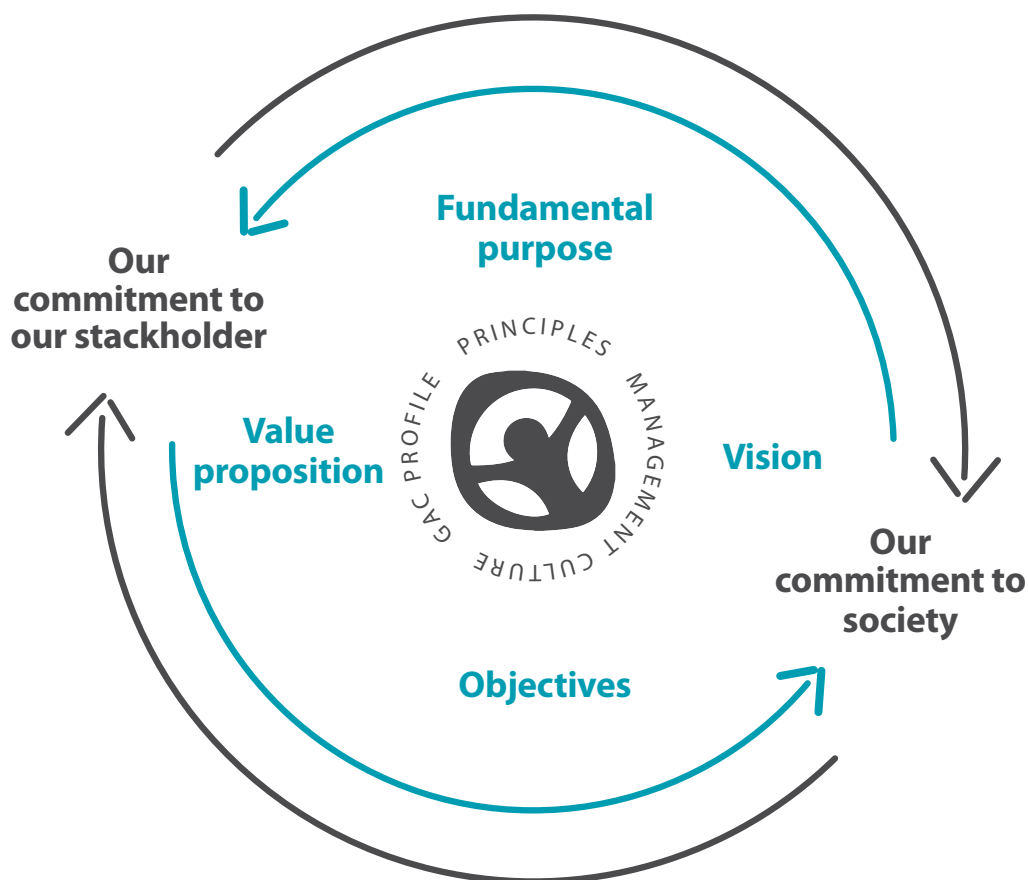
We present our healthy range of products, from the Mediterranean, to the world. We strengthen our commitment to healthy eating habits by developing new products and formats in response to current consumption trends.

# Philosophy and business model

## Our philosophy and business model

Our philosophy is a summary of what GAC is and the essence that those of us who are involved in this project relate to. Over the years enterprises change, evolve and grow. But their essence, identity, remain unchanged.

Our philosophy gives us an edge that defines the framework to our strategy and actions, which at the end of the day, are the factors that determine a company's success. In this case, this is the framework which will allow us to grow earnestly, strengthened by these principles, developing a clear business model.



## FUNDAMENTAL PURPOSE

To grow earnestly, with a clear identity, making us sustainable in time.

## VISION

We want to be our consumers' first choice when it comes to fresh, healthy products, creating long-term value for our shareholders, employees, partners, consumers and societies where we are present.

## OBJECTIVES

In order to develop our fundamental purpose we have set the following clear objectives:

- Enhance our business figures, by means of growth, differentiation and diversification strategies
- Enhance our return

And we are going to do so using strategies based on our value proposition, which relies on the following three leadership pillars:

- Operation Leaders
- Customer Leaders
- Product Leaders



# 2017, the year of the transformation

Throughout the year 2017 the management team at GAC drew up a new strategy for the company, that will turn us, without a doubt, into the consumers' first choice when it comes to fresh, healthy products. A vast transformation in every area and process, making us more sustainable, earnest and more focussed on the market.



Our management team at the final product warehouse at our Nutrition plant in Carlet (Valencia). From left to right: José Ramón Martínez (Operations), Federico Ponte (Finance), José Daniel Bóveda (Nutrition), Esther Verdú (Agriculture), Rafael Boix (General Management), Fernando Bas (Family Office), Cristina Puchades (Expansion), Jesús Gómez (Purchasing), Antonio González (CSR & HR) and Luis Ureta (Marketing & Commercial).





# Our activity

## Agricultural

- Vegetables and aromatic herbs, straight from the fields

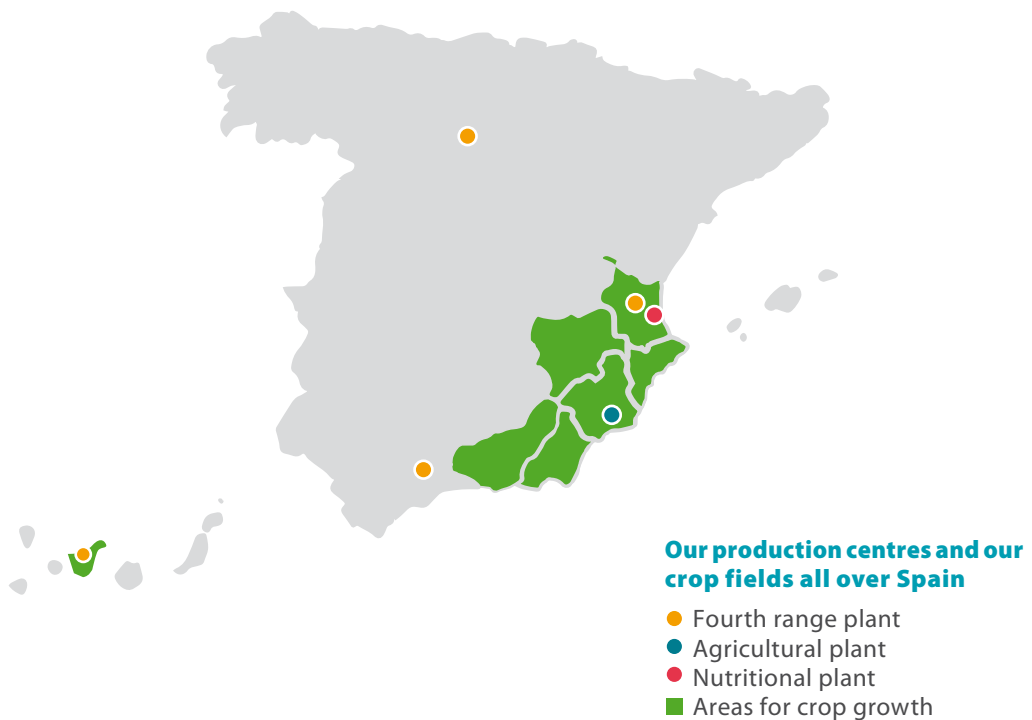
## Ready-prepared and ready-cooked ranges (4th & 5th)

- Salads ready to eat
- Bagged, chopped vegetables
- Fresh microwavable dishes

## Nutrition

- Fruit and vegetable purees
- Vegetable snacks and dairy desserts

Our activity as a company in the food industry covers the whole production chain from the seed to your table.



## Agricultural Business Unit

We grow 44 varieties of vegetables and aromatic herbs, in our fields, which are tenderly taken care of from the sowing stage in order for them to get to our final consumers in optimum conditions. Food safety and efficiency in the use of natural resources are the key to our fieldwork.

We farm 25 field estates spread over 7 counties that include both crops out in the open and in greenhouses. Our processing plant is located in Dolores de Pacheco (Murcia).



## Fourth and Fifth Range Business Unit

We prepare, wash and package those very vegetables, straight from our fields, to offer practical, convenient products to those who can spare very little time to cook and would like to follow a balanced, healthy diet.

We have 95 references on offer which range from bagged salads to vegetables packed in microwavable formats. In order to always guarantee maximum freshness and product availability, we own processing plants in several locations, such as Riba-roja de Túria (Valencia), Antequera (Málaga), Aranda de Duero (Burgos) and Granadilla de Abona (Tenerife).



## Nutrition Business Unit

Fruit and vegetable purees, vegetable snacks and dairy desserts in tubs and pouch formats. At the nutrition unit we come up with innovative products based on a nutritional balance, with specific solutions for children, athletes and different consumption times.

Our nutritional assortment is made up of 85 references designed to cover both our national and international customers' demands. Using natural recipes, with no preservatives or food colourings, with a very low sugar and fat content. We produce these products in our modern plant in Carlet (Valencia).









A photograph of a group of people sitting at a table outdoors, likely at a picnic or a casual meal. The image is heavily overlaid with a green tint. In the foreground, a woman with long dark hair is smiling and looking towards the right. Next to her, a man with long blonde hair and a beard is also smiling. They are surrounded by other people, some of whom are partially visible. On the table, there are various items including a bowl of food, a glass of water, and a clear plastic bottle with a green cap. The background is filled with trees and foliage, suggesting a park or a similar outdoor setting.

**WE ARE RESPONSIBLE**

# The United Nations Global Compact

Our commitment to society goes back to our very origins and its foundations are a responsible strategy that we define and carry out both from a corporate and an individual viewpoint. In doing so, our growth as a company is based on sustainable growth, and for this reason we seek to make a positive impact on society.

This strategy, which has economic, social and environmental dimensions, impels our objective to make a contribution to creating a sustainable world and establish an honest, transparent dialogue with all those who are involved in our business; customers and consumers, employees, suppliers and society in general.



*“Our growth as a company is based on sustainable growth, and for this reason we seek to make a positive impact on society”*

As a demonstration of our firm conviction regarding progress and sustainability, from 2011 onwards, we have consistently renewed our membership to the United Nations Global Compact in defense of fundamental values. A pledge for human rights, labour standards, environmental protection and the struggle against corruption that is expressed in the universal principles laid down in the initiative.

H. E. António Guterres  
United Nations Secretary-General  
NY 10017 New York EUA

Valencia (Spain), 1<sup>st</sup> of April 2018

Dear Mr. Secretary-General,

For yet another year, from GAC, we are pleased to send you our annual report regarding our activity over the calendar year 2017, as a demonstration reiterating our commitment to the United Nations Global Compact. This document includes all the corporate initiatives, in favour of social responsibility, carried out by our company, over the year.

GAC's commitment to society and the environment does back to our very origins as a corporate group, which has economic, social and environmental dimensions, that brought about our bid for a more sustainable world, close liaison with the scientific research community and the promotion of social partnership schemes, both internally and externally.

During 2017 we have worked on getting our performance and objectives to comply with the ten principles of the UN Global Compact of universal consensus.

Within our efforts, to reduce our operations' environmental impact, we have made investments that have enabled us to optimize our water and electricity consumption. Likewise, we have carried out improvements on our field watering systems, we reduced our water footprint by 12% in our fourth range business unit, as a consequence, and we have begun the progressive adaptation to LED illumination technology at all our group's production plants.

Regarding our personnel, GAC is steadfast in its commitment to human rights and fair labour relations. In 2017 we have maintained our bid for quality occupational stability, with a team of 2,143 employees. Our 90% of the group's workforce boast a permanent work contract and 98% of them are full time positions.

Besides, in our different business units we have started up projects along with different associations that support favourable integration of collectives at risk of socio-laboural exclusion.

Socially, our company has continued to contribute to a fairer, better society with several charitable actions. We have donated over 100,000 bags of vegetables and units of child nutrition products. This collaboration has also taken place at our fields, by donating over 31 tons of whole vegetables and fresh produce.

In 2018 we will continue to work on consistent, earnest growth based on responsible management principles economically, socially and environmentally year. A commitment we seek to renew by means of our membership, for another consecutive year, of the United Nations Global Compact.

Yours Sincerely,



Joaquín Ballester Martinavarro  
Presidente Grupo Alimentario Citrus (GAC)



## Responsible with our employees

The workforce that makes this project what it is, represents a priceless asset for our company. We are operating in an extremely changeable, demanding sector, as is agriculture and the food industry. This extraordinary team is what makes us, as a company, overcome every obstacle and every new turning point. Thus, our commitment is that of responsibility with our people, opting for stable, quality employment

Over these 17 years, we have managed to maintain an occupational stability that exceeds the average in the agri-food sector. On 31st December 2017, the sum of 2,153 people were part of our workforce in our different business units.

86.5% of the group's employees boast a permanent work contract and 98.5% of them are full time positions.

*"Our workforce represents  
a priceless asset for the  
company"*

Taking a closer look at each business unit, the fourth range unit has had the highest staff increase, with a 12% rise, going from 563 employees to 631 in the last year, which means 68 new positions have been created.

In our different business areas and units, we provide employment open to different occupational profiles, from field workers or maintenance employees at our plants to engineers specialized in food technology, industrial engineering or robotics. On the whole, 51.4% of our employees are women and 48.6% are men.







**2,153**

PEOPLE WHO MAKE UP THE GAC TEAM



**68**

NEW POSITIONS IN THE FOURTH RANGE UNIT (+12%)



**86.5%**

OF OUR WORKFORCE WITH A PERMANENT CONTRACT



**98.5%**

OF OUR STAFF MEMBERS HAVE A FULL TIME POSITION



**51.4%**

WOMEN



**48.6%**

MEN



The expert in social media, Amel Fernández, during its conference at the staff Forum 2017.

## Building our best team

Our vision is to become the consumers first choice when it comes to fresh, healthy products. We also apply this vision to our workforce: we want to be the best workplace in our sector. In order to do so, we opt for stable, quality employment, and we foster further training and development by means of innovative talent management schemes.

*"We are an earnest company, appealing to develop, retain and attract the best talent, building our best team"*

In 2017 we invested 410,000€ in training suited to each position or each employee's development potential. In total, we have started up over 140 schemes as well as internal and external training courses on many subjects, from IT processes, to technical food safety, operating machinery or management topics such as business or leadership.

# 410,000€

TRAINING INVESTMENT

# 140

TRAINING COURSES AND SCHEMES

# 36

INTERNALLY PROMOTED EMPLOYEES

### Development and internal promotion

Within our principles as a company, we acknowledge and reward hard work. We believe in creating development and internal promotion opportunities, proactively, seeking versatility and employees willing to venture out of their comfort zone. Over the last year, the sum of 36 employees were promoted internally in our different business units, thus contributing to their career development inside the group.

Internal communication is another one of our priorities when it comes to our workforce.

### Breakfast with management

In 2017 several meetings took place, following the program "Breakfast with management", in which almost a hundred employees have had the chance to have an informal encounter with their managers.

### Staff Forum 2017

Innovation, growth, our employees' development and a generous helping of the Mediterranean. These were the key factors that the Forum 2017

touched on the yearly seminar for our workforce, that was held at our headquarters in Riba-roja del Túria (Valencia) this year.

Under the heading "We are Mediterranean", during the encounter the company's new strategy, which will assure the group's growth in the long run, was presented. Furthermore we were honoured with the presence of Amel Fernández who shared his experience in brand management on social media.



## Devoted to Health and Safety

Guaranteeing adequate health and safety conditions in our workplaces is a primary objective for our company. Throughout 2017 most of the workforce at GAC has participated in specific training schemes associated to their position and chores. Likewise, our workplaces, facilities and processes are constantly under the spotlight undergoing actions in order to eradicate or, in some cases, minimize the risk factors that could arise.

Regarding training action the grand total of 1,101 employees have received training about aspects related to health and safety hazard prevention at the workplace.

### Main initiatives in 2017

During 2017 our different business units have undergone 49 audits, inspections and internal monitoring reports. Likewise the trade actions, carried out by the different technical assessment organisms which report to government agencies within the framework of their active campaigns, have been seen to and overcome successfully.

In our fourth range and nutrition business units, the sum of 514 workers from the different teams and centres have participated in 29 courses about health and safety aspects in their positions, work at heights, first aid, hazard protocols or the safe handling of chemical products. Similarly, 3 drills have been carried out.

In our agricultural business unit 19 training schemes have been carried out, 587 workers have taken part in them. These schemes have focussed on hazard factor prevention for specific positions as well as action taken to rise awareness and conductual safety in collectives such as field technicians, coordinators, workshop staff and machinery maintenance workers or tractor drivers. By the same token, we have held several specific courses about safety when operating work equipment (tractors, motorized lifting equipment), road safety and postural ergonomics.

# 48

COURSES RELATED TO HEALTH AND SAFETY

# 1,101

EMPLOYEES THAT HAVE TAKEN  
TRAINING COURSES ON THIS TOPIC

# 49

AUDITS, INSPECTIONS AND MONITORING  
REPORTS OVERCOME SUCCESSFULLY

# 350,000€

FOR ENVIRONMENTAL CONTROL AND  
IMPROVEMENT ON THE FACTORY FLOOR

As we have done over the years, we continue working on adapting positions and duties to especially sensitive work collectives, by carrying out 26 position and duty adaptations. Among the most relevant projects in order to improve working conditions over the last calendar year, we would like to highlight the installation of swift comprehensive environment renovation systems in our fourth range plants, a measure which we have invested 350,000€ in, which reinforces our workers' safety in potential emergency situations.





Training in health and safety hazard prevention is vital to guarantee our employees' safety as they go about their daily work.

Above, postural ergonomics course. Below, a training course about safety when operating fork lift trucks and pallet trucks at our centre in Dolores de Pacheco (Murcia).



# We cultivate talent

## Junior Talent GAC

In line with our objective to capture and develop the best talent for our team, we have started the third edition of the initiative 'Junior Talent GAC' for trainees. The program consists in a complete ongoing training and mentoring plan, in which the selected candidates follow a work rotation around different areas of the company over a two to three year period taking on responsibilities from day one.

In this edition, to which over 1,200 candidates from all over Spain and overseas have applied, five young trainees who were selected have taken up roles in the Operations, Financial, Human Resources, Commercial & Marketing departments in the group.

## A window onto talent

During 2017 we launched our profile on LinkedIn. It's where we register all the company news related to our product launches, trade fair attendance or our colleagues' participation in seminars and lectures. It's also the window where we share our main commitment initiatives, committed to our employees, society and the environment. Aren't you one of our followers yet?



The participants in the third edition of the "Junior Talent GAC" program at a training visit to the Group's Agronomic Innovation Centre in Montserrat (Valencia). From left to right: Estela Jorques, Diego Fente, Ángel Rubio and Claudia Pérez. (Inés Torán is missing in the photo).





The participants of the third edition of the GAC Grade collecting their diplomas during the Staff Forum 2017.



### The GAC Grade

In 2017 we also held the third edition of another internally designed program, the GAC Grade. It's a project where its pupils are trained about all the company areas. Based on subjects which are taught by the own heads of departments, its intention is to offer a general vision of the company and the work done in all its areas. The pupils receive 70 hours of theoretical and practical training that include visit to crop estates and to the production centres belonging to the group, all over the country.

### GAC Forward

The GAC Forward training program has allowed 22 employees to acquire specific new knowledge regarding merger and acquisition processes in companies. The program, which lasted 196 hours, entailed a part focused on the general understanding of the processes and roles in each phase, taught by Deloitte, and another part targeting individual development and collective competence, taught by experts from ESIC. This training initiative was supplemented with a business English course, which was geared towards negotiation skills and efficient presentations.



We are responsible

## Bidding for our personnel

In 2017 36 employees were promoted internally. José Luis and Paco are prime examples of how, at GAC, we proactively create development and internal promotion opportunities.



**José Luis Villanueva, Logistics technician at our fourth range business unit in Antequera (Málaga).**

José Luis was taken on as a fork lift truck driver for the Logistics department at our fourth range plant in Antequera in November 2006. After working in several positions, in July 2017 he was promoted to Logistics technician, in charge of a team of 18 people. "The most important thing I've learnt over the years has been to value good staff management and the leadership that is required to achieve the team's objectives". "Personally, I value, enormously, the opportunity the company has given me. Over these years I've worked with great professionals, from whom I learn something every day, which has allowed me to grow as a logistics professional and widen my business vision".



**Paco Torres, Production manager at our Nutrition business unit in Carlet (Valencia), has been a member of the team since 2012**

He landed at the company as a Production supervisor and, after taking on different responsibilities in the Production and Logistics department, in April 2017 he was promoted to Production manager, coordinating a team of over 50 people. "GAC is a very dynamic company, in constant growth, oriented to continuous improvement. The training that the company provides us with and our own change management skills are essential for us to grow personally and professionally in our company like ours.". "In these years I have learnt a lot technically speaking, but overall I've grown as a team leader, managing staff and participating in decision making for my productive unit".

*"Participating in the GAC Grade has contributed, enormously, to my global business vision"*

**Carolina Fernández, technician in the Commercial department for the fourth range area**

**Carolina arrived at the company in October 2015 as a trainee providing support for the Logistic and Commercial department at our Agricultural business unit, at our branch in Dolores de Pacheco (Murcia). Within a matter of months, she became a staff member, working as Supply Chain technician in the Agricultural area and from January 2018 she has been a member of the Commercial team at the group's headquarters in Valencia. Over the last year she has participated in the GAC Grade 2016-2017, where she was chosen "Best Pupil of the Year" by her teachers.**

**What has your experience in the GAC grade brought you?**

To carry out my job it's vital to acquire a global vision of the company and be able to comprehend "everything" to be able to develop "its parts". The opportunity that we have been given as GAC Grade students has contributed, enormously, to my global business vision, which has an improving impact on our work and it has allowed us to understand other colleagues' business visions and look for synergies together.

**The product that she designed for the Grade final project unified several synergies...**

Totally. We're talking about vegetable makis, Vegamakis, with fresh, healthy ingredients, apt for vegans. We're looking to coordinate new oriental trends, which are so present nowadays in our



gastronomy, quoting the concept healthy, fresh and on the go that we prioritize in our products, adapting ourselves to new consumer trends. In this project, we don't only design the recipe, but we present everything from the cost price tag for the product, to the packaging and its design.

**Is it fundamental to have a global vision of the company to contribute to the own company's improvement and have a proactive attitude?**

I'm sure it is. In a gearbox, it's of great importance that each piece is well lubricated and fits in perfectly. Knowledge of processes and the work methodology in each area is fundamental to focus your efforts well.

**Leadership and its staff implication are the foundations to the growth of Grupo Alimentario Citrus...**

GAC at full speed. That's how we feel the company first-hand and it defines how we feel about the human team we all make up to a tea. Our involvement in each project is total and the leadership labour the managers for each area carry out, vital for the group's growth and development.

**How would you rate the GAC Grade?**

Very positively! For me it's been a great enrichment opportunity both personally and professionally. It's has given me the chance to get to know the other areas of the company, to learn from each and every one of my colleagues, to improve my daily work and even to become more visible in the company, that has entrusted this new position, in me. I can only sing the training program's praises and encourage new pupils in the next edition to make the most of the possibilities that the Grade has to offer.



sospech

## Dermatología

Enfermedades de la piel



Dr. Salomey Pineda Gómez

## Introducción

La dermatología es una especialidad médica que se ocupa del estudio y tratamiento de las enfermedades de la piel, los anexos cutáneos y las enfermedades sistémicas que afectan a la piel.



## QUÉ ES UN CON

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Ana María, cutting worker at the Riba-roja plant, during the skin and freckles check up provided by the AECC.



# Responsible with society

We are a company that aspires to contribute to making a better society.

During 2017 we have continued to foster actions and projects that reinforce our objective to make a positive impact on society. An impact that should contribute to a more sustainable world from our day to day, covering every field and component of society, including our employees.

In this last calendar year, we have felt especially proud of several projects in which we have succeeded in integrating our efficiency and best productivity with our responsibility as a company, providing our support to social collectives that, due to their specific characteristics, can be found in labour exclusion. Namely this has been the case when it comes to the projects undertaken with the Special Labour Centre El Pla in Tarragona, the entity Ilunion, or the partnership agreement with the Spanish Red Cross in, inter alia.

## Salad topping production in CET El Pla (Tarragona)

The Special Labour Centre (CET) El Pla, a non-profit entity sponsored by the Saint John of God Hospital Order, became a strategic partner for us while we faced our facility extension of our fourth range plant in Antequera.

Their centre, located in the town of Almaceiles (Lleida), is specialized in the production of Agri-food products. This partnership agreement allowed us take on the increase of our salad topping production lines, as well as contributing to the favorable integration of the centre's payees, mostly people at risk of socio-laboral exclusion due to a disability.

Thus, our Quality and Purchase team worked hand in hand with the centre's training managers on method and task establishment according to the disability level. In total, this production collaboration with CET El Pla reached 3,500 units per day and employed 25 people for the three months that the project lasted

## Internal Logistics with Ilunion

Ilunion, the corporate project by ONCE and its trust, has been our partner chosen to provide the internal logistic services at our Nutrition business unit. This agreement has allowed eight people with diverse functions to start work at our nutrition plant in Carlet (Valencia). These employees carry out tasks related to warehouse management, loading and unloading lorries or supplying production lines. To assure their correct integration, they have been instructed in tasks pertinent to their positions and have received health and safety hazard training, as well as other courses specific to the fields of quality and service.



These are the main organizations that we have collaborated with throughout 2017

## Other labour integration projects

Our efforts in favour of employment integration for deprived collectives in the last year has had other initiatives, doing our bit wherever we perform our activity.

Our fourth range plant in Aranda de Duero (Burgos) has signed an agreement with the Spanish Red Cross in which several people from vulnerable collectives or at risk of social exclusion have taken part in an internship at our facilities. Those who have benefitted from this initiative have been guided by a tutor and have obtained a diploma that will aid them in their subsequent careers.

On its behalf, the fourth range plant in Riba-roja has welcomed the participants of the 'Jove Oportunitat' program 2017 into its facilities, sponsored by the Youth Institution of Valencia (IVAJ). The project consisted in holding assessment and motivation workshops teenagers and young adults of between 16 and 21 years old with a low educational background and it aims to motivate and assess the participants to further their personal, academic and professional development. During the calendar year, moreover, we have prompted action to foster healthy, sustainable habits among our employees. Thus, among the multiple initiatives carried out by our business units, we would like to highlight:

- Skin Cancer Prevention Campaign held by the Spanish Agency against Cancer (AECC) for head-quarter and plant staff in Riba-roja.
- The celebration of 'International Fruit Day' with our employees from all our workplaces.
- Sponsorship of over 300 employees who participated in charity races. Inter alia, the "Women's Race" in Valencia, the charitable trek against cancer held in Carlet, the marathon and 10K race in Valencia or the Prometheus race-march in Torre Pacheco.
- A charity raffle in favour of the NGO Action Baobab, that manages the children's home of Madagascar.
- Participation in the project "Bottle tops for new life" held by the Seur trust that has contributed towards medical treatment for deprived children since 2011.
- Participation in the project "Charitable Mobiles", organized by Stop Sanfilippo and Action against Hunger to combat child malnutrition and finance research on rare diseases.

Within our social responsibility strategy we have renewed our cooperation with the Spanish Federation of Food Banks and Cáritas Spain in donating products to the underprivileged. In total we have donated over 100,000 units of child nutrition and fourth range products, as well as 31,000 kilos of fresh vegetables.

## Committed to progress and the Agri-food sector

We aim to generate a fluid, transparent relationship with society and our surroundings to favour development of the agri-food sector, one of the main engines of the Spanish economy. Thus, we opt to participate proactively in the dialogue proposed by the main national corporate associations both sectorally and educationally.



Participants of the Jove Oportunitat program.



These are the main associations that we participate in as a company.



We are responsible

#### **GAC in the FIAB supervisory board**

Demonstrating our pursuit to collaborate proactively in the progress of the Agri-food sector, in the month of December Joaquín Ballester was named a member of the Supervisory Board of the Spanish Food and Drink Industry Federation (FIAB). From his position, our president will contribute to the entity's objective of improving competitiveness in this industry.

**FIAB**

Federación Española de Industrias  
de la Alimentación y Bebidas



Members of the FIAB Board of Directors, incoming and outgoing, at the General Entity Assembly in December 2017.

# Responsible with the environment

Our responsibility leads us to work on reducing the environmental impact of our activity on a daily basis. We aspire to respect and safeguard the environment by constantly improving our agricultural practices, our comprehensive logistic planning and the efficient use of resources in all our production centres.

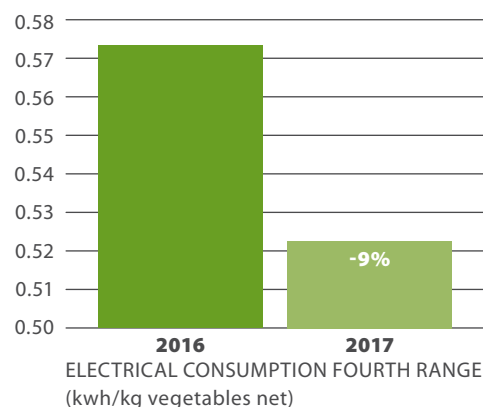
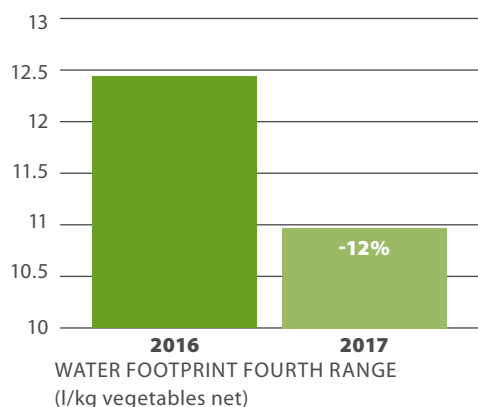
By means of policy and key indicator definition we can identify, prioritize and manage environmental indicators within our daily management routine.

## We have reduced the carbon footprint produced by our processes

We know that sustainability in our processes is a constant challenge. Every year we set goals regarding our main impacts - use of water and electricity, mostly - to reduce its consumption.

Our fourth range production centres in Ribarroja, Antequera, Aranda de Duero and Tenerife- have managed to reduce their water footprint (litre/Kg vegetables net) by 12% compared to 2016. The electrical consumption (KWh/Kg vegetables net) has also improved, as it has gone down by 9% compared to the previous period.

Among the improvements put into practice during the year, to contribute to a lower environmental impact, is the progressive adaptation to LED technology of all our group's production plants. A change that started in 2017 and will be completed during 2018.





## Resource Optimization

We aim to optimize our resources and processes in the different areas of our business units by means of synergies and subsequently contribute to safeguarding the environment. We envisage innovation transversely and integrally with the aid of all of those involved in the product, making the most of its potential and our human and technical resources - at our different company units. This allows us to integrate our processes and aspire to reach our best efficiency using continuous improvement. Sometimes, little improvements bring great results.

- **Efficiency and sustainability from the field:** we rely on state of the art machinery for the picking and packaging of our vegetables on location, in our fields. These self-crafting platforms allow us to sanitize and package our vegetables right there in the fields, without needing to take them to a processing plant, which helps to contribute towards a more efficient transport use.
- **Efficient water use at our crop estates:** as producers, the efficient use of water is one of our priority we are constantly working on



improving our watering systems and growing techniques. We have introduced new ways to sow our crops, which reduce water evaporation in soil by up to 30%.

## *Efficient water use is our priority*

- **The circle of life of our broccoli:** whole pieces of broccoli to be sold in supermarkets always generate smaller pieces to make the product the optimum size. Those leftover pieces aren't thrown away but sent to our fourth range processing plant and they are used as raw material for the bags of broccoli crowns. Every week "we save" 25,000 kg of product.



### **The environment in our daily management routine**

Our fourth range and Nutrition plants are all certified for the ISO standard 14001, an international standard that provides us with guidelines to protect the environment and assures that we fulfill our objectives in our field.



We are responsible

- **Right down to the last leaf:** the rest of the leaves that are pulled off our vegetables, for their correct processing, are gathered by a water circuit that allows us to store them and use them, at a later moment, to feed cattle. In 2017 our fourth range plants delivered over 11,000 tons of vegetable scraps to farmers whose farms are near to our production centres.

# 11,000

TONS OF VEGETABLE SCRAPS  
TO LOCAL FARMERS



## Closing the circle

The European Union has identified the so called “circular economy” as one of the pillars of the “European Strategy 2020”, that intends to generate intelligent, sustainable, integrating growth on our continent. The foundations of the circular economy are that the value of products, materials or resources should remain in economy for as long as possible, and that its waste generation should be brought down to its minimum. It’s all about implementing a new economy, a circular economy -not lineal-, based on the principle of «closing the cycle of life» as for products, services, waste, materials, water and energy. We’re working on completing that circle in each phase of our processes.



## More sustainable logistic operations

At GAC we know that our suppliers are great allies when it comes to being more efficient and sustainable. In 2017 we signed an agreement with CHEP, in which both companies will work together over the next three years to improve the logistic operations for the supply chain and ensure environmental respect.

The agreement is based on CHEP's pooling system, a system aligned with the circular economy model which results in saving cost wise as well as contributing to reducing our carbon footprint, the use of natural resources and waste production. The Sustainability Certificate that CHEP has drawn up regarding our operations states that during the last calendar year (2016), and thanks to the use of their pooling system, we have prevented the emission of 156,000 Kg of CO<sub>2</sub> into the atmosphere, which

boils down to a 142,000 kilometers saving being transported by lorry or, in other words, four trips around the world by lorry.

Besides, thanks to the use of CHEP's reusable pallets, we have also prevented the consumption of 114,391 dm<sup>3</sup> of wood, equivalent to 111 trees and 11,233 Kg of waste have been saved, which could be compared to the amount of waste 8,000 people generate on a daily basis.

Our commitment to create a sustainable supply chain is also supported by the use of zero emission pallets (the fourth of the pallet display), a pallet manufactured using recycled materials, which is also certified as 100% Carbon Neutral.



Antonio González, at the centre, GAC CSR & HR director, collecting our Sustainability Certificate delivered by Francisco J. Gallego and Pablo Soriano on behalf of CHEP.











3

**Reasons for our success:**

**We are producers**

**We are local to the area**

**We are innovation and efficiency**

# Rewarding innovation and effort

Institutions and specialized press have acknowledged our efforts as for innovation during 2017, our bid for new products and our cooperation model when working with suppliers and customers. These acknowledgements only reinforce our endeavour to improve on a daily basis and adapt to our customers and consumers' tastes, with one soul intention, for them to be able to opt for a healthy diet thanks to our proposals made of fresh, prime quality ingredients.

## Spanish Food Award from the Ministry of Agriculture

The Ministry of Agriculture, Fishing, Foodstuff and Environment has granted us a Spanish Food Award 2016 in the category Best Food Industry. They are, in other words, prizes that are awarded annually and imply one of the most important sectoral distinctions in our country. Specifically,

the Ministry has acknowledged our efforts when it comes to producing and marketing "prime quality food, contributing to the Spanish agri-food sector's development and making a determined bet on innovation and sustainability." Our president, Joaquín Ballester, and our general manager, Rafael Boix, collected the award from the hands of the minister Isabel García Tejerina at a ceremony held in Madrid in October.

## Our smoothies, the most innovative product for Kantar Worldpanel and Qcom.es

Our smoothie Mascletá has been selected the most innovative beverage of the year, according to the survey "Innovation Radar 2016" undertaken by the prestigious Kantar Worldpanel. The report, a reference for the whole sector, concludes that our 100% natural blend of fruit and vegetables

**PREMIO 2016  
ALIMENTOS  
DE ESPAÑA**  
INDUSTRIA ALIMENTARIA  
#alimentosdespaña







was the most successful product of the year in the beverage category.

Our product has also been granted an award by the digital platform Qcom.es (<http://www.qcom.es/>), in this case the Qcom prize to the Most Innovative Agri-food Product of the year.



### "Chain Vision" Award from the Agricultural Publishing House

To crown a year of success, we received the "Chain Vision 2017" Award that is granted by the Agricultural Publishing House, a publisher that has over 90 years of experience devoted to communication and publication of agrarian information. Grupo Alimentario Citrus obtained this acknowledgement "for its bid for agriculture and the Mediterranean diet" and for its "new product development in the food industry implicating the whole chain, following circular economy in its quality model".



### Our Micro Veggies in ALIBETOPÍAS Tunnel of Innovative Products

Our Micro Veggies were selected to participate in the ALIBETOPÍAS Tunnel of Innovative Products 2017. The event, which was organized by the Spanish Federation of Food and Drink Industries (FIAB), is a sectoral encounter where exploring synergies and driving innovation is seen as a competitive advantage.

Over 300 experts in our sector gathered at the event and the greatest novelties in research, development and innovation in the sector were presented.

1. Spanish Food Awards Ceremony with the minister of Agriculture, Fishing, Food and Environment, Isabel García Tejerina. 2. Rafael Boix collecting the Qcom Award for our smoothie 'Mascletá' as the most innovative product of the year. 3. Tora Gilabert with the "Chain Vision" Award from the Agricultural Publishing House. 4. Our Micro Dishes present in the ALIBETOPÍAS Tunnel of Innovation 2017.







**WE ARE PRODUCERS**



# We are producers

We have been harvesting and processing our own crops for years, thus controlling the whole chain from the seed to your table. We work on our crop estates, overlooking the Mediterranean, giving our crops TLC, in order for them to grow with all the sun's energy and the sea's strength. Similarly, we ensure our vegetables get to our consumers in excellently fresh, quality conditions.

## Our own seedbed

To fulfill this goal, we use our own ten-hectare seedbed, divided in three different locations for ideal germination in the best conditions 365 days a year. In 2017 we nurtured and transplanted 200 million plants that we handled using over 700,000 trays. Altogether we take care of over 300 seed varieties, controlling the temperature constantly, watering them just enough and the necessary measures for them to grow to be of maximum quality, always following our sustainability and efficiency criteria.

*We produce  
107,000 tons of  
vegetables in our fields  
every year*

## 25 crop estates in 7 counties

To cover our customers' necessities, we have over 5,000 hectares of crop fields distributed in a total of 25 agricultural estates' located in the counties of Valencia, Alicante, Murcia, Almería,

Albacete, Granada and Tenerife, which allows us to guarantee our agricultural production 365 days a year.

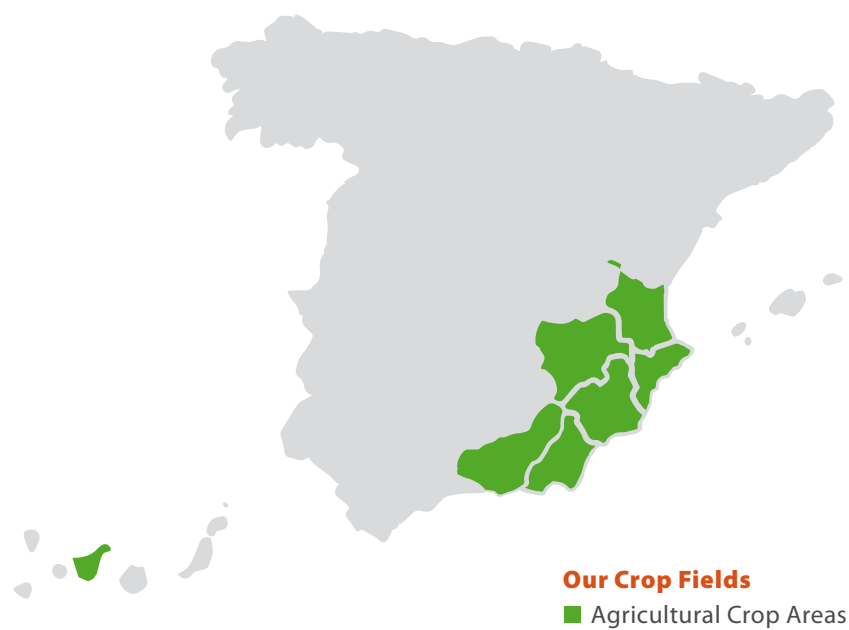
The location of these fertile fields, close to the coast or inland, allows us to specialize our crops according to our estates optimum location depending on the season and their specific temperature range, wind, rain. An exceptional circumstance that allows us to guarantee our products will be supplied, to our consumers, in the best of conditions all year round.

A supply guarantee that is reinforced by the existence of our 225 hectares of multi-span greenhouses and multi-tunnels to cover all our customers' needs, even in adverse weather.

*5,000 hectares of open  
country crops and  
greenhouses*

Besides, we have state of the art machinery to pick and package our vegetables and fresh produce on location at our estates, which allows us to reduce the time it takes to supply our distribution platforms from our fields, and from there to our consumers. A circumstance that contributes to our products' maximum freshness.

During 2017 we reached an agricultural production which was over 107,000 tons (5.3% more than the year before), distributed straight from our fields to our national and international customers or taken to over our centres all over Spain to be processed.





With 10 hectares of surface area, our seedbed in San Cayetano (Murcia) has the capacity to grow 200 million plants a year.



## Crop and Process Innovation

Our agricultural R+D department is in charge of investigating and developing new varieties and sowing techniques, with the help of our suppliers, which allow us to offer our customers a fresh, healthy product of prime quality.

Thus, over the last calendar year over 150 trials have been carried out in our fields, inter alia we should highlight those aimed at increasing the use of “zero residual” products and the reduction in the use of herbicides. Over the last semester of 2017 a biological project has been started up at our greenhouses on our estate in La Cruz (Murcia). Its aim is to reduce the impact plant-protection products, used on courgette crops, have on the environment. To do so we have carried out tests using auxiliary insects to control whitefly (*Bemisia tabaci*) plagues.

This project has allowed us to reduce the use of plant-protection products by 15%.

Furthermore, at our estates in Tenerife, we have started a study to assess planting kale in a sub-tropical climate (Canary Islands) for its use in our fourth range products.

*Over 150 trials  
to develop new crops  
and processes in  
our fields*

Moreover in 2017 a project involving the growth of tender sprouts in live soil began, with totally new varieties in our agricultural activity. Specifically, we

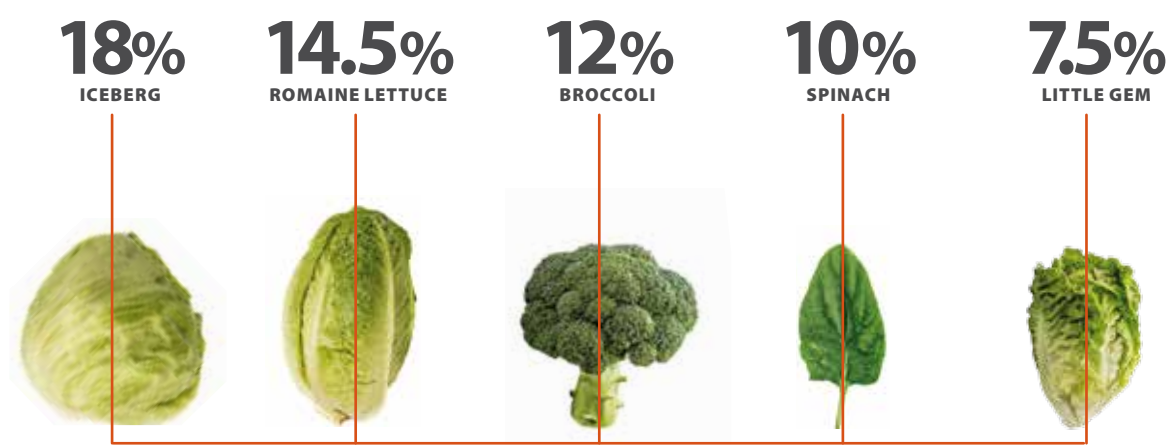
Growth of tender sprouts at our estate  
Gartero in Torrepacheco (Murcia).



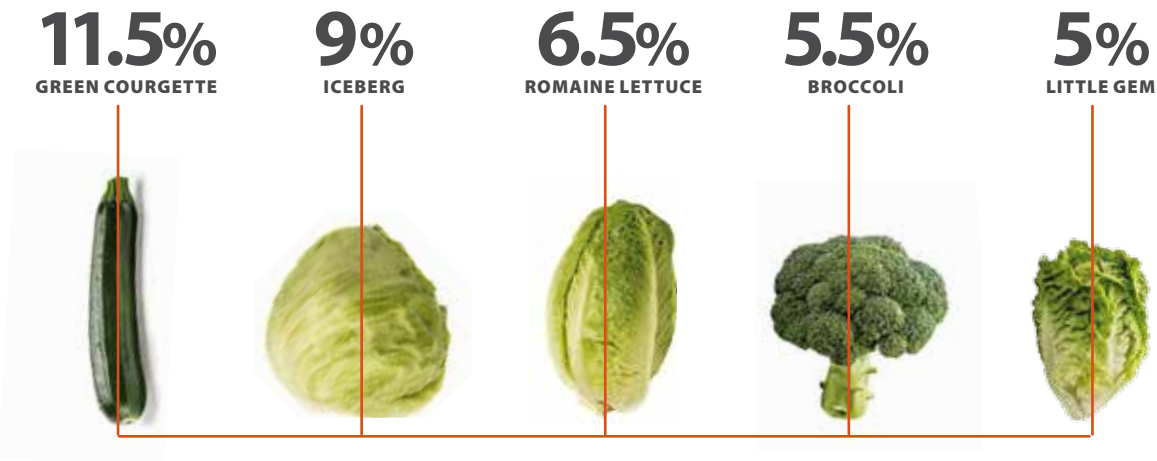
initiated the production of red and green batavia lettuce, rocket and baby lollo rosso at our crop estates in Alicante, Albacete y Murcia. The results have been very positive, confirming that the project in hand is pure agricultural innovation that allows us to continue working on our efficiency, service and competitiveness in our directly seeded crops.

Over the last year we have also set up our group's Agronomic Research Centre (CIAM), located in the Valencian town Montserrat, aimed at investigating more efficient and sustainable processes and sowing methods. Our bid for innovation regarding crops and processes is our differentiating factor.

**Products with the largest sown area**



**Best selling agricultural products**



Crop Estate La Cortesa, Albacete.  
Luis, team leader at our broccoli  
plantation.



## **A wide range of crops and products**

Over the last year we have continued to add new crop references to our range, aiming, always, to offer innovative products that suit our consumers tastes and meet their needs.

With this aim in mind, in 2017 we started to sow bimi, courgette, thyme, rosemary, crunchy gem and a special variety of romaine lettuce for international markets. Altogether, we grow over 40 varieties of vegetables, fresh produce and aromatic herbs.



## OUR AGRICULTURAL RANGE

### LETTUCES



**GREEN BATAVIA**



**ROMAINE**



**MINI ROMAINE**



**ICEBERG**



**RED OAK LEAF**



**GREEN OAK LEAF**



**BABY BATAVIA:  
RED AND GREEN**



**LITTLE GEM:  
HEADS, HEARTS &  
CRUNCHY GEM**



**APOLLO**



**RED MINI ROMAINE**



**MINI ROMAINE MIX**



**CURLY ENDIVE**



**PLAIN-LEAVED  
ENDIVE**



**LOLLO ROSSO**



**LOLLO BIONDO**



**LOLLO ROSSO BABY**



**RED BUTTERHEAD**



**BUTTERHEAD**



**RADICCHIO**

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## VEGETABLES



**SPINACH: BABY,  
TEEN & ADULT**



**KALE**



**CHARD**



**BROCCOLI**



**BROCCOLI CROWNS**



**GREEN AND  
WHITE CELERY**



**WHITE COURGETTE**



**GREEN COURGETTE**



**ROUND COURGETTE**



**BIMI**



**CAULIFLOWER**



**CROWN MIX**



**CAULIFLOWER CROWNS**



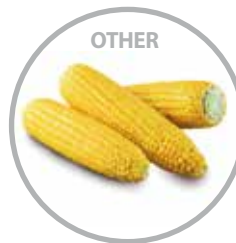
**FLAT-LEAVED &  
CURLY PARSLEY**



**FLAT CABBAGE**



**RADISH**



**SWEETCORN**

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## FRESH HERBS



**FLAT-LEAVED &  
CURLY PARSLEY**



**BASIL**



**PEPPERMINT**



**ROSEMARY**



**CORIANDER**



**CHIVE**



**THYME**



**ROCKET**

# CIAM: Innovation in the heart of Agronomy

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At our CIAM facilities we have state of the art technology, for agricultural research, in order to opt for more efficient and sustainable sowing techniques

At our Agronomic Research Centre (CIAM) in Montserrat, where our company has made an initial investment of 1.3 million euros, our main aim is to research more efficient, sustainable sowing techniques, as well as trying out and improving new agricultural varieties, mainly baby leaves and other products which are popular in modern day nutrition.

On these grounds, our facilities allow us to carry out trials on new varieties, nutritional solutions and resource optimization, and it makes studying each process, involved in our production, a lot easier, from the seed to obtaining raw material, not to mention germination and growth. The centre, located in Montserrat on a 16 hectare plot, has a core area which is 12,160 meters square, that







can hold almost 10 million plants. That is where we carry out our agricultural R&D trials under controlled climatic conditions.

The system we use at this facility is highly automated and it consumes up to 60% less water than sowing crops in the open and it optimizes the use of fertilizers to the full, as each plant is supplied with the exact amount it needs without contaminating the ground.

Currently, we are carrying out trials with baby leaf lettuces, of the varieties red Batavia, green Batavia and Lollo rosso. The produce picked is mainly taken to our fourth range plant in Ribarroja (20 kms from Montserrat), where it's processed to make our own ready to eat salads.

### New methods: closed circuit hydroponic watering for our crops

The CIAM also has a 1,264 m<sup>2</sup> area equipped with two chambers with temperature regulation where our sowing and pre-germination processes take place, as well as artificial lighting trials.

Among our most innovative products that are going on at CIAM we would like to point out the closed circuit hydroponic watering system for leaf crops, that include mechanisms which allow us to reuse practically 100% of the water used and don't contaminate the ground. This project is a R&D project financed by CDTI (The Centre for the Development of Industrial Technology) to be carried out from 2017-2019, where our CIAM has been selected as a partner, specialized in sowing vegetable crops.



INITIAL INVESTMENT

**1.3M€**

AGRICULTURAL SURFACE AREA

**16 hectares**

FACILITIES EQUIPPED WITH

**2 chambers**

WITH TEMPERATURE REGULATION

GREENHOUSE SURFACE AREA

**1.2 hectares**

GREENHOUSE CAPACITY

**10**

MILLION PLANTS



Our closed circuit watering system allows us to reuse practically a hundred percent of our water and doesn't contaminate the ground

### New flavours, textures and colours: microgreens

From the consumer trends perspective, the CIAM allows us to try out new crops which suit current tastes in food, in which our consumers demand new flavours, textures and colours when it comes to salads.

Our microgreens stand out among these new crops we are developing, early vegetable shoots that have a great concentration of nutritional properties which are gaining a growing visibility in national and international cuisine. Our current trials using microgreens focused on varieties of broccoli, mustard, radish shoots and kale. Our aim is to market this "live" product (whole, without being processed), packaged as to make its consumption easier, with soil that maintains its moisture and freshness. A product ready to cut and consume. The Agronomic Research Centre (CIAM) in Montserrat is yet another example of our innovative spirit and the company's bid for efficiency and sustainability in the use of resources and processes.







Our Crop Estate La Cortesa, Albacete.  
Our bimi harvesting team with Wuilmen Vinicio,  
group leader, and Juan, the estate manager.





***Our crop estates, our employees.***  
*GAC's teams take maximum care of  
our crops, used as raw material, in  
order for it to reach your table fresh  
and wholesome*



We are producers







## Our crop estates, our employees

1-Our Guamasa estate, Tenerife. Moisés, from the field team of Mesturados Canarios, in the lamb's lettuce greenhouse.

2- Our Cortesa estate, Albacete. María Tene, hand picking bimi.

3-Our La Cortesa estate, Albacete. Elisa and Cheikh Fam picking chard.

4-Our el Palmero estate, Murcia. José Domingo, from the harvesting team, in the aromatic herb greenhouse.

5-Our San Cayetano greenhouse, Murcia. Elisabeth del Carmen, in our courgette greenhouse.

6-Our Los Aguados estate, Murcia. Enrique, technical coordinator and Diego crop planning supervisor.

7-Our Los Martínez estate, Murcia. Mustapha from the baby chard harvesting team.

8- Our La Cortesa estate, Albacete. Wuilmen Vinicio, harvesting team leader in a kale field.

9- Our El Carrascal estate, Albacete. Melania, Jonathan, Álvaro and Lorena, from the courgette field harvesting team.

We are producers

## Our processing plants are state of the art when it comes to technology and safety

Another year down the line and our production capacity has continued to grow in our fourth range and nutrition business, which makes us a reference company in the national Agri-food sector, with great growth potential in the international market.

We have six processing plants, that amount to over 50,000 m<sup>2</sup> industrial surface area, distributed strategically around the Spanish mainland and in Canary Islands. From where, we supply over a million units of products on a daily basis which undergo rigorous inspections and quality certifications. Besides, in 2017 we also expanded in production capacity, producing topping trays for our salads, with a new fifth range line at our plant in Antequera, which has made us more efficient and competitive.

### Fourth range products

Over the last calendar year, we have increased our volume of production in our fourth range business unit (ready to eat) to 40,000 tons, 12.6% more than in 2016.

There are over 95 references on offer in our bagged salad and ready to eat salad bowl range which are produced at our processing plants in Riba-Roja (Valencia), Antequera (Málaga), Aranda de Duero (Burgos) y Granadilla de Abona (Tenerife).

### Nutrition Products

In our nutrition area fruit and vegetable puree tubs and pouches or dairy desserts- we have also kept up a sustainable growth in terms of production, reaching a volume of 8,500 tons, which implies 9% more than the year before. At our plant in Carlet (Valencia) we produce over 85 references, in this product category, to satisfy our national and international customers' demands and there are always innovation processes in the pipeline.



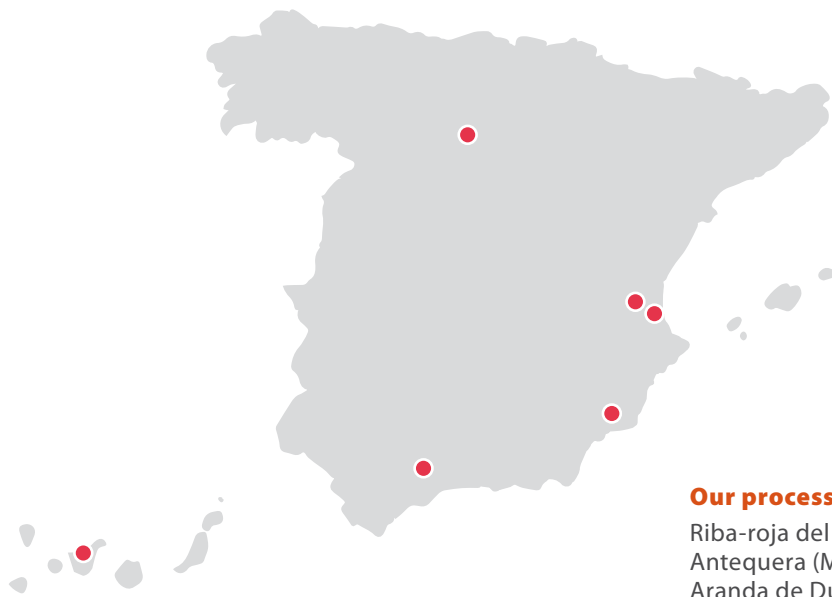
50,000M<sup>2</sup>  
OF INDUSTRIAL SURFACE AREA

6  
PLANTS IN 5 COUNTIES

+1MILLION  
UNITS A DAY

### Agricultural products

Our agricultural business unit has also increased its vegetable production volume, straight from our fields, to 107 million kgs sold, which represents 5.3% more than in 2016. With a range of over 40 references, our agricultural unit relies on our processing plant in Dolores de Pacheco (Murcia).



#### Our processing centres

Riba-roja del Túria (Valencia)  
 Antequera (Málaga)  
 Aranda de Duero (Burgos)  
 Carlet (Valencia)  
 Granadilla de Abona (Tenerife)  
 Dolores de Pacheco (Murcia)

# 40,000

TONS OF PRODUCTION IN OUR  
FOURTH RANGE PRODUCTS

**+12.6%**

# 8,500

TONS OF PRODUCTION IN CHILD  
NUTRITION

**+9%**

# 107,000

TONS OF AGRICULTURAL  
PRODUCE

**+5.3%**

#### Top sales fourth range



Cesar Salad



Gourmet Salad Bagged



Spinach bag



Texas Wrápidos



Tender Shoots Maxi Pack

#### Top sales nutrition



Six Pack Mixed Fruit  
Pouches



Six Pack Strawberry  
and Banana Pouches



Strawberry and  
Banana Dairy Dessert  
in pouches



Strawberry and  
Banana & Forest Fruit  
Pouch



Mixed Fruit Tubs



# Greater fifth range capacity in Antequera

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**The start-up of our second 'clean room' at our plant in Malaga almost triples our production capacity.**

For us the last calendar year has resulted in the consolidation of our group's fifth range business producing the topping for our products. After setting up the 'clean room' in 2016 at the Antequera plant, with a production line, in 2017 we aspired to keep on growing in that area and we created a second room that allowed us to take on 100% of our fifth range business' needs. Similarly, the second topping line at the Malaga plant, which has involved 3 million euros investment, has allowed us to triple our production capacity, going from 22 million units a year to 55 million units' capacity that we will be able to produce from february 2018 onwards. This project is yet another sample of our commitment to innovation and growth.

*Producing our own toppings has brought us more agility regarding new product development*

By incorporating the production of our toppings into our processes, which began in 2016 and over these two years it has accumulated a 6.1 million euro investment, our business has gained a greater efficiency as well as greater competitiveness, quality and agility as for new product development. Moreover, it has also allowed us to offer a more ergonomic design when it comes to our staff routines, improving processes and production times.



Paco Carrillo, floor manager at Antequera, with the fifth range production team.

In 2017, at the Antequera plant we produced 21,3 million units of toppings, from there they are distributed to the rest of the group's fourth range all over Spain for our ready to go salad production and moreover to other international customers. This area of the plant employs 56 people, that will double as soon as the second production line is put into service.

To produce our salad toppings we use over 4,000 tons of raw material such as cheese, olives, chicken or crunchy croutons, inter alia. Our topping production in Antequera allows us to speed up launching new products onto the market, such as our tuna Wrápidos or the Ensátún (tuna salad) bowl.

**6.1M€**  
INVESTED IN 2 YEARS

**56**  
PEOPLE ON THE PRODUCTION TEAM

**55M**  
UNITS CAPACITY



Start up team, at our new facilities: Nacho, Enrique, Celeste, Paco, Raquel, Pau y Juan José (missing in the photo Miguel Sánchez).



**21.3**  
MILLION TOPPINGS  
PRODUCED



**350,000**  
KGS OF CHICKEN



**450,000**  
KGS OF DIFFERENT TYPES  
OF CHEESE



**300,000**  
KGS OF HARD BOILED EGGS



**240,000**  
KGS OF CRUNCHY CROUTONS



**148,000**  
KGS OF TURKEY

## We can count on our best allies

Our suppliers are a key element of our core system as a company. We maintain a trusting, stable relationship with them, and we are in constant collaboration. Thus, we have managed to create a sustainable value chain that contributes to obtaining maximum freshness, quality and safety in our products and it allows us to meet our customers' and consumers' demanding requests all year round. Following this principle, over the last year we have worked with 231 homologated suppliers that provided us with seeds, raw material, packaging and other material or ingredients necessary for our activity.

*We maintain a trusting, stable relationship with our suppliers and we are in constant collaboration with them*

Most of our purchases, 43,000 tons of agricultural raw material for our fourth range assortment, have been ordered from 68 suppliers, all of them are certified by the international standard Global G.A.P. of good agricultural practice. In total, our agricultural purchases involve 53 different types of raw material.

We maintain long term agreements with our suppliers and assign them scheduled business volume, which allows us to improve this process constantly, as well as close liaison which benefits

us all. 95% of the agricultural raw material ordered from these suppliers is national produce. By doing so, we contribute to the development and wealth creation in our closest surroundings and we maintain our Mediterranean excellence.

In our agricultural business unit, we have ordered 3,650 million units of seeds from 22 national and international companies, which bring us up to 300 different vegetable varieties.

*Our suppliers are certified by the international standard Global G.A.P. of good agricultural practice*

By introducing salad topping production into our processes and by increasing our nutrition business we have gone from using 95 suppliers to using 141 nowadays (+46), with a total of 666 references managed (+151). The volume of our purchases from these suppliers has increased by 16%, increasing to 17,200 tons.

Specifically, for our nutritional products production we bought 8,600 tons of fruit and dairy products from a total of suppliers. For our salad topping production we have worked with 39 industrial suppliers that have supplied us with 4,680 tons of raw material such as chicken, olives, crunchy croutons or sauces. Besides, as for the auxiliary material area we rely on another 27 suppliers.





**231**

HOMOLOGATED SUPPLIERS



**22**

NATIONAL AND INTERNATIONAL  
SEED SUPPLIERS



**3,650**

MILLION SEEDS

AGRICULTURAL  
RAW MATERIAL

**43,000**

TONS

**95%**

NATIONAL PRODUCE

**68**

SUPPLIERS

RAW MATERIAL FOR  
THE NUTRITION UNIT

**75**

SUPPLIERS

**8,600**

TONS OF FRUIT AND DAIRY PRODUCTS

MATERIAS PRIMAS  
TOPPINGS

**39**

SUPPLIERS

**4,680**

INGREDIENTS AND SAUCES

# 'Plásticos del Segura', flexibility and technology to innovation's service

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**Within our supplier model we aim to establish long term relationships, which foster close liaison and this allows us to reach greater efficiency and agility when it comes to innovating. We call it 'transversal innovation', a type of innovation that all the value chain agents participate in.**

An example of this transversal innovation, and that our collaboration makes us more agile and efficient, is our film supplier 'Plásticos del Segura' (PDS Group). Since 2009 the company is our film supplier for all our bagged fourth range references and all our trays sealed with film. PDS, with a branch in Murcia, exports to a dozen countries in Europe and Morocco. With a workforce of 185 employees and a turnover of 48 million euros, it has three manufacturing divisions: flexible plastic, paper bags and a range of trays. Among its customers we can, mainly, find big distribution chains and companies in the food sector

As a specialist supplier, PDS Group offers us its knowledge regarding printing processes. We work together on the designs and packaging for our products to minimize potential errors, printing problems and lack of quality in our final products. Over these years, our joint learning venture has brought us continual improvement and made us reach more efficient processes for our businesses.

## Rapid, flexible response for the "Two shops project"

During 2017 Plásticos del Segura has become a key supplier for us by agreeing to take part in the "Two shops project", an innovative project for the redevelopment of the fresh produce section for our customer Mercadona. It was about revamping our whole assortment when it comes to recipes, as well as design and packaging.

PDS Group given its all in an innovative project where they integrated, perfectly, into the Marketing and Purchase teams at GAC

This project implied the launch of 25 new references in a record timeframe: *"La complexity mainly revolved around the production volume being very low, as two references were being produced for a pilot project in only two shops, and great flexibility was needed to meet the variability of the demand in the weeks following the launch"*, explained Rubén Ruiz, auxiliary material purchasing manager at GAC.

The pre-printing team at PDS worked around the clock, hand in hand with our Marketing and Purchase teams at GAC, taking on an ad hoc planning in their productive processes to suit approval in developments with a virtually exclusive engagement and a great commitment to the project.

*"After all these years working with GAC, we know that flexibility and adapting to changes immediately is fundamental to achieve our goals together", stated Francisco Juncosa, commercial director de PDS. "Our vision with GAC is that we are part of the company. We have corporate objectives oriented in the same direction, teams that coordinate perfectly and the same spirit of continuous improvement. For us it's like working as one single company", he indicated.*

With its participation in this project, Plásticos del Segura has demonstrated, once again, its innovative spirit and its bid for GAC as a referent collaborator within our business. Our close liaison with our suppliers has allowed us, once again, to suit tastes and trends with innovation and swiftness in a market that is continuously evolving.









**WE ARE LOCAL TO THE AREA**

We are local to the area

# Our products make us unique

We are specialists in developing fresh, healthy food, local food. We aim to become the consumers' first choice in our sector, helping them to follow a balanced diet, with products that allow them to enjoy their daily lives, at any time, anywhere.

Excellence, passion and honesty, on one hand, health, wellbeing, vitality, innovation, optimism and Mediterranean, on the other hand, which make up an assortment of over 200 products intended to satisfy the modern day consumer's needs: everything from fresh vegetables and produce, prepared salads, natural fruit and vegetable smoothies to pocket fruit or dairy desserts.

In terms of fresh products, our brand Sun&Vegs represents the sun and the Mediterranean sea that bathe our fields where we grow our vegetables. As for nutrition, we bring our practical solutions for child nutrition to the market with our brand Byba.

Our products are a loyal reflection of our values as a company and our essence, which makes us unique and have our own personality.



Our vegetables are grown in fields overlooking the Mediterranean, but we adapt to meet every consumer's needs. We capture global trends to adapt them to suit local markets. In the Canary Islands, most of our vegetables are grown by local producers and our products are stamped "Made in the Canaries". Our child nutrition products for Germany or Norway are certified organic. For our customers in the USA we draw up adapted recipes such as sweet potato o mushy peas with fruit.

## Commitment to healthy eating

Innovation	Excellence	Fresh
Experts	Passion	Healthy
Flexible	Honesty	Optimistic
Trustworthy		Pioneers

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**Definitely...Unique**



## *We capture global trends to adapt them to suit local markets*

We have an innate innovative spirit, which drives us to keep up with all the main food trends to turn them into novelties that anticipate consumer demand and mean exclusivity on the market.

Our continuous innovation allows to reach new audiences with new references like our new functional oat product (It's Oat!) or our ready prepared microwavable dishes with vegetables and hydrates. Convenient products which are easy to use, that cover the whole day's food demands. The common ground that guides us: to offer options for a balanced diet in practical formats for the general public.



We are local to the area

## NEW PRODUCTS

*We keep up with main food trends to turn them into novelties that anticipate consumer needs. In 2017 we launched over 100 novelties onto the market that means introducing new products on the shelves or recipe, format or packaging improvements.*

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## AGRICULTURE



**Bimi.** This new super vegetable, sweet and smooth in flavour, is grown in our fields in Murcia and Almería and it is picked by hand. Bimi contains ten essential nutrients of which we would like to highlight zinc, folic acid, antioxidants and vitamin C.



**Microgreens.** Early vegetable shoots, presented in novel format with a bed of soil which allows us to market them 'live', in order to prolong their shelf life and make its consumption easier. Presented in four varieties: broccoli, mustard, radish and kale.



**Round courgette.** A novelty in our agricultural assortment that allows us to design more creative dishes with all the energy from the Mediterranean sun.



**Crunchy gem.** Mini crunchy lettuce leaves to enjoy as a snack or a starter with a tasty, very healthy base.

## FOURTH RANGE



**Micro Veggies.** They mean our first microwavable launch where we combine hydrates (rice, pasta or oriental noodles, depending on the recipe) with vegetables and fresh produce. The dishes are 100% natural and don't contain preservatives. Besides, the Oriental and Hindu recipes are suitable for vegans. It is envisaged that its packaging will be of maximum convenience, as it has a special valve to steam its contents without piercing its film to heat it, which guarantees all the flavour of its ingredients. What's more, it also includes a card sleeve to ease handling the product when hot.



**Supersalads.** The latest novelty in healthy, fresh and practical products are our Supersalads, with three different options: Mediterranean rice, Asian rice and Moroccan quinoa. A revolution on the shelves thanks to their innovative recipes, that include superfoods such as quinoa, wild or wholegrain rice, or kale, combined with fresh vegetables and produce, legumes, seeds or dried fruit (cranberries and dates). Its practical packaging, that includes a fork, makes them ideal to consume anywhere.



**Turkey pasta salad.** We have turned our traditional 'Ensapasta' (pasta salad) into an even healthier, and tastier, recipe with pieces of chopped turkey, tender shoots, tomato and yoghurt sauce.



**Quinoa salad with fresh vegetables.** A practical, healthy and tasty way to introduce a superfood as is quinoa along with kombu seaweed, broccoli and pumpkin seeds.



**Tuna Wrápidos.** The new Wrápidos recipe with tomato tortillas, hard boiled egg and tuna, with mixed lettuce and tomato, accompanied by a smooth sauce.



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## NUTRITION



### Our bid for long-life dairy products

Our new long-life dairy references expand the room temperature dessert and snack range in our nutrition assortment. The family includes the new honey and cereal dairy dessert and creamy strawberry, apple and pear tubs that are ideal snacks for children and adults alike.

Our dessert assortment has been rounded off by our mixed fruit and cottage cheese tub, suitable for children over six months, and traditional Spanish custard with biscuits, with a recipe that was specially drawn up for little ones.



### New recipes and flavours

We draw up our nutritional recipes with natural ingredients, without preservatives or added sugars. We develop balanced products in a variety of flavours aiming to make our little ones get into consuming fruit and vegetables in a fun, tasty way.

We have created novel mixes in tubs and pouches for our international customers such as apple, carrot and kale; banana, mango and sweet potato; or pear, mango, passion fruit and cereal.

A woman with dark hair, wearing a light grey t-shirt, is cooking in a modern kitchen. She is using a wooden spatula to stir green leafy vegetables in a black frying pan on a gas stove. The stove has silver knobs and a blue flame is visible. In the background, there is a spice rack with various jars and a blue water dispenser. The overall atmosphere is bright and clean.

*We innovate to offer  
our consumers healthy,  
balanced products  
that make their  
daily lives easier*

# It's Oat!

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When innovation and healthy eating are your way of life

**At the end of 2017 Sun&Vegs presented an innovative, functional oat product to enjoy between meals. Healthy life, healthy eating and sport lovers can opt for this new reference, pioneer on the European market.**

The search for new products, our bid to satisfy our customers' needs and tastes, as well as our bid for permanent innovation has lead us to create It's Oat!, a product made from fermented oats with important functional properties.

Our new reference was presented at the ANUGA fair in Cologne and we will see it on European shelves in no time. It's Oat! is a snack with a creamy texture, 100% vegetal, lactose-free, easy to digest which helps your immune system.

Oats bring us slow-burning carbohydrates, which have a filling effect and give us constant energy throughout the day

Sun&Vegs new product's distinguishing feature is that it's produced by means of a specific oat fermentation process, which contributes to increasing the nutritional value of its components.

Thus, ferments like *L. Casei* and *L. Acidophilus* help to improve your immune and digestive systems. Besides, oats bring us slow-burning carbohydrates, that have a filling effect and give us constant energy throughout the day.


The ferments *L. Casei* and *L. Acidophilus* that the snack contains help to improve our immune and digestive systems

A patented product developed at our plant in Carlet

Our new reference which is made at our group's Nutrition plant in Carlet (Valencia) has been developed by our R&D team, in collaboration with the Polytechnic University of Valencia and the Dairy Product Lecture Hall at the Lugo University. Furthermore, the technological centre AINIA also participated in the industrial trial phase of the product.

The development project, 'It's Oat!' lasted two years and over twenty people from different departments and teams participated, from Engineering and Operations, to Marketing, Purchase or the very R&D technicians and our company's product development team.





**SUN & VEGGIES**  
**it's oat.**

**The product**

It's oat! is presented in a practical 180g package that includes a spoon in order to consume the product at any time, anywhere. The product, which should be chilled, has been launched in five different flavours, -natural, forest fruit, fig, prune, raspberry and pomegranate-, it's produced with 100% natural fruit. This product is made with national oats.

**OATS**  
**100%**  
**PRODUCED IN SPAIN**

**PRESENTATION**  
**5**  
**DIFFERENT FLAVOURS**

**INVESTMENT**  
**3**  
**MILLION EUROS**

## Why oats?

Oats are a cereal which is rich in high biological value proteins, with a great number of vitamins and minerals that have lead it to be considered a superfood. Among other properties, oats contain easily absorbed carbohydrates, calcium, zinc, copper, phosphorus, iron, magnesium, potassium, sodium and vitamins B1, B2, B3, B6 and E, as well as a good deal of fibres. The use of oats as an ingredient, something that is very common in Nordic and Anglo Saxon countries, is a growing trend in Europe that has gained momentum in the last few years, especially due to the quest to find alternatives to the use of foods of animal origin or to soya.



We are local to the area

Our new product's  
production process has meant  
our first registered patent



Production and Engineering team at our Nutrition business unit, participants in the project: Jose, Vicente, Sergio, Jordi and Amparo.

Our new product's  
development has needed  
an investment of almost  
three million euros

In order to develop our new reference, we have installed a new production line at our Carlet plant, which has meant an investment of almost three million euros.

The project's complexity and high investment, mainly, revolves around the oat drink fermentation process.

The production and fermentation process is what has driven us to register a patent, for the first time ever, and it allows us to obtain a low-sugar product, with slow-burning carbohydrates, and a combination of probiotics that help to activate our immune and digestive systems.





Vicente Tomás, It's Oat! project leader at our Carlet plant (Valencia).



# We are Trendy

## Our products reach more homes, in more countries

For yet another year the number of consumers that opt for our products continues to grow in all our areas: vegetables straight from the fields, salads and prêt à manger products, bagged vegetables and child nutrition.

The production volume at our fourth range business unit reached a new record in 2017, reaching 189 million units of salad bags and bowls. This figure means a 18.8% increase regarding the previous year and it succeeds in confirming our bid for innovation in the fourth range segment.

The production volume at our Nutrition area has also followed this positive trend, reaching 29 million units of tubs and pouches produced over the last calendar year. This growth is greatly due to the launch of our new references onto the national and international markets. Similarly, our Agricultural unit's products also keep reaching more homes every day. Nowadays our products straight from the fields which are marketed from big distribution chains in 20 European countries.

These results strengthen, once again, our commitment to continue offering healthy products that respond to new consumer trends which opt for healthy, varied products that are easy to consume, compatible with modern life.

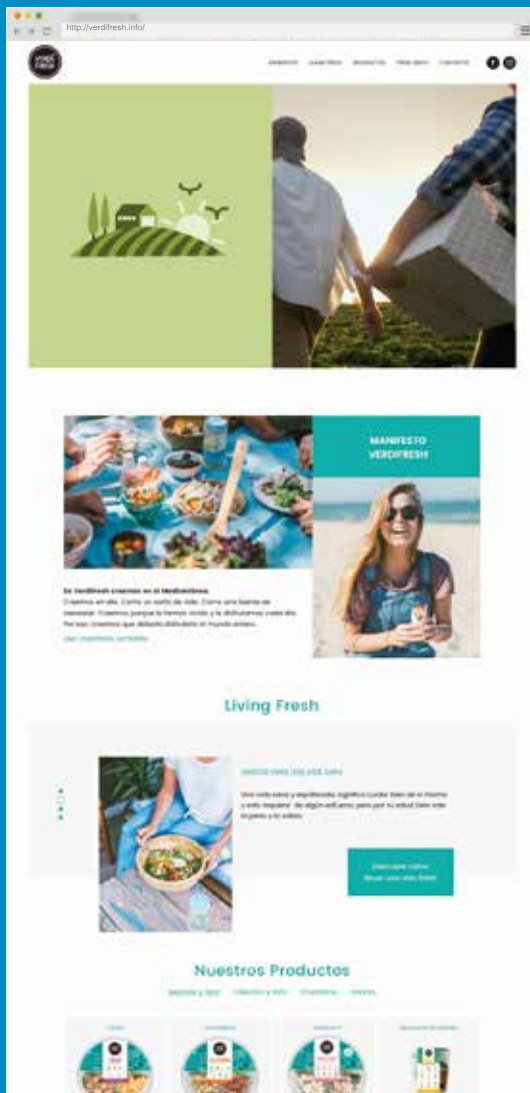
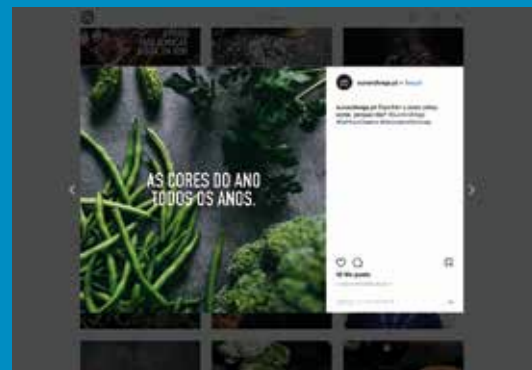
## Our brands' digital bid

We aim to become the consumers' first choice when it comes to fresh, healthy products. To do so, apart from offering solutions that respond to new food trends, we would like to approach our current consumers via new communication channels.

In 2017 we launched our product websites, which gather information about our products and offer ideas, stories and tips to transmit our brand values. Along with our websites, we also created brand profiles on Facebook, Instagram and Youtube as channels which aid us to broadcast a lifestyle based on having fun and healthy eating.

**189M**  
UNITS OF SALAD BAGS AND TRAYS  
**+18.8%**

**29M**  
OF FRUIT AND DAIRY DESSERT TUBS  
AND POUCHES  
**+7.6%**



We approach our current consumers via new communication channels.



## OUR FRESH ASSORTMENT

### WHOLESONE FOOD

Mix and ready to go



Heat up and ready to go

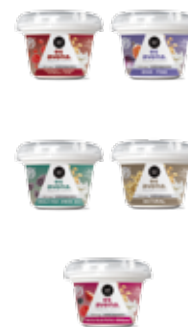


### SNACKS

to drink



with a spoon







## SOCIAL FOOD

### Salad



### Cuisine



### Culinary help



### Make your salad



## OUR NUTRITIONAL ASSORTMENT

### TUBS

### POUCHES

Fruit



Dairy



Lunch/Dinner











**WE ARE INNOVATION AND EFFICIENCY**

# Innovative spirit

Our focus is set on our customers. For this reason, we aim to do things differently and we bid for constant innovation and continuous improvement to reach operative efficiency. We rethink our formats, processes, working methods and technological efficiency on a daily basis. In order to offer our customers products of prime quality, with the best service and the best competitiveness.

## **Our innovative spirit, our main ingredient**

Our successful products today don't ensure our mid-term or long-term future, for this reason we cannot conceive our business without the surname 'innovation'. R&D is our main ingredient and that's why we are constantly studying the market and seeking to satisfy our consumers' new tastes.

Our bid for innovation is the ingredient that has brought us where we are. Over these 17 years we have introduced totally novel products onto the market and we currently deal with over 30 customers in 20 countries in Europe and America.

In our history we have accredited that we have been pioneers as for bidding for and democratizing our fourth range products, offering the best products at competitive prices.

In 2010 we were the first company to introduce ready-to-eat salads as a complete dish onto the shelves. We were also the first company to introduce fruit and vegetable smoothies in a flexible format (pouch) and we were a step ahead of the market by launching fresh vegetables in innovative formats to cook in the microwave. In 2017 we have followed the path of continuous innovation and we have invested over three million euros in R&D to launch over 100 references, to install new production lines and improve our processes. We rely on our own transversal and multidisciplinary innovation team, made up of engineers and technicians from our departments of product development, purchases, marketing or engineering.

With the confidence of a great deal of consumers already earned, to continue to bring value and taking part in their daily lives is key, making their lives easier by covering their needs. In the changeable, dynamic atmosphere of our sector, we know that innovation is the way to go. This same road is the one we are going to keep going down, focusing our efforts on new product and category development and the continuous improvement of our processes, to reach more customers and win over more consumers years after year.

Our challenge has only just started.

*In 2017 we invested over  
3 million euros in R+D*



**Innovative spirit and operative efficiency:  
Quality, Service and Competitiveness**



INNOVATION



QUALITY



SERVICE



COMPETITIVENESS

Yolanda, Lourdes and Elisa are members of our product development team.



*La innovación es nuestro ingrediente principal*



# “Two shops” project with Mercadona

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Our product and process innovation makes us stronger and more competitive when it comes to facing the future. Thus, we embrace challenges and explore of the options of change and improvement that arise before us

One of our biggest transversal innovation challenges in 2017 has been the “two shops” project, in collaboration with our customer Mercadona. The objective was to present a totally renewed fourth range assortment, aiming to make an impact with our products, but also because of their design and presentation on the shelves.

To do so, two shops in Valencia were selected to act as “innovative laboratories”. In this sense, a truly dynamic trial, was born, where the consumers’ opinion was key to decide on each new reference.

The two shops project along with Mercadona is a truly dynamic trial where the consumers’ opinion is key

The new assortment proposal, initially composed of 25 references, based on the introduction of new ingredients and new formats to surprise consumers. Thus, we have expanded our ready-to-eat salad range (bowls) with new recipes like Ham-

Ham or Four Cheeses, we have also launched new references in Wrápidos: Bancontodo and Atuntún.

We have introduced new vegetables into our mixed salad range, such as watercress, alfalfa sprouts, chive, pea sprouts or tatsoi, and in the bagged vegetable range for the microwave, we have launched new mixes such as Mediterranean (peppers) and Portobello (mushrooms).

In total we introduced over 20 new references, with new formats and superfood, unseen on fresh produce shelves until now.

Besides, it has allowed us to try out practical, innovative new formats such as the case of Calabapasta (courgette spirals) and our Micro Dishes, with a steam valve to cook them in the microwave, or the Quinoa salad with fresh vegetables and kombu seaweed, in a pot format.

## The project ‘backstage’

Launching over 20 references on the same day means our core system as for people, methods and technology must be perfect.

As for teams, we composed a multi-disciplinary team of over 20 staff members from the departments of Engineering, Purchases, Produce Development, Operations, Methods, Quality,... that worked hand in hand with our commercial team

leader and our customer's, Mercadona, Prescription leader.

We set up a pilot plant to produce our new references, within our fourth range production plant in Riba-roja. Its room, which had a 60 square metre surface area and has received an investment of 50,000 euros, reproduces our cutting, washing, sanitizing and packaging processes on a small scale, without interfering with the rest of the centre's processes.

The project's success has demonstrated, once again, that teamwork among all the members of the product value chain, close liaison with our suppliers and customers, allows us to achieve the best result. In this case joint innovation has allowed us to renew and expand our fresh assortment. 70% of the proposed references have been deployed on the shelves.



This project was carried out with a multidisciplinary team composed of colleagues at our plant in Riba-roja and our headquarters.





# Operative efficiency

We aim to do everything we do efficiently. We like to face challenges differently, with imaginative solutions that help us to be more competitive reducing costs, a commitment that impacts in benefit of our customers.

Maximum operational efficiency, adaptation and flexibility, allow us to reach an unwavering objective: to offer products that are better value

for money, quality and service than our competitors. To do so, we make the most of all of our human and technical resources at different units and departments of the company by integrating processes. This innovation and search for maximum operative efficiency which is applied to our agricultural produce at ground level as well as our plants.

*We have been working on our field efficiency via method and process improvements*



## A new, more flexible business model

Over the last calendar year we have worked on efficiency in our fields by means of improving our methods and processes. Thus, we have increased our field preparation work - as in the case of our broccoli harvest -, we have improved the watering system on our plots and we have modified our structures and work methods to increase our team functionality.

At our processing plant in Dolores de Pacheco we have installed a new work line for our broccoli that has enabled us to increase our capacity to satisfy sales peaks. We have also set up a new line for courgette preparation that brings us greater quality and flexibility in terms of processes.

## *Our new processing line for broccoli at our Dolores de Pacheco plant means a 30% increase in production capacity for this product*

Our continuous growth and aim to become the consumers' first choice, as a company, when it comes to fresh produce have impelled us to make a deep change in terms of mentality in the whole group. 2017 has been our company's year of transformation towards a new business model. A new model based on efficiency and flexibility, with our sights set on new customers, new channels and new markets.

## *We have adapted our internal processes, production centres and teams to pave the company's way to a new stage*

Thus, we have adapted our internal processes, our production centres and our teams to pave the company's way to a new stage where innovation in terms of processes, methods and products will still be our business' cornerstone.

As far as our agricultural unit is concerned we serve over 30 customers in 20 countries all over Europe; our nutrition unit takes care of the most demanding requests from customers in 12 countries all over the world, and from the end of 2017 onwards our fourth range business touched down in Portugal. Our new company model has only just begun.

AGRICULTURAL  
BUSINESS UNIT  
**20**  
COUNTRIES

NUTRITION  
BUSINESS UNIT

**12**  
COUNTRIES

FOURTH RANGE  
BUSINESS UNIT

**PORTUGAL**

# Fourth range in Aranda for multi-customers

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Our plant in Aranda de Duero (Burgos) has been the production centre that has been selected to make the new fourth range business strategy happen. Our Arandina facilities will centralize our production allocated to new markets and channels, as well as being the development platform for the company's most innovative products.

*"Our most significant challenge has been the training required and our teams' change in mentality", explained Raúl Lacalle, floor manager at Aranda*

In terms of products, this plant has gone on to process references from our brand Sun&Vegs for new markets, as well as new formats for big distributors in the catering channel.

As for processes our teams and staff routines have adapted to suit these new procedures. To do so, a lot of training has come into play. Our logistical processes have also been adapted and we have enabled new spaces to store, mainly, new packaging and auxiliary material.

"The most important challenge for us in this project has been our teams' change in mentality, we have gone from working for one unique customer to work for several, from different markets

and for different channels.", explained Raúl Lacalle, manager at our Aranda plant.

Our centre in Aranda has increased its workforce by 33 staff members and has established a third working shift to face this model change in 2017. This has allowed us to increase our salad bowl production by 20%.

Similarly over 2017 the plant has gone on to centralize all the production of our most novel references such as our Micro Vegs or Calapasta (courgette spirals), Tabbouleh and Quinoa salads (in pot formats) or our new Supersalads for the Portuguese market.

Our plant in Aranda has increased its workforce by 33 staff members and has established a third working shift to cover the production rise in 2017

For Lacalle this project has been a rewarding challenge: *"Our teams have been totally engaged and we have managed to adapt to the demands of each new customers without impairing the quality of our products, the competitiveness and the service that we offer everyone. This change has made us stronger and more sustainable as a company".*





## Evolution of the transformation process at our Aranda plant

# 54→103

RAW MATERIAL PROCESSED  
AT THE PLANT

# 32→93

PRODUCT REFERENCES

# 45→112

TYPES OF FILM AND  
AUXILIARY MATERIAL

# 5→14

TYPES OF BOX FOR CUSTOMERS

# 8→22

DELIVERY POINTS

# 1→5

LOGISTIC OPERATORS FOR SHIPPING

# 12→24

SHIPPING HOURS

# 12→19

SHIPPING SHIFTS



The logistic team at our Aranda plant is a key piece in the new business model.

# Food quality and safety

## Food safety is the foundation of our work

Our customers' confidence is fundamental for us. Our products arrive to millions of consumers every year and that's why we must guarantee maximum food quality, freshness and safety in all our processes, from the seed to your table.

We have integrated this concept of maximum food safety to all our production, from our fields

to our production plants, to our suppliers. We rely on our own audit models which are adapted to each of our business models ensuring maximum control right down the chain. Following our own benchmarks and international standards, over the last calendar year we carried out 79 audits at our suppliers' premises (two more than the year before), 24 horticultural audits and 55 industrial audits. Similarly, we have carried out 78 traceability exercises.



## Our fields and centres have renewed the most demanding quality and safety certifications

### With the most demanding international certifications

At the company's different production units and crop estates we have undertaken 48 internal audits and 27 external certification audits. Likewise, to guarantee food safety and quality in all our suppliers' products, we carry out homologation audits following our own benchmarks. In 2017, the group's agricultural production, fourth range and nutrition centres have continued to renew and increment food quality and safety certifications. Along those lines, our agricultural business unit has renewed three QS certifications (those of Wholesale, Coordinator and Production), which guarantee food quality control after monitoring the whole

production and commercialization chain. Currently, all the producers who belong to our agricultural business unit are GLOBAL G.A.P. certified, obtaining a unique certification, as with the G.R.A.S.P. risk assessment module or the GLOBAL G.A.P. risk assessment module for social practices. In terms of our agricultural unit, we have been audited by a significant number of our customers, obtaining inter alia the Field to Fork (F2F) certificate or the Walmart Security certificate.

Our fourth range production plants, on their behalf, have maintained, for yet another year, the highest International Food Standard (IFS) category and ISO 14001 standard environmental control certificate.

Our nutrition plant has maintained its unannounced BRC, grade A+, certificate, IFS, Ecological certification and ISO 14001, and it has successfully overcome the audit carried out by our customer ASDA.

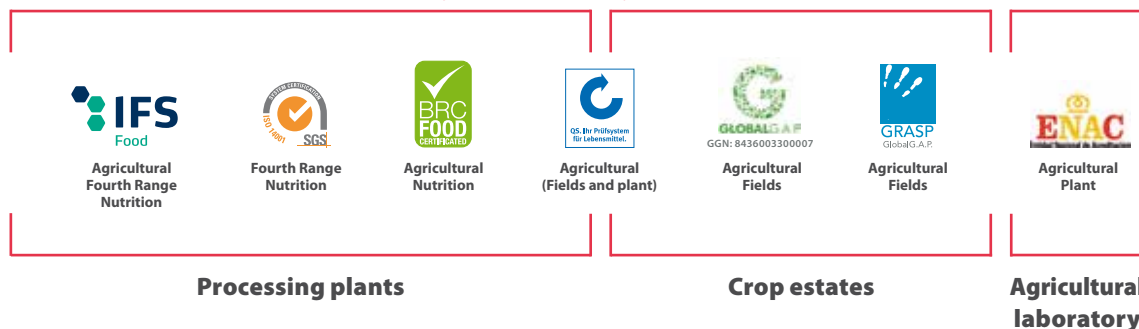
Within our quality policy, we analyze our products following an exhaustive analytical plan that's specific to each business unit. In order to do, we



### Healthy, safe nutrition for all

In our bid to offer products which respond to new public tastes and needs as well as new trends, we succeeded in getting the UVE certificate (Vegans) for five of our products: our micro vegs dishes "Hindú" and "Oriental", "Calapasta" (courgette spirals), "Calabapasta" y "It's oat!", our bid for functional vegetal food products.

## International Food Quality and Safety Certifications





We are innovation and efficiency

rely on our own laboratories at each one of our processing plants, equipped with the most advanced technology and with staff members who are highly qualified in food quality and safety.

#### **Training and collaboration with significant universities**

Our staff training is still a key pillar in order to obtain necessary results in terms of processes and products, due to this fact it needs to be continuous. Every year we carry out training sessions about all these fields, from quality to safety or hygiene. Moreover, this year we have trained our quality managers regarding the latest updates of the ISO 14001.

We rely on the latest technology and the best team to ensure that our products reach our consumers with maximum food safety and quality guarantees. On the other hand, within our objective of permanent improvement, we aim to

 **79**  
SUPPLIER AUDITS

 **27**  
EXTERNAL CERTIFICATION  
AUDITS

 **24**  
INTERNAL AUDITS IN OUR  
AGRICULTURAL AREA

 **24**  
INTERNAL AUDITS IN OUR  
INDUSTRIAL AREA



keep up with all the new models and work lines in our sector. For this reason, in 2017, we attained collaboration agreements with the Lleida University, the Polytechnic University of Valencia and the Autonomous University of Barcelona on the subject of food safety. Agreements that join the collaboration conventions that we already maintain, on a regular basis, with the main universities and technological centres in the Agri-food sector of our country.

*We maintain  
collaboration  
agreements with the  
main universities and  
technological centres in  
our country*



#### Collaboration with:

VNIVERSITAT  
ID VALÈNCIA



UNIVERSITAT  
POLITÈCNICA  
DE VALÈNCIA



UNIVERSITAT  
DE BURGOS



Universitat  
de Lleida



Universidad  
Politécnica  
de Cartagena



UNIVERSITAT  
Miguel Hernández  
de Elche



Fundació  
Bosch i Gimpera  
Universitat de Barcelona



#### Agreements with:



ainia  
centro tecnológico



## Service and competitiveness

*Our products reach over five million homes in Spain and hundreds of thousands in Europe and the rest of the world*

We are fully aware that no successful corporate project works without being completely customer oriented. It's our business principle and for this reason we work hard to clearly identify and define those who buy our products, those who consume them and those who distribute them. By doing so we will always be able to offer them the best product with the highest competitiveness and the best service.

Our flexibility and high grade of excellence in our teams lead us to adapt to the changes in our consumers' needs and tastes, nationally and internationally. Thus, we are present in over five million

homes in Spain and in hundreds of thousands in Europe and the rest of the world. In Spain, we have reached over 40% quota in the fourth range segment and we have a 58% market share in our pouch format products. Our track record backs us up, our consumers' daily choice, too.

Our commitment and devotion to our customers is maximum. Thanks to that we are stronger and more competitive. Similarly, we combine maximum quality and our knowledge of tastes and trends, giving a guaranteed service 365 days a year, we keep on growing and expanding our business to new channels and markets.





WE REACH OVER  
**+5M**  
HOMES IN SPAIN

QUOTA  
**43%**  
IN FOURTH RANGE

QUOTA  
**58%**  
IN POUCH FORMAT

SERVICE  
**24h**  
365 DAYS A YEAR





Alberto Solaz, Toya Gilabert and Jean-Michel Beranger, from our fourth range sales team.

# Our salads reach restaurant menus

In our pursuit to find new markets and distribution channels, in 2017 we reached the Food Service channel with our fourth range products, which is the hotel, restaurant and catering sector. A broad segment with great growth prospects for our company.

In our country the number of people who opt to enjoy their leisure time at a restaurant or to eat healthily out of their homes has increased significantly thanks to the recent economic reactivation. In this context, our bid for fresh, wholesome, healthy products has, without a doubt, a lot to offer. Within our assortment aimed at this distribution channel we have adapted our recipes and formats to each segment. On one hand our Sun&Vegs, ready to eat, products (Vegepasta, Supersalads, It's oat! or smoothies), are ideal to sell in establishments such as petrol stations or in vending machines. For catering uses, we have created new formats in big sizes and industrial formats, such as for example mixed salad in a 500g or kilo format.

In terms of logistics, our geographical distribution from our production centres allows us to come to terms with the agility required in this new market. We can deliver products in under 24 hours to 90% of national province capitals, including the seven Canary Islands, from our production centres



We reach  
90% of national province  
capitals in 24 hours

Currently our priority is to keep on growing in two ways. Firstly, guided by big distributors, that will become our allies to reach small or medium independent premises. Secondly, we need to achieve strategic alliances with specialist corporate restoration groups, which have their own centres and premises, with national implementation.

The first projects already kicked off at the end of 2017. Our sales team is already working on generating business via this new distribution channel.



# Portugal, a successful touchdown

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In 2017 we landed on the Portuguese market with our ready to eat assortment. For our launch in our neighbouring country, we have opted for our Sun&Vegs brand and our most innovative fourth and fifth range products, such as our Micro Veg dishes, our Supersalads or our “Tabbouleh” and “Quinoa”. Sun&Vegs’ arrival to the supermarkets has happened gradually, with the first launch in 50 shops in October and it will extend over the whole country during 2018.

## A brand with its own personality

Our Portuguese market launch was accompanied by our new design for all our packaging and the adaptation of each message or name in our Sun&Vegs products to the Portuguese identity. The new packaging design aimed to reflect the image of our crop fields where our vegetables grow, using a panoramic view from the air. The names of the new references mirror a young, dynamic essence following our product trends: from our supersalads “Fresco&Frasco”, to our pot salads “Grão&Grão” or our micro veg dishes “Quente&Boa”.

On the occasion of our launch, an important media campaign has taken place to make our products known by Portuguese consumers. In our campaign, we have especially emphasised the values that define our brand: fresh, wholesome, optimistic, innovation, passion and excellence. Under the “O pronto a comer. Agora, en bom” (What’s ready to eat. Now in a delicious version), our brand reached our target consumers via tasting sessions and shelf decoration in supermarkets,

and handing out samples of our products at underground stations in Lisbon. Within our strategy to make our brand known, a website and social media profiles, have been launched, where we post little stories that reflect our values: quality, innovation and trends.



Our first Sun&Vegs references in Portugal.

## A market with an appetite for what's healthy

The Portuguese market has great potential for us as a company due to its geographical proximity and also its cultural and historical ties. Composed of 10 million inhabitants, the population's consumption habits are aligned with Sun&Vegs' values. In fact, according to recent surveys, 45% of Portuguese consumers claim to have "healthy habits". Taking this into account, our objective is clear: we aspire to become our Portuguese consumers' first choice when it comes to fresh, wholesome products.



Our brand launch was accompanied by a significant media campaign which went beyond the point of sale.



## Our Customers

By combining maximum quality, and guaranteed service 365 days a year along with our guarantee of the highest efficiency and competitiveness on the market, allows us to continue growing and expanding our business to new shores. Over the last calendar year, we have broadened our international expansion, succeeding in supplying our products to over 30 customers in over 20 countries.

In 2017, 29% of our sales from our agricultural unit were allocated to international markets. In our nutrition area, our international sales already count for 20% of our turnover, a prime example of our commitment with our customers that makes us stronger and more competitive to face the future.





# Continuous investment to keep on growing

Our investment in innovation and our continuous improvement have been two foundations which our company has been built on, since its beginnings in the year 2000, almost 170 million euros have been invested in our production centres, crop fields and R&D projects. Over the last calendar years, we invested a sum of 7.5 million euros allocated to improving our process efficiency, increasing our productivity and renewing our equipment, as well as diversifying and broadening our product range.

## In 2017 we invested a sum of 7.5 million euros allocated to improving our efficiency and productivity

Most of this investment has been dedicated to our industrial area. Our Nutrition business unit has received a 3.4 million euro investment, mainly aimed at installation and equipment for the production of our new product made of fermented oat "It's oat!", and at the start up of a new pouch production line at our Carlet plant.

Within our fourth and fifth range business unit, our bid to produce the toppings for our salads has implied investing almost 3 million euros in our Antequera plant, with the installation of a second "clean room" that has allowed us to multiply our topping production capacity at the plant by three. Another 800,000 euros have been allocated to acquiring machinery to produce new products, such as our Micro Veg Dishes, at our Aranda plant and renovating our refrigeration installations for a more efficient and sustainable system at our Riba-roja plant.

Our Agricultural business unit has had around 400,000 euros investment. In our fields, this investment has been aimed at improving infrastructures for the optimization of our watering systems, renovating our harvesting machinery and improving our greenhouse facilities. At our processing plant several production lines have been adapted to make them more flexible and we have made improvements in our refrigerated chambers and in our automated warehouse.

### Main investments

#### Nutrition business unit

**3.4M€**

Oat project and new pouch production line at Carlet

#### Fourth range business unit

**3.7M€**

New 'clean room' at Antequera, Micro Veg line line at Aranda and refrigeration renovation at Riba-roja

#### Agricultural business unit

**0.4M€**

Watering optimization, greenhouse improvements in our fields, Adaptation in our production lines, refrigerated chambers and our automated warehouse on the factory floor

# Mesturados Canarios: 10 years by and for the Canary Islands

Mesturados Canarios has been producing maximum quality products by and for the Canary Islands for the last ten years. The company, established in 2007 as a joint venture between SAT Canarisol and Grupo Alimentario Citrus (GAC), has established itself as a market leader in the Canary Islands, with 60% of the local market share.

Over this last decade, Mesturados Canarios has grown, on average, by 35% every year, going from a 500,000 euro turnover in its first calen-

dar year to 12.1 million euros in its last calendar year (2017) and the sum of 10 million euros have been invested in innovation and continuous improvement.

Currently, our Granadilla plant produces almost 9 million salads a year and employs 47 employees (twice the staff as in 2007). Mesturados Canarios, alongside its partner SAT Canarisol, grows over 30 agricultural varieties in its fields that are mainly used to prepare salads.



Mesturados Canarios celebrated its tenth anniversary with an institutional event with the presence of Fernando Clavijo, president of the Canary Government and Narvay Quintero, Canary Agricultural counselor as well as holding an open day for its staff's families.



# Sustainable growth

Our fundamental purpose as a company is to grow, earnestly, with a clear identity, making us sustainable in time. In these 17 years, we have reinstated ourselves as a solid, profitable company that has growth on the grounds of an honest business strategy, loyal to its principles of integrity and transparency.

Over the last calendar year, our company has maintained its continuous growth as in the last few years. Similarly, our different business units have reached an aggregate turnover of 253 million euros, 5.5% more than the previous year. In the last year, we have sold over 403 million units of our products in a score of countries all over the world and our workforce has reached 2,153 people.

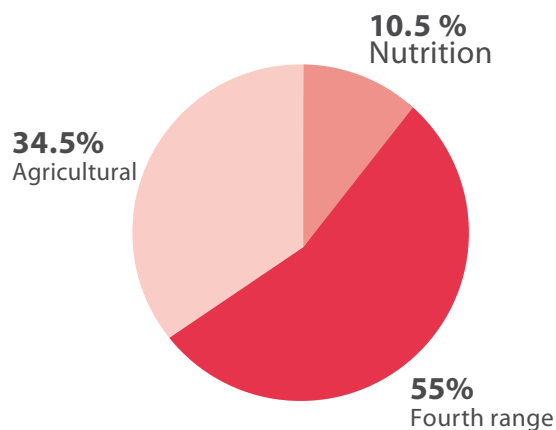
Taking a look at our business units, our fourth range business unit has experienced the highest growth in 2017, with a 139 million euro turnover, which means 8.6% higher growth than the previous year.

Our Nutrition business unit has reached a 26.5 million euro turnover, which represents 7% more in 2016. Finally, our Agricultural business unit's turnover has grown almost 1% reaching 88 million euros.

Altogether, our fourth range unit covers 55% of our turnover; our agricultural unit 34.5% and our Nutrition unit 10.5%.

The year 2017 has been yet another prime example of our continuous, sustainable growth. These figures are an incentive for us to keep on working as we have done up until now and to be able to continue generating long-term value for our employees, shareholders, suppliers, consumers as well as the societies where we are present.

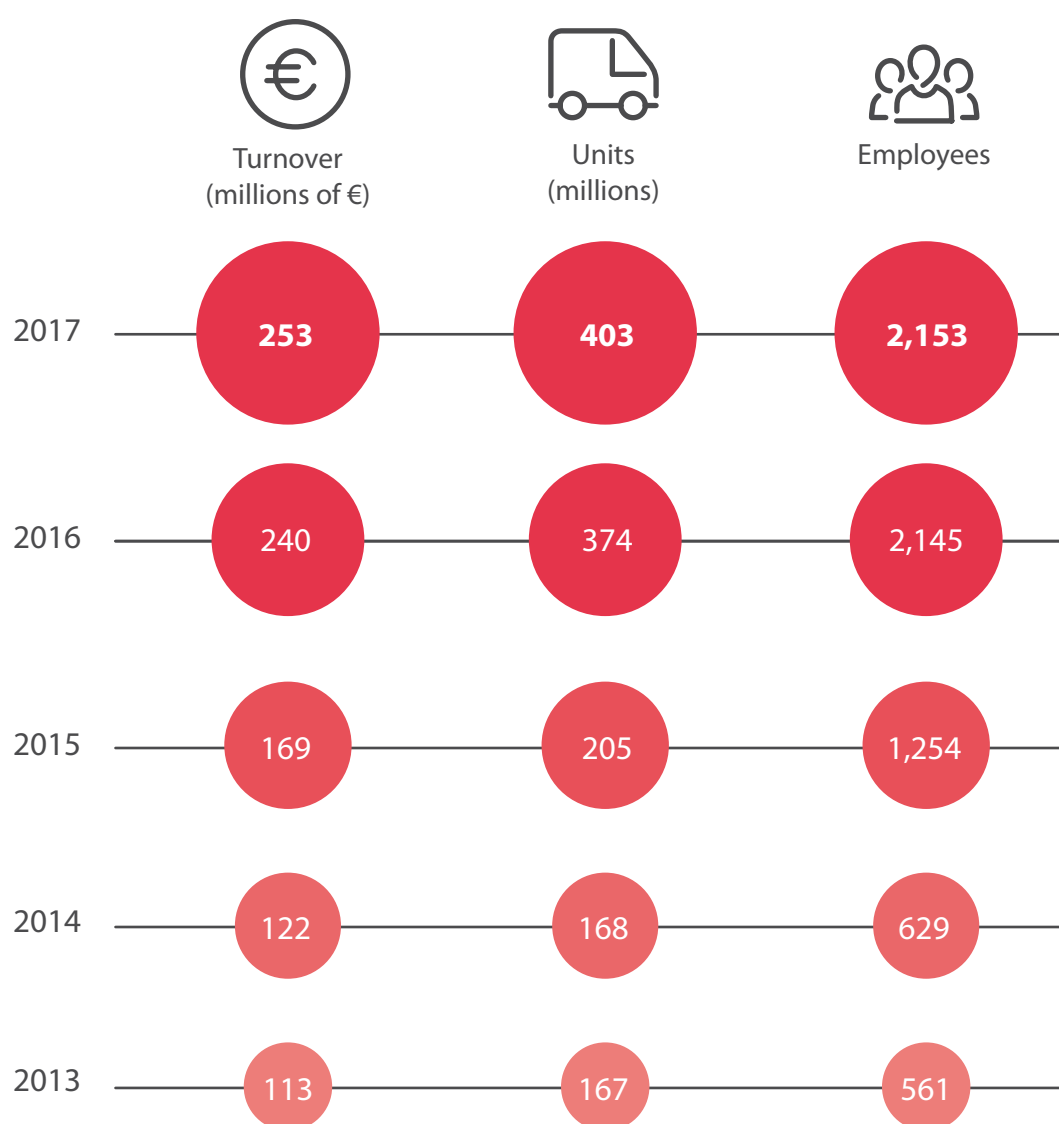
## Our business units' weight



## Turnover per business unit

	2017	2016	Variance
FOURTH RANGE	139M€	128M€	+8.6%
NUTRITION	26.5M€	25M€	+7%
AGRICULTURAL	88M€	87M€	+1%
	253M€	240M€	+5.5%

*These results are an incentive for us  
to keep on working as we have done  
up until now*



\*Aggregate turnover: fourth range, nutrition and agricultural business units.







