



WELCOME MÜLLER AND NOVANATURA



Annual Report 2019



The scope & preparation process of the 2019 annual report

This report aims to provide a clear picture of our business operations and our commitment to creating a positive impact on our environment from three perspectives: economic, social and environmental.

We are not only proud of what we do, but also of how we do it. That is why, from the very beginning, we have been open with our customers, to society our consumers, our suppliers in order to generate an honest and transparent relationship and rapport with all people involved in our business.

This report also has detailed information on work and operations and, among other points, includes the consolidation of the international expansion of our company, investments in new processes and innovation or the commitment to the professional development of our people.

Our customers and suppliers, and society as a whole, can learn first-hand about our team of people, our brands and products, as well as the company's production potential as regards agricultural and industrial matters. Our commitment to sustainable growth and to quality, food and safety, and innovation determines the close link that we want and must maintain with the environment and society.

This financial year, in our efforts to consolidate our position as a company linked to sustainable development we have renewed, with even greater determination, our commitment to meeting the United Nations' Sustainable Development Goals (SDGs) for the decade of 2020-2030.

We are committed to complying with the SDGs by integrating the challenges set out in these objectives into all our business areas in order to choose the best options that will improve the lives of future generations in a sustainable manner. . Therefore, in our day-to day work, we are dedicated to environmental sustainability, to the quality and safety of the products we produce, and to the efficiency and continuous innovation that have always defined us and are part of our nature.

Transparency in the company's actions attests to the performance of our firm. In a world in constant change, the commitment to sustainability and growth shapes our way of being.

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GAC in big



9 PRODUCTION PLANTS



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AGRICULTURAL HOLDINGS

PRESENT IN
30 MARKETS



4,000

HECTARES OF
AGRICULTURAL SURFACE



2,554
EMPLOYEES



g numbers



€324M
TURNOVER
(+5%)

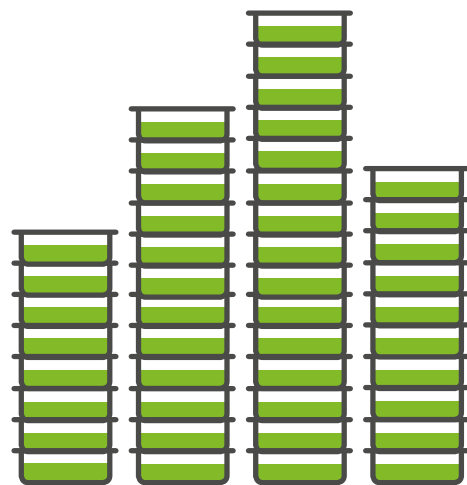


INVESTMENT
€5.3M



+300

ASSORTED
REFERENCES



229 MILLION READY
TO EAT SALADS

Letter from the President

The year 2019 has been a great year, in which we have grown again. With great effort, we have achieved major milestones that make us proud.

We have grown, no doubt, thanks to GAC's acquisition of the Swiss business Josef Müller Gemüse AG and the Italian business Novanatura SLR. Both companies, together with the purchase in 2018 of the German company Thurländer Salate GmbH, bring us closer to achieving our objectives in the GAC2020 strategic plan. A plan which focuses on customer and country diversification as well as maximising the synergies of the current business, as regards both commercial and operational.

This international expansion also allows us to grow as a company dedicated to fresh and healthy products with an absolute focus on customer demands and current trends. We have gained new capabilities -such as cut fruit or salads of the day- new customers, new markets...but the most important thing: we have incorporated a highly professional team, focused on the business and that, after nine months, are already a part of our Group. We have grown therefore in talent, with a total of 2,554 employees representing 60 nationalities, which enriches us and makes us more flexible and adaptable to local identities. People that strive everyday to meet our objectives and continue to improve our processes on our path to excellence. Our culture and values are based on the development of our people, thanks to programmes such as Top Managers, Junior Talent or GAC Forward. These programmes which range from attracting young university students to the continuous training of our employees at each stage of their career the company. In the last year, 37 people have been promoted internally.

At a key moment for the agricultural sector, and with the climatic difficulties experienced in our fields in southeast Spain, we have been able to improve our management of the business process and have managed to give more value to our products, but we still have a way to go at the production level.



Improvement in agriculture is infinite, and GAC continues developing innovative strategies such as the Farmitank Project. A totally enclosed and isolated cultivation system where we grow different types of products, and where we can alter the external variables to affect product growth. In this way, we can save more than 95% of the water that is used in more traditional systems, in addition to minimising fertiliser usage and eradicating the need for pesticides. An example of environmental sustainability.

Another of the important aspects which has allowed us to grow has been the business development that the Group has undergone. In this way: absolute focus on the customer, defending our values as a company. We have notably increased the position of our Sun&Veg's, and Byba brands in markets such as Portugal, where we are already present in large distribution; in Italy where we have introduced complete salads; in China, where thanks to our baby food products we have gained market position.

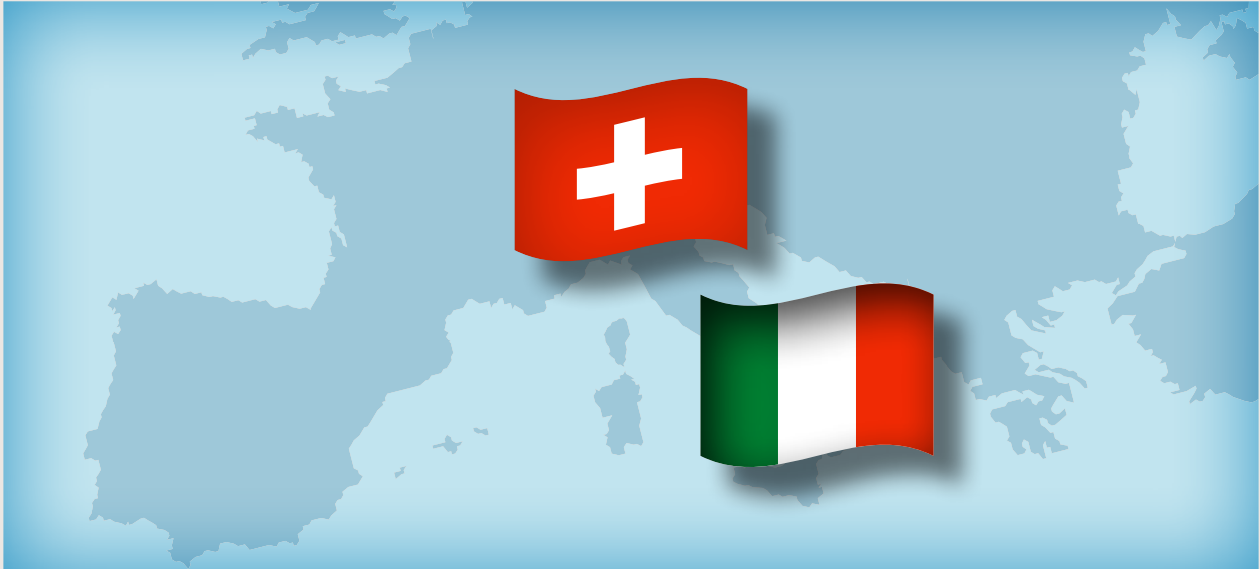
This year we have continued to transform GAC into a multinational company. This organizational transformation has had as its pillars the creation of the international structure and the design of the central purchasing office, which I am sure will be the basis for future growth, facilitating management in the long run.

A great company, but with our unwavering principles: to guarantee the food safety and quality of our products, the punctual and continuous service to different countries - each with its own idiosyncrasies in terms of needs and regulations – and of course to guarantee our competitiveness and efficiency in the manufacture of our products. Products which are innovative and trendy, which can be eaten at any time and anywhere, and which help our customers to maintain a healthy and balanced diet. Investments such as providing our own laboratory to the factories in Germany, Switzerland and Italy demonstrate our commitment to the sustainability of the business.

Today we are a large multinational group that has been consolidating its position over 20 years of development. This development will be reflected throughout 2020 in a new proposal and a new discourse at corporate level, with a more international vision and ambition that we are sure will help us project a solid, global and friendly company image at the same time. Now it is time to look ahead, to continue INNOVATING, growing, improving all our processes every day, constantly looking for the synergies within the Group and, in short to keep on this path of excellence in which we have always wanted to develop.

| Joaquín Ballester Martinavarro
| President

Milestones of the year



Our healthy revolution continues to cross frontiers: we arrive in Italy & Switzerland

During 2019 we have consolidated our international presence with the acquisition of two new processing plants: Novanatura, in Italy, and Josef Müller Gemüse, in Switzerland, specializing in the segment of ready-to-eat or ready-to cook products. With these additions, our sales outside Spain grew by 40%, from a total of 324 million euros (+5% from the previous year).

—p. 24



Healthy revolution with our own brands Sun&Vegs, & Byba

—P. 23



We implement laboratories of self-monitoring in food safety

Integration at all levels, and most importantly that of food safety as a basis for the standardisation of good manufacturing practices and consumer orientation.

—P. 48



Investigation and agricultural innovation: Farmitank 2.0

—P. 60



New products

Our range of fresh-cut vegetables continues to grow with new products, such as ready-to-eat cut fruit, 100% spreadable vegetable snacks, and 'ultra-fresh' salads Daily bowl.—P. 76

Digital transformation: towards an industry 4.0

We also continue to grow at a technological level so as to offer greater efficiency and competitiveness in our day-to-day management. —P. 95



byba开业狂欢

全场低至4折

活动时间: 7.8-7.14

西班牙原装进口果泥

(每个品牌均一折, 数量有限, 售完即止)

99

立即购买



We arrive in China with our Byba brand

Our baby food brand Byba lands in Asia and continues its expansion throughout Europe. —P. 99

Continuous Investment in innovation & efficiency

In 2019, we have spent €5.3M on the improvement of all the production plants in the company, the farms and research project development. —P. 102

Who we are

In GAC we are much more than a food company. We are an multinational company, experts in the production of fresh and healthy food, which was born to revolutionise the market through the world of balanced, trendy products, created and produced to be enjoyed at any time of the day and anywhere.

Welcome to the health revolution.



Our roots

1946

E. Martinavarro
Spain

Pioneers in the commercialisation of citrus fruits in organised distribution

1969

Josef Müller Gemüse
Switzerland

Pioneers in the fresh-cut range business in Europe

1997

Agromediterránea
Spain

Company with more than 20 years of experience in the field

1999

Thurländer
Germany

Pioneers in the fresh-cut products in Germany

2000

Verdifresh
Spain

Our fresh-cut vegetables is born in Spain. Pioneers in the development of mixed salads in which we are the absolute leaders in market share and in innovation

2003-2007

Verdifresh
Spain

Verdifresh's expansion in Spain, with production plants in: Valencia, Malaga, Burgos and Tenerife
Pioneers in fresh-cut food in the Canary islands

2008

Novanatura
Italy

Our fresh-cut production is born in the north of Italy

2010

Alnut
Spain

Through innovation, we developed our own line of baby food in Spain. Pioneers in the development of smoothies in transparent pouches, and plant-based solutions, in line with our nutritional commitment

2017

Sun&Vegs y Byba

Leaders in products and innovation, Our own fresh products and baby food brands are born

2018-2019

Glocal project

Paradigm shift. Multinational company with a global vision, managed locally

Our purpose

Our philosophy forms the basis of our culture as a company. It speaks about our mission, our vision, the common values that we share and that allow us to grow while staying faithful to our roots while remaining focused on clear strategies to achieve sustainable growth over time.

MISSION

In GAC, we revolutionise healthy eating. Therefore, our mission is to help the consumer maintain a balanced diet, but always in an easy, appetising, and practical way, that allows them to enjoy our products everyday, at any time and in any place.

VISION

We want to be the consumers' company of choice when it comes to fresh and healthy products. By offering healthy products for all stages of our customers' lives, we create long term value for shareholders, workers and collaborators, and generating a positive impact on our environment.

SHARED VALUES

All the people who are part of GAC share the same values:

Innovation. GAC's legacy is a story linked to innovation, in both products and in processes, so as to offer the best relationship between food safety, quality, service, and price.

HOCD spirit. Hygiene, Order, Cleanliness and Discipline are the four fundamental pillars that allow us to ensure maximum quality and food safety in our facilities, processes and products. A spirit that we carry within us and is present in every corner of our installations.

Excellence. Our organisation encourages the pursuit of higher and higher goals. Continuous improvement and critical thinking are one of the keys to our success.

Efficiency. We believe that production efficiency is not only the driving force behind profitability but is also a key element of our commitment to sustainability.

Commitment. En At GAC, we are committed to sustainability, taking care of our environment on a nutritional, environmental, social and economical level.

Honesty. Passion is what we feel for our origins, for our innovative legacy and for the land, from the seed itself. We put our hearts into everything we do, revealing true passion for our products. They are the best reflection of our principles and what makes us unique.

Passion. Is what we feel for our origins, for our innovative legacy and for the land, from the seed itself. We put our hearts into everything we do, revealing true passion for our products. They are the best reflection of our principles and what makes us unique.



STRATEGY

We have established a number of strategies that will help us to achieve sustainable growth:

Commitment to talent. We are dedicated to the growth of our people and seek to make them ambassadors of our values and our products, fostering a strong pride in belonging.

Global vision, local management. We are a multinational company, diverse in locations, cultures, markets and customers. Therefore, we are committed to local management focused on the needs of each customer and each market, visualising global opportunities and successes that enable us to be agile in local projects.

Experts in operations. We always strive for maximum operational efficiency, adaptation, flexibility and the latest technologies in all our processes with one overriding goal: to offer products with a better quality-service-price ratio.

Leaders in products. Innovative spirit, standards of high quality, dedication to service and, consequently, competitiveness, are the keys to

our market leadership in products. We convert new food trends into new products that anticipate the demands of our consumers.

Focus on the customer. There is no successful business project without a complete and absolute orientation towards our customers. This is why our response is to be transparent and reliable, working each day to maintain our leadership in products and our excellence in operations so as to offer maximum competitiveness and the best value for money.

Profit as an engine of responsible growth.

We want our growth to be both responsible and profitable, letting all those who helped us achieve this goal share in our success. We place profit above growth, because only in this way can we provide greater value. We want our products to improve the lives of our consumers, guarantee employment and social wellbeing, generate wealth, and take care of our environment.

GAC board members

A team to grow, with global vision and local management

GAC's management team is focused on developing the objectives of our **Growing** strategic plan, aimed at ensuring the sustainable growth of our Group.

Already established as a multinational group, we have strengthened our position in the European market thanks to the incorporation of the new companies Josef Müller Gemüse, based

in Switzerland and Novanatura, located in Italy. We have accelerated the achievement of our objectives, which are centred on customer and market diversification in addition to maximising the synergies of the current business, both in the commercial and operational areas .

GAC is dedicated to generating confidence in our customers through innovative value proposals, supported by our Sun&Vegs, and Byba brands.

We follow the path to leadership and sustainability in a clear commitment to becoming the customers' company of choice when it comes to fresh and healthy products.



Esther Verdú (Head of Processes & Integrated Systems)
Fernando Bas (Head of Legal, Communication & CSR)
Cristina Puchades (Head of Business Development)
Jesús Gómez (Head of Purchasing GAC & Director of Agromediterránea)



Joaquín Félix (Head of Nutrition Division)
Rafael Boix (General Management, CEO)
José Daniel Bóveda (Head of Fresh-cut production, Iberia)



José Ramón Martínez (Head of Fresh-cut production, International)
Antonio González (Organisation & People Management)
Federico Ponte (Head of Finance & I T)

Expanding our horizons while keeping to our principles

The field, the soil, the seed and the shoots are our origins. And it here one of the reasons of our success remains. Not only are they the elements on which our business is based, they also symbolise the evolution of our path: from the origin in the field, to the heart of our business and our products, expressing the dynamism and the expansion of the company over the years.

Our business is centred on the universe of healthy food. We make healthy and balanced eating easier, accessible and appetizing than ever before. Our products are a practical trend and can be enjoyed everyday, at any time and any place, a maxim that we have always wanted to convey and share with our customers and consumers around the world.

And this is the path we want to follow. We do not impose limits on ourselves. We believe in the

*Looking to the
future we start a new
stage of challenges &
success*

present and we work each day to do our best, but always with an eye on the future.

That is why we have expanded our company's horizons in recent years to continue taking our health revolution further and further afield. A goal that we have pursued through the international growth of the Group and the expansion of our business beyond our borders. And we do so while remaining loyal to our origins, true to our principles, to what defines us and has made us unique - yet aware that the best is still to come.

*“As time passes, organisations – like people –
change, evolve and grow, but principles, identity,
remains unchanged*

Rafael Boix, CEO

Our company is based on solid pillars that, although intangible, have been part of our principles since our origins: innovation, growth, talent and sustainability. A foundation which guides us in the running of our business and which we have developed along the following projects:



This project allows us to address our organisational transformation, strengthening local management of the units, the local adaptation of the products and recipes, as well as social collaborations where we are present, but always with a global vision.



The commitment to the circular economy, the linchpin of the **CleveR7** programme, guides us in the reduction of packaging, especially plastic, looking for more sustainable alternatives and ensuring the recycled origin or the reuse of materials.



This project centres on improving the nutritional properties of our products and has a particular impact on product composition, allergen control and transparency in labelling.



With **eSHARE** we are facing the digital transformation of our company in order to adapt better and faster to the changing environment. It is supported by a strong commitment to technical innovation geared towards industry 4.0.



SAFETYSHIELD puts the focus on food safety and the strengthening of prevention systems and quality guarantees, as well as the analytical control of our

products, plus any collaboration we undertake with technological institutes and universities.



In our commitment to the environment, this project focuses on the sustainable use of resources, in particular water and energy. The environmental certifications and the development of actions in favour of sustainability reinforce this practice.



We are strongly committed to the talent of our people. We have development programmes, and opportunities abroad, which promote learning and growth of the team.



We are pursuing the efficient use of pesticides and fertilisers to achieve the objective of zero residue in our products. Our range of BIO (organic) products is growing year by year.



GAC's legacy is a story of innovation. We are pioneers in everything we do. Not only are we especially innovative in our products, we are also groundbreaking in our processes.



It is the project for sustainable growth and company expansion to bring our health revolution to new markets. It involves synergies throughout the chain, from procurement to the sales department.



Hygiene, Order, Cleanliness and Discipline. We work with a system-planning and controlling all the processes – a simple system, but a robust one. We have absolute focus on quality and food safety in our facilities, processes and products.

Our business

Our business activity as a company in the food sector covers the entire production chain, from the seed to the consumer's table

Agricultural Division

We are producers. For more than 20 years we have been cultivating our farms and preparing the vegetables directly in the field to guarantee maximum freshness and more sustainable logistic solutions. We grow our vegetables on 4,000 hectares of agricultural land, in the southeast of Spain and in The Canary Islands, where we produce 34 varieties of vegetables and aromatic herbs. Our logistics and processing centre is located in Dolores de Pacheco (Murcia).

We also have an Agricultural Innovation Centre located in the province of Valencia (Spain). A large R+D laboratory focused on sustainable farming. At this centre we are aimed at improving and developing new plant varieties, such as baby leaf shoots and micro-greens. And it is here where we also look to the future with projects such as Farmitank, where we are studying a fully controllable cultivation system so as to be able to guarantee productivity and sustainability in any location and at any time of year.

Fresh-cut Division

We select, prepare, wash and package these same vegetables directly from the field so as to offer an innovative selection of ready-to-eat or ready-to-cook products.

We offer everything from salads in bags or bowls, to vegetables in microwavable bags to fresh and healthy dishes for steaming in the microwave.

This year we added a new category of products to our portfolio, as we have a varied assortment of ready-to-eat cut fruit in our site in Switzerland.

We have a strong industrial network comprising 7 fresh-cut processing plants: 4 centres in Spain -Antequera (Málaga), Aranda de Duero (Burgos), Riba-roja de Túria (Valencia) and Granadilla de Abona (Tenerife) –and another 3 in the rest of Europe– Thurland (Germany), Novara (Italy) and Hünenberg (Switzerland)-.

Nutrition Division

We produce more than 100 references, from fruit and vegetable purées for babies, to dairy desserts, smoothies and plant-based alternatives to yoghurt, in practical jar and pouch formats. 50% of these references are certified organic. We have products adapted to all stages of a child's development, from 6 months and up. They are natural recipes, without preservatives or colouring agents. In addition, we innovate to develop family nutrition solutions that cover new eating habits and consumption trends. For example, 100% plant-based products, such as smoothies, and non-dairy alternatives to yoghurt. We produce these products in our site in Carlet (Valencia).

Within a global vision of trends, at all our sites we develop our products with a local perspective, adapting to the tastes and needs of the local consumers, through our **BeGLOCAL** project.

Our production centers, and fields under cultivation

Agricultural

- Vegetables direct from the field
- Selection certified organic

Fresh-cut range

- Ready-to-eat salads
- Ready-to-cook vegetables
- Cut fruit

Nutrition

- Fruit and vegetable purées for babies
- Dairy purées
- Smoothies, and vegetable spreads
- Plant-based alternatives to yoghurt



Our locations, our footprints

We offer solutions adapted to each customer, from specific product development to personalized services. We advocate collaborative work and innovation to achieve long-term, trusting relationships with our customers.

Agriculture



It is our site that concentrates on the production of agricultural products direct from the field. We develop customised integrated solutions for the supply of fresh produce, from the seed to delivery. We work with the main distribution chains in Europe.

Fresh-cut division

Verdifresh, Mesturados Canarios, Thurländer, Müller y Novanatura are our business units specialised in the the ready-to-eat or ready-to-cook categories.



We produce pre-prepared and pre-cooked products adapted to the needs of our customers, and we develop solutions for channels such as Food Service or vending. We are market leaders in Spain and have a foothold in Portugal and France.



We offer ready-to-eat products made in and for The Canary Islands, including solutions for Food Service y Horeca, adapted to local needs and

tastes. Mesturados Canarios is the market leader in the Islands.



In Germany, we are the leading brand of salads in bowl formats. From this production plant we develop more than 50 references destined for the main distribution chains in the centre of Europe: Denmark,



Austria, Poland or Holland, to name a few. Pioneers and leaders in the fresh-cut product in Switzerland in the ready-to-eat category.

We produce differentiated products such as ready-to-eat cut fruit. We work with the main distribution chains in the Swiss market, as well as with Food Service.



Novanatura specialises in the production of ready-to-eat salads and spreadable vegetable snacks. For our customers we create innovative references in the prepacked range and solutions for the Food Service y Horeca channels, covering the whole of Italy

Baby food and nutrition



We are dedicated to production of family nutrition and baby food products.

We provide solutions tailored to the needs of customers worldwide. From recipe and product development, to the packaging design or specific filling and packaging services. With Alnut we can cater to any global customer.

Our brands

The health revolution has its own brands

We market a wide range of fresh and healthy products through our own brands of Sun&Vegs, BIO Sun&Vegs, and Byba.



With Sun&Vegs we offer products that are fresh, wholesome and practical. Products for those who have little time to cook and want to maintain a healthy and balanced diet. We have everything, from salads to fresh dishes ready to eat or cook, to ready-to-cook vegetable medleys. In addition, we have plant-based alternatives to yoghurt which are ideal to complement a balanced diet. With S&V we reach more than 25 countries - mainly European- and all kind of channels.



With the focus on innovation and more sustainable consumption, we have a line of organic certified products. The BIO S&V range includes everything from vegetables direct from the field to mixed salads, and ready-to-eat vegetables.



Is our special brand in baby food, with solutions for babies 6 months and up, to children at different stages of growth. With Byba we provide fruit and vegetable purées for babies, and dairy dessert in pouch and jar formats. With our brand currently present in Europe and Asia, we can cover all international markets.

Building our international leadership

Many of the company's current challenges and successes had their genesis in 2015, when we approved our strategic plan and laid the foundations for a new model based on sustainable growth and international expansion.

With 2015 came new markets, customers and consumers. This is how our brands Byba, for the marketing of baby food products internationally, and Sun&Vegs, for fresh products came to be. It all started in Portugal in 2017. Having established the basis for the company's organic growth, in 2018 we bolstered our internationalization strategy by incorporating the first plant outside Spain, Thurländer Salate in Germany.

Novanatura, in Italy and Josef Müller Gemüse, in Switzerland, both of whom specialise in the ready-to-eat or ready-to-cook segment, and which together with the German site, have enabled us to boost one of our key business areas in the European Market. Today our products reach markets around the world. This year, international and export turnover has reached 40% of total turnover.

To address the company's performance, as part of the **beGlocal** project we have carried out major transformations in all areas. We have created the international Fresh-cut Division, led by Jose Ramón Martínez. This is in line with the **Growing** project, which is focused on sustainable growth and diversification of customers and markets. By adopting this strategy we have increased the commercial potential of international fresh-cut vegetables, and baby food.

Novanatura: our health revolution arrives in Italy

GAC arrives in Italy, specifically to Cassalegio di Novara, between the regions of Lombardy, Piedmont, Liguria and the Valle d' Aosta, where 38% of the market for ready-to-eat products in Italy is concentrated. Novanatura's customers are the main distribution chains in the Italian market, as well as the Food Service chains. The main area of business is the production of ready-to-eat salads, both in bag and bowl formats, as well as fresh products for cooking. It also markets spreadable vegetable snacks such as guacamole, tzatziki, and hummus. A segment with great growth potential.

With 3,900 m² of industrial floorspace and an annual production of close to 3,000 tonnes, the site has lines of production for ready-to-eat salads, ready-to-cook vegetable mixes, and packaging for vegetable spreads. Thus, in the last 5 years, close to €1M has been invested in the development of new facilities and equipment. To which must be added the investment made during 2019 to adapt the site to the most demanding quality and production standards. In addition, an internal laboratory for quality and food safety has been installed, plus the first line of packaging for salads in bowl format has been implemented.

With this incorporation we consolidate our position in Europe, adding new markets and bolstering our mission to becoming the customers' and consumers' company of choice when it comes to purchasing fresh and healthy products.

Combining strengths: sharing innovation

New line: we have increased the production and innovation capacity of the plant by implementing the first production line for salads in bowl format, included in the **Growing** project. Since November, Italian consumers have been able to buy our salads in bowls via our Sun&Vegs brand.



Our own laboratory: with the emphasis on food safety, as part of our **SAFETYSHIELD** project, we have decided to make the installation of a Quality laboratory a priority for integration at our Italian site. This laboratory will allow us to carry out microbiological analyses in situ and will be adapted to the company's own standards and references in terms of quality and safety.

NOVANATURA IN NUMBERS

44

EMPLOYEES

€10.6M

TURNOVER

+50

ASSORTED REFERENCES

3,900m²

INDUSTRIAL FLOORSPACE

14.7M

UNITS SOLD



The integration of Novanatura

What I remember from our first moments in Italian territory is what is evident in the Novanatura team of today: a great sense of belonging to the company, a team that offers an exceptional welcome and a great enthusiasm for learning, improving and achieving challenges that enable our company to grow. The integration process at all levels has made change management our daily business. In spite of the whirlwind that we experienced in all areas, it has been a real pleasure to see how, little by little, our integration plan, carried out directly by the teams, has materialised and, most importantly, our philosophy and values have become increasingly important in Casaleggio. I am confident that this will continue over time, allowing us to face the long road ahead, full of hopes and challenges.



Esther Verdú
Head of Integration

Josef Müller Gemüse: Our health revolution arrives in Switzerland

GAC's growth has achieved another milestone as part of our **Growing** project, with the inclusion of the business: Josef Müller Gemüse, a Swiss company specializing in ready-to-eat salads, and cut fruit. With Josef Müller we, at GAC, gain a legacy of more than 50 years of history.

The processing plant was founded in 1969, and is situated in Hünenberg, in the canton of Zug, in the north of Switzerland. The Müller team currently comprises 134 employees.

The company's area of expertise is in the manufacture of ready-to-eat products: salads in bag and bowl formats, fresh vegetables ready to cook, as well as ready-to-eat cut fruit, which is an added and differential value of the company. In addition, it has a carefully selected range of ultra-fresh salads, ready to be eaten on the day and made with premium ingredients.

It has a multi-channel distribution network and its customers include the main distribution chains, as well as Food Service y Horeca in the Swiss market.

The site has a surface area of 6,700 m² and its facilities have high-tech machinery specific to the ready-to-eat food sector. Also, it is certified to manufacture organic products. In this centre they make more than 35 assortment references in different formats and capacities.

The incorporation of Josef Müller Gemüse consolidates our international expansion and positions us much closer to our company's strategy objectives, which is to diversify with respect to

customers and countries and to maximize the current business synergies, both at a commercial and operational level.

JOSEF MÜLLER GEMÜSE IN NUMBERS

134

EMPLOYEES

€26.6M

TURNOVER

+35

ASSORTED REFERENCES

6,700m²

INDUSTRIAL AREA

16.9M

UNITS SOLD

4,300

TONNES PRODUCED



The team from the Müller processing plant

50th anniversary of Josef Müller Gemüse

To celebrate 50 years of success and growth we organised a conference, to which both the company president, Joaquín Ballester, and the former owner and founder of JMG, Mr. Josef Müller attended.

Members of the Management Team, administration and production came, accompanied their families. A great day was enjoyed by all.

Josef Müller Gemüse, a company specialised in ready-to-eat salads and cut fruit celebrated 50 years as the Swiss market leader in the cut fruit category. The production plant has been offering fresh products in practical formats since 1969, making it easier for consumers to eat healthier.

Projects to highlight

Our own laboratory: We have inaugurated a Quality laboratory that allows us to carry out analyses of the finished product in the production plant itself. It is equipped with the most efficient and innovative technology in order to guarantee maximum food safety. This project is part of the company's **SAFETYSHIELD** programme for safety and quality.

New room for ready-to-eat fruit: we have also modernised our site in order to boost our fruit line, for which a factory has been designed to serve as a platform for the development of this business. This project, which began in December 2019, will be operational in the first half of 2020 and, in which, 1.85 million euros has been invested.



The integration of Josef Müller Gemüse

On 13th of March we welcomed our new Swiss colleagues and the integration process began. We got to know in great detail the reality of the site, our customers and the new market and we looked for the synergies between our strengths. Thus, in a matter of weeks, the first trucks loaded with our raw materials from Murcia were leaving for Switzerland. We were also able to effectively implement different SAP modules, jointly develop new recipes for ultra-fresh salads projects or introduce the Sun&Vegs brand in Switzerland to one of our customers. We were even able to celebrate the company's 50th anniversary!

Looking back, I can't conclude without giving my sincere congratulations and deepest thanks to everyone of our colleagues for their hard work, effort and dedication.



Alfredo García Lorenzo
Head of Integration

Thurländer strengthens our position in Europe

In 2019 we celebrate Thurländer Salate joining the GAC family one year ago. Today, Thurländer is strengthening its position as Germany's leading company in the ready-to-eat salad segment in bowl format.

Germany has been a priority market for our company since 2015, when we initiated our export strategy in the areas of agriculture and baby food. The incorporation of Thurländer in 2018 has allowed us to enter new markets for the expansion of one of the Group's key business areas: The production of ready-to-eat salads.

The integration and adaptation process carried out over 2019 has been a highly satisfactory experience that has provided us with commercial and operational synergies at Group level since the outset. In addition, it has permitted us to get closer to the objective of the **Growing** project sustainable growth through the diversification of customers and countries.

The teams have been strengthened, and an organisational structure has been designed to address future growth.

Today, the Thurländer site is an essential cog in the gears of our Group. The German company has reinforced its relationship with its main customers, thanks to the drive for innovation that has allowed it to expand its range of mixed salads and generate the necessary confidence to continue growing by supplying new references for salad bags.

The German site has an area of 8,500 m² and has been boosted in industrial capacity in 2019 to guarantee customers and consumers an innovative product range, with the highest quality standards.

From the site in Thurländ (Saxony-Anhalt), which has 324 employees, we currently manufacture more

than 50 products which are supplied to the main distribution chains, such as Food Service y Horeca channels in Central Europe, specifically Germany, Denmark, Austria, Switzerland, Holland y Poland.

THURLÄNDER IN NUMBERS

324

EMPLOYEES

€48.6 M

TURNOVER

+50

ASSORTED REFERENCES

8,500m²

INDUSTRIAL AREA

4,300

TONNES PRODUCED

34M

UNITS SOLD



The local and the Group's R+D teams have worked together to adapt the recipes to the tastes and needs of each market, according to the **beGLOCAL** project, increasing activity in adjacent markets.

As a result of the synergy between sites new formats of snack bowl salads have been launched in 2019. New toppings have also been introduced and the number of choices have been increased.

As part of the **SAFETYSHIELD** project, during 2019 we have implemented an internal laboratory in the production plant in accordance with the Group's quality and food safety standards.

Our health revolution is taking hold in Germany.



**WE ARE
RESPONSIBLE**

The United Nations Global Compact

Since our origins as a company we have aligned actions, strategies and operations to a global strategy of responsibility and sustainable development. These principles are fully in line with the objectives of the United Nations Global Compact.

This framework has provided us with guidelines on the protection of human rights, regulation of labour standards or the protection of the environment, among others, which we have embraced as part of our principles and our way of acting responsibly, both at an internal and external level.

We want to play a fundamental role and actively participate in the transformation and evolution towards a more sustainable society. For this reason,

since 2011, each year we have renewed with full conviction our commitment and adherence to the principles defended in the United Nations Global Pact.

Our report includes our company's actions related to the OSD throughout 2019.



Code of Ethics and Compliance Model

Our Code of Ethics is transversal and common, the cornerstone to our Compliance Policy, and applies to all our businesses and countries

Our model of crime prevention (Compliance model) is based on a core element that is common to all businesses and countries: Our Code of Ethics and Conduct. On the basis of this, in the last year we have designed and developed a compliance programme, identifying the main legal and operational risks that may occur in each of our business units. We have also reviewed each the internal procedures implemented, in order to avoid/or mitigate, as far possible, each of the risks identified.

If the implementation of a real and effective Compliance model it is in itself a difficult task, the variable of internationalisation contributes to the complexity of the process. We have put a lot of effort into taking this diversity into account and working to ensure that every last one of our

employees is imbued with the Group's compliance culture regardless of their geographical location.

Thus, we have opted for a global management model that starts with the definition of common guidelines and standards of action for the whole company, together with uniform processes for risk management, but without losing sight of the local nature of our business units and the necessary adaption to each jurisdiction.

This model requires continuous review and updating, driven by the Ethics Committee, with periodic internal training and with a clear objective of communicating to our employees and collaborators: our firm commitment to a crime prevention model that is the cornerstone of the Group's sustainability.



H.E. Antonio Guterres
UN Secretary General
NY 10017 New York USA

Valencia, 31 March 2020

Dear General Secretary,

Once again, I have the satisfaction of transmitting to you the renewal of our commitment to the principles of the United Nations Global Pact for yet another year. Some principles that, based on the four fundamental pillars of Human Rights, the environment, working standards and the fight against corruption, we continue to be strongly committed to in our company.

Attached to this letter is the Annual Report of our group detailing the activity, as well as the strategies and actions promoted during the year 2019 in terms of corporate responsibility at an economic, social and environmental level. We are also aware of our consolidation as a multinational company, thanks to the acquisition of two new companies in Europe. A growth that is based on the principles and objectives of sustainable development, and rightly so.

This year, we have continued to grow, and we now have 2,554 employees of 60 different nationalities. GAC's international projection enriches us, makes us more flexible and allows us to adapt to local identities. Our commitment to equality and diversity can also be shown in numbers. The workforce is made up of 49,9% women and 50,1% men, of which 94% have a full-time contract and 83%, a permanent one.

Our focus on sustainability has been reflected by the strengthening of our actions to face the climatic emergency that plagues the territory where we grow our vegetables, our fields on the shores of the Mediterranean. The agricultural sector is at a crucial point and in the face of the climatic difficulties that the Spanish southeast has been experiencing, there is no other option than to reduce our ecological footprint as much as possible, from our fields and crops to our production centres.

Our focus on sustainability makes us go further and, in our commitment to innovation and research, we have our Agronomic Innovation Centre (CIAM), which is focussed on the development of new processes and more sustainable cultivation methods, and where we continue to successfully advance our Farmitank project, aimed at studying a fully controlled cultivation system in order to guarantee productivity and sustainability at any location and time of year.

Furthermore, in our commitment to positively impact the environment in which we operate, throughout 2019, we have continued to support different projects of the Spanish Red Cross and the Spanish Association against Cancer (AECC). We have also renewed our agreement for the donation of products to the Spanish Federation of the Food Bank (FESBAL) as well as collaborating in several fund raisers and charity races.

We promote an innovative and sustainable vision of growth, which is shared by our workers, and which we wish to firmly transfer to the rest of society. We will continue to work harder, if possible, to continue managing our activity in a sustainable and responsible manner. For this reason, by means of this letter, we want to renew our adherence to the United Nations Global Pact once again.

Yours faithfully,

Joaquín Ballester Martínvarro
GAC President

Committed to Sustainable Development

Since their adoption in 2015, the Objectives of Sustainable Development (OSD) have been a milestone to which GAC is fully committed to respond to the current local and global challenges, from the reduction of poverty and inequalities, to the fight against climate change or the promotion of diversity and progress in our society.

We want to do our bit to create a more sustainable society

According to the United Nations, the year 2020 marks the beginning of a decade of ambitious actions that will require the acceleration of sustainable solutions to the main challenges our world faces today, in an effort to achieve the objectives set out in the 2030 Agenda.

Within this international framework, the Spanish agri-food sector adapted the Objectives of Sustainable Development to the sector. To make them closer and more attainable 30 challenges were proposed. These are mostly related to Goal 12, “Ensure sustainable consumption and production patterns”, to Goal 2 which promotes efficient agricultural management, and to Goal 3, “Health and Wellbeing”, which seeks to promote healthy diets and lifestyles.

Guided by this challenge, at GAC we want to be part of this unstoppable movement and do our bit to create a more sustainable planet. Therefore, we have clearly integrated these challenges into our business strategy, which are also fully shared and promoted by all our people at the different

sites that make up our Group - from the fields to the production centres - and which is clearly manifested in our commitment to health and our mission to revolutionise. In line with our business, and following the principles of OSD 2, we focus our efforts on efficient agricultural and natural resources management, especially water. In addition, we are also committed to promoting a healthy diet and lifestyle, with our fresh and healthy products, and ensuring clear and transparent labelling, in response to OSD3.

Likewise, following the principles of OSD 12, we encourage the use of packaging that can be recycled and reused, and we work towards sustainable management of the supply chain to reduce food waste as much as possible.



Our contribution to the Objectives of Sustainable Development

OSD 2. HUNGER ZERO



We promote efficient agricultural management of natural resources, especially water, and encourage sustainable ecological cultivation practices. In our fields we work to achieve “zero waste” in our crops.

We help our suppliers to promote sustainable agricultural, livestock, and fisheries production with continuous evaluation procedures.

OSD 3. HEALTH & WELL-BEING



We want to revolutionise healthy eating to help consumers maintain a balanced

diet with our innovative range which also includes organic products.

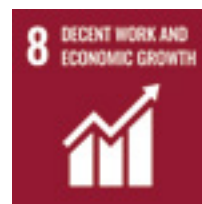
We are certified by the most important international bodies in terms of quality and food safety. This year we have installed laboratories in all the international production plants, so all 9 of the Group’s sites have these facilities.

OSD 5. GENDER EQUALITY



We are committed to diversity and equality. Overall, the workforce is made up of 49.9% women and 50.1% men. Additionally, we foster a business culture of zero tolerance to any form of discrimination.

OSD 8. DECENT WORK & ECONOMIC GROWTH



Our company’s economic growth is sustainable and inclusive. We are dedicated to stable and quality employment, talent and professional development, guaranteeing decent working conditions, and a safe and healthy work-

ing environment. We evaluate social practices of fruit and vegetable producers using the GRASP module of the GLOBAL G.A.P standard, which takes into account occupational safety, health protection and the social interests of workers in agricultural enterprises.

OSD 9. INDUSTRY, INNOVATION & INFRASTRUCTURE



We use advanced and state-of-the-art technological systems in the company that allows us to promote innovation, efficiency and productivity under the sustainability criteria throughout the value chain.

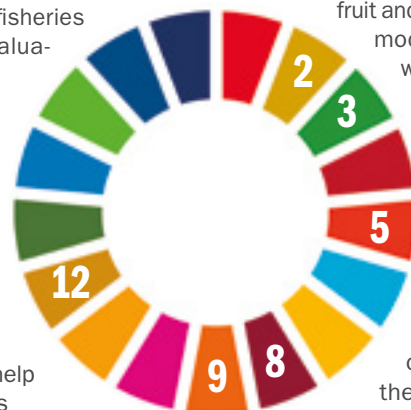
OSD 12. PRODUCCIÓN AND RESPONSIBLE CONSUMPTION



We promote measures to reduce raw material losses and food waste.

We optimise the size of packaging and apply eco-design and new, more sustainable materials to our products.

We also guarantee clear and visible labelling on all our products, providing transparent and reliable information.



Committed to our people

Over the last financial year, we have consolidated ourselves as a multinational company and have strengthened our international position, thanks to the acquisition of two new sites in Europe. Our group grows, but not alone. We know that our growth is intrinsically linked to our personnel, a responsible and committed team, who continually give the best of themselves to overcome the great challenges posed by the sector, to power our health revolution forward.

By 31st December 2019, a total of 2,554 people formed part of our workforce across sites in Spain, Portugal, Germany, Switzerland and Italy. But this is more than just a number, it represents each and every one of those people who form part of our group and reflects our bid to become a company that works actively to create solid and long-lasting relationships with our employees.

For this reason, we commit to stable, quality jobs, and to the professional development of our staff. This commitment to our personnel is demonstrated by the fact that 8 of every 10 of our workers have a permanent contract, (83%) and 93.8% are on full time contracts.

In 2019 we have increased our workforce by 5% in Spain and worldwide by 11%, which signifies 263 more employees. Where our products are concerned, for another year running the fresh-cut division has been the fastest growing products. Together this means a total of 1,225 employees, 8% more than in the previous year, an increase which is mainly due to integration of new sites in Switzerland and Italy, where a total of 178 people are employed.

 **2,554**
STAFF MEMBERS

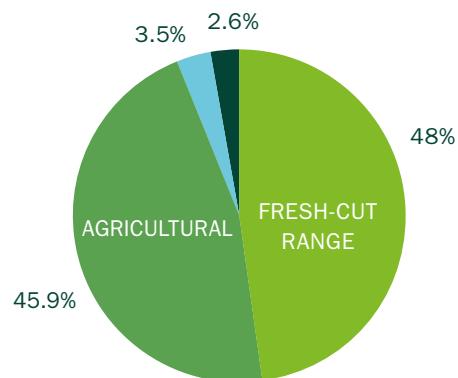
 **83%**
PERMANENT CONTRACT

 **94%**
FULL-TIME

 **49.9%**
WOMEN

 **50.1%**
MEN

 **60**
NATIONALITIES



BUSINESS UNIT EMPLOYEES
45.9% of our employees belong to the Agricultural Division, 48% to the fresh-cut Division, 3.5% to the Nutrition Division and the remaining 2.6% belong to the group's corporate structure.

The challenge of diversity

As a responsible company, we are committed to effective and real diversity in all its forms, and socio-labour inclusion, which has been a challenge in a year where we have incorporated a great number of staff, encompassing 60 different nationalities employed within the group.

We believe in and support the diversity of our personnel, independent of their gender, age, religion or nationality. In our company, diversity applied to talent allows us to boost the most creative and cutting-edge ideas, drawing from different points of view and experiences, and ultimately respond to the challenges and difficulties posed by our sector, and to the needs of our clients in the different markets.

Commitment to diversity and equality is at the crux of our way of working. Globally, the workforce is made up of 49.9% of women and 50.1% of men, and currently, our workforce is made up of people of over 60 different nationalities, from four different continents. A cultural diversity and richness which promotes tolerance, knowledge, innovation and which helps us to grow every day as a company and as citizens of a global society.

Diversity has a daily presence in the different staff profiles that make up the teams in our

Our team's diversity makes us grow every day, strengthens our competitiveness and allows us to have the best team of people

business divisions: from the field operators and logistics personnel, to engineers specialising in food technology, robotic or industrial design, as well as nutritional experts, marketing and logistics, among others.



We are committed to equality between men and women. Globally, our workforce is made up of 49.9% of women and 50.1% of men. Our corporate culture has a zero-tolerance policy towards discrimination in the workplace.



The company's economic growth is sustainable and inclusive. We support stable and quality employment, talent and professional development of our personnel, guaranteeing dignified working conditions and generating promotion and growth opportunities.



Training and development

We want to be an attractive option for internal and external talent, and an example of a company that supports professional growth of personnel. For this reason, we back a varied range of training programs which serve both to boost the dynamic character of the organisation as well as of those who work in it, generating opportunities for professional growth and internal promotion. Encompassed in our **TalentLAB** project we use different programs which run from head-hunting young graduate talent to continual training for employees in all levels of the company.

Junior Talent

This program showcases our support for training, head-hunting and development of the company's future directors, with a clear focus on mobility and globalisation.

Aimed towards young, recently graduated professionals, the program offers a complete itinerary of continual training and mentoring, in which those selected learn about the company's core ideals, and for an period of approximately two years, spend time in different areas of the company to familiarise themselves with the modus operandi of distinct departments, taking on responsibilities from day one.

GAC Forward

This program focuses on development of leadership capacities at all levels of the organisation, imparting a detailed knowledge of company globalisation procedures. By preparing our personnel in this manner, we facilitated management of procedural changes when incorporating the new sites at Thurländer in Germany, Josef Müller in Switzerland, and Novanatura in Italy.

Since the start-up, in January 2018, around 20 people from different areas of the group have participated, and 16 are taking part this second time around.

Top Managers

This is our development program for the future leaders of the company; people who are prepared totake on new responsibilities, manage transversal projects and teams, as well as face the new national and international challenges and opportunities of the organisation.

Over the past year, 9 of the company's employees have followed a complete itinerary, with workshops and meetings with the Steering Committee, developing projects under its supervision and participating in team-building exercises. Three of the participants have since become members of the Sterring Committee.



Participants in the Top Managers program, 2019



The training and development of our teams is one of our main priorities and follows the ODS 4 line on quality education. In this way, we guarantee that our employees have access to permanent training opportunities which permit them to grow professionally.

We believe in talent

Training of our teams is the seed of our growth. Inés, Jorge y Paco are shining examples of com-

pany support for professional development and creation of opportunities through the different training programs on offer.



Inés Torán joined the company at the beginning of 2018 as junior technician of operations in Agromediterránea, forming part of the third edition of the Junior Talent program.

“Since I joined, I haven’t stopped evolving, in all aspects. On a professional level, participating in the process of integration of the Josef Müller Gemüse site has granted me with a global vision of the business, understanding the involvement and importance of each department in the production procedures so that the result is a success”. “I would compare it to doing a Master’s degree at full speed. On a personal level, I have been able to use my languages, thereby improving my language skills.”



Jorge Galán arrived at the company halfway through 2018 as technician in the Operations department at Verdifresh and during this period he has participated as Operations Integration Technician in Novanatura.

“It has been a valuable learning process. Professionally, under the tutelage of Esther Verdú and with the rest of the international integration team at my side, I have contributed to the integration of a group of fantastic colleagues to the company.”.

“I can only be thankful for having participated in a project that outlines our growth strategy, for the present as well as the future. On a personal level, I now have a small Italian family, not just new work colleagues.”



Paco Carrillo joined the company in 2015 as operations supervisor at Verdifresh in Antequera and two years later he took on the role of Site Manager. He is currently Director of Operations at Verdifresh and has been selected to join the Top Managers program.

“Participation in this program has been a very enriching experience. The team building activity has allowed me to get to know my colleagues better outside the work environment. Also, the training received has been very positive for me. It has helped me get to know myself better and I have been able to apply this to my everyday life and work.”

“I feel honoured to belong to a company like ours, whose philosophy I fully identify with. This Group has made my dreams come true, and, moreover, giving me the opportunity to be Operations Manager of three Verdifresh processing plants.”

Training and professional development

Our Group knows that a major part of growth and success starts with people. They are our biggest asset. This is why we back the talent, professional development and growth of our employees through training.

This financial year has witnessed integration and consolidation, analysis of the needs and synergies with the new international business corporations, as well as the development of company policies, procedures, tools and common frameworks. In a year defined by the integration of our new sites in Europe, training and internal communication has been fundamental in conveying our philosophy, culture and company values to our new colleagues.

Hence, in 2019 almost 70% of the Group's employees participated in one of the programs and training courses developed for management of goods, improving capacity for professional performance or occupational risk prevention.

We look after our people: health and safety training

We think that risk prevention is the best tool for looking after our staff and guaranteeing a safe and healthy work environment. With our **SAFETYSHIELD** project we are committed to safety, and we are always one step ahead of the legal requirements in all countries in which we work.

Risk prevention training is fundamental in our company. We focus our efforts on controlling and improving with the aim that all working centres, from the fields to the processing plants, are adequate, safe and healthy workspaces.

During 2019 a total of 1,200 people participated in one of our Occupational Risk Prevention programs which we organise, and which comes to a total of 2,400 hours of training given.

The installations in the different work centres, as well as the procedures, are continually revised

9,128

HOURS OF TRAINING

80

COURSES AND TRAINING PROGRAMMES

37

PEOPLE PROMOTED INTERNALLY

to eliminate or minimise risk factors. During this financial year all divisions of the company have been subject, with success, to a total of 143 audits, inspections and internal follow-up procedures with the aim of evaluating safety and making improvements. We have also passed 85 audits carried out by external companies and by the corresponding technical organisms of the relevant governing bodies.

This year Verdifresh passed the regulatory audit for Occupation Risk Prevention, which guarantees the compliance of the relevant legislation across its three sites.



Verdifresh has been improving its working conditions on a continual basis over the last two years, and as a result the number of incidents is below average for the sector. The investments made have had repercussions in all areas of the company, reducing the risks in warehouses and production areas.

The risk prevention service provided by ES-SPACE, created in 2018, has enabled us to direct training over the past year to those who occupy posts involving the highest risks. 1,164 hours of risk prevention training have been given to tractor drivers, on the use of forklift trucks, and first aid. Throughout the last year we have promoted the campaign 'Working Without Accidents' which aims to reduce accident rates in the fields.

Additionally, 63% of the Alnut work force has received training on security and health in the work place, with a total of 252 training hours given, whilst in the Fresh-cut Division we have imparted 38 courses, in which 516 people have participated. In total, we have given 1,073 hours of practical training, in handling of fork lift trucks, platforms, first aid, and fire drills, putting the workers to the test and ensuring they know which procedures to follow, as well as training in specific areas of risk prevention for chemicals, noise and ergonomics.

OCCUPATIONAL RISK PREVENTION

55
COURSES

2,400
TRAINING HOURS

1,200
EMPLOYEES WHO HAVE RECEIVED
TRAINING IN THIS AREA

143
INTERNAL AUDITS

85
EXTERNAL AUDITS



Boosting prevention in Verdifresh Riba-roja

Begoña Lucia Mosaka is an example of someone, at this plant, who pushes herself every day to protect every part of her team, promoting health and safety by warming up and stretching during the shift. After 15 years, Belen's commitment is an incentive to everyone.



Awards for the best crews

Halfway through 2019 we started our 'Work without accidents' campaign. Its mission was to positively reinforce work which complied with safety regulations and applied the continuous training received to perform the different tasks carried out in the field. During this time, seven crews, totalling 66 workers, have been awarded a prize and recognition.



People are our biggest asset. We guarantee adequate working conditions across all departments and we promote occupational risk prevention training to create a safe and healthy working environment, from the fields to the processing plants and corporate offices within the Group.

With our society

As part of our commitment to sustainable development, we centre our efforts on contributing actively to the improvement of our local environment, whilst sowing the seeds for a healthier future.

Our actions concerning corporate social responsibility have centred on areas as important as sport, healthy lifestyle, education and charitable work, which form the basis of our strategy in this area. In 2019 we continued to promote initiatives which reinforced our proposal to create a positive impact on our society.

*We encourage sport,
a healthy lifestyle,
education and solidarity*

In this way, our employees have collaborated, another year running, in the campaign 'No kids without toys' run by the Spanish Red Cross. Our joint efforts meant that more than 150 kids at risk of social exclusion in the areas of Valencia, Antequera, Aranda, Tenerife and Cartagena received a present that they had asked for in their 'Letter to Santa' at Christmas time.

The CSR strategy of the company aims to align all our production centres with the same goal. At Thurländer, we support our immediate social environment through donations to nurseries, sports centres and fire stations, among others.

For the fourth year running, we have participated in the 4th People's Walk in Carlet, organised by the Spanish Association Against Cancer, so that their runners can replace energy with the pouches our company donates, and we have renewed our

commitment to sporting entities and cultural associations like the one in Ragu-hn-Jeßnitz in Germany, sponsoring activities that champion reconciliation, sport and health. We also collaborate with varied local social entities and with the Federation for Food Banks, by donating our products. Together with other companies, we donate food to the food banks organised in Valencia at the Sacred Heart of Maria School and the to the charity Dreaming Awake which gets 400 destitute people together at Christmas time.



We are also present at student conferences on food and we donate healthy products to numerous events, like the Annual Congress for Food Technology Students. Through Sun&Vegs, the company contributes to the annual Womprende meeting, a community which promotes and connects female talent in Valencia. The forum brings 350 attendees together to brainstorm ideas of entrepreneurship, cooperation and female solidarity.



These are the main organisations with which we have collaborated in 2019.

A healthy and charitable team

During this financial year we have bolstered action for the promotion of healthy, charitable and sustainable habits amongst our employees, such as the campaigns to donate blood carried out in some of our centres. Once again, we have encouraged participation in many charitable races, which have become annual events for our company, such as the Women's Race Against Breast Cancer in Valencia, or the Valencian Businesses Race, for which we served as a collaborating brand through 'it's oats' by Sun&Vegs.

Commitment to the agricultural sector

We promote links with technological centres, as well as with business entities and associations within our sector to promote worthwhile cooperative projects in the local area in which we operate. For another year running we have collaborated with the Chair for Corporate Social Responsibility at the University of Murcia.

We have also renewed our commitment to the Better Training for Safer Food (BTSF) initiative of

the European Commission, in collaboration with the technological institute AINIA, and we have participated, among others, in the Masters in Technology for Packing, Containers and Logistics, organised by the ITENE Foundation together with the Agro-Chemical and Food Technology Institute (IATA-CSIC).

In 2019 we have continued to support training, giving talks and receiving visits from institutes, universities, technological centres and consumer associations to our sites, giving them, in turn, an insight into our state-of-the-art installations, production procedures and products.



Through food donations we cooperate with associations that help the most unfortunate among us and those at risk of social exclusion.



Collaboration with business, industry and formative associations reinforces our commitment to the development of sustainable projects.



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

With the environment

Our roots and the type of products we make, mean we are especially sensitive to the environment. Our company started in the field and our activity has always been linked to that and to the natural environment, which is where our raw materials, vegetables, with which we make all our fresh and healthy products, come from.

This special sensitivity comes from an environmental policy that drives our activity and concentrates our efforts in continuous improvement, process optimisation, efficient use of resources and the reduction of the environmental footprint.

We know that there is still a long way to go, we want to be a model company which has a responsible role in the care, preservation and conservation of the environment, thereby guaranteeing a better future and sustainability over time.

We are reducing the ecological footprint of our processes

As part of our **SU+RE** project, focussed on sustainability and preservation of the environment, we are continuously working in the production centres to improve efficiency and reduce resource consumption to a minimum.

The environmental certificates of the sites are also included in the **SU+RE** program. Throughout the year, all the processing plants have renewed, yet again, the ISO 14001 certification, which helps us reach the established indicators. In 2019, it is worth noting that our pre-packing plant, Verdifresh in Antequera (Malaga), has exceeded the goals set regarding reduction in the use of water and electricity. The site has managed to reduce water consumption (-2.4%), electricity consumption



(-7.1%), MSW residues generated (-2.8%) and film consumption (-7.4%). The Malaga team has done an excellent job in showing us the way towards sustainability.

A more sustainable agriculture

Our field production is based on a crop programming which looks to reduce waste on the farm, to serve the freshest produce and be 100% usable. We are looking for better places for growing, depending on the time of year and we are reviewing our agricultural practises to ensure our harvests leave "0 waste"



The climatic consequences 2019

For an agri-food company like us, sustainability and innovation in the field are key to facing the climate challenge facing our planet. Extreme phenomena such as the DANA, which are becoming increasingly frequent, affect our environment, our fields and the basis of our activity. Over the last year we have suffered two particularly important episodes which have affected our crops and the entire area in a very intense way, and that, thanks to the effort of the entire team of the agricultural unit, we have managed to minimise the impact on the production fields in record time.

The damage caused by the torrential rain and hail was considerable. The effects were felt primarily by 4 farms. Both the greenhouse infrastructure and the crops were badly affected especially the mint, iceberg, broccoli and Romaine lettuce crops.

The efficient use of water, an essential part of agriculture, is a priority. In crops which are transplanted, such as lettuce, we have been implanting the use of recyclable hoses and with less flow, since 2018, which allows us to save up to 30% in water per hectare.

We are also trying varieties more resistant to water stress, using drip irrigation wherever possible as well as having rainwater storage systems on our farms, among other things.

We respect the earth; we know it is a precious commodity which we have to protect. The consolidation of more efficient crops and improved agricultural practices have allowed us to increase production using less land. We continue to extend the results of trials carried out in 2018 to all crops, using recyclable blankets to reduce the use of plant protection products in courgette crops by up to 30%, within our **zeroCUCURBITA** project.

Furthermore, the mechanised harvest of romaine, iceberg and mini romaine lettuces allows us to clean and classify the product in the field, transporting only that which we are going to market and use.

NUVES Project

In 2019, we have joined a group created to carry out the project NUVES (Sustainable Vegetable Nutrition in Spanish) in the Campo de Cartagena area (Murcia region).

It is an initiative of production companies and horticultural marketers, managed by PROEXPORT, whose aim is to advance the integration of those plant nutrition systems that allow the best development of the plant and with a lower environmental impact. NUVES allows us to detect where we can reduce.

The consumption of plant protections and fertilisers to prevent the degradation of our surroundings.

This innovative group, of which we form part, has been created within the framework of the Rural Development program and is financed by the Ministry of Water, Agriculture, Livestock and Fisheries of the Region of Murcia and by the EAFRD (European Agriculture Fund for Rural Development).

Farmitank: Agronomic innovation looking to the future

In our responsibility to the environment, we have placed our Centre for Agronomic Innovation in Montserrat (CIAM) at the epicentre of our activity in agricultural sustainability.



The CIAM is our great R&D laboratory for the improvement and development of new varieties, such as young shoots and micro-greens and, above all, for agronomic research. Here we develop innovative projects such as Farmitank, a closed hydroponic cultivation system for vertical leaf crops, which allows 95% reuse of water and does not contaminate the soil. A project financed by the Centre for Industrial Technological Development (CDTI) in which we participate as a specialist partner in vegetable cultivation.

Farmitank has given us the opportunity to collaborate on a disruptive cultivation idea that allows us to grow any vegetable, anywhere and regardless of weather conditions. And all this, using 10% of surface area and 5% of the water than on open field crops.

The micro-greens project, the first shoots of live vegetables, has also continued to move forward and led us to develop other products, offering a cut product on a large scale, with greater productivity and with a shelf life suitable for marketing.

Energy efficiency

We promote practices and improvements focused on sustainability and an adequate use of resources in all our centres. The production of clean energy allows us to greatly reduce the environmental footprint that we leave on the planet.

In Thurländer we have solar panels with a power of 900 kW / day, covering 6% of the daily consumption of the facilities and in Müller, the plant generates biogas from plant residues

Intelligent logistics

Focused on our **innovACTIVE** project, we innovate every day to improve our logistics system in terms of sustainability, efficiency and competitiveness. Reducing the environmental impact of the distribution of our products is one of our main commitments to the environment. From the field, through a reverse logistics management system, we optimise the distribution of raw material between plants and the delivery of containers for collection.

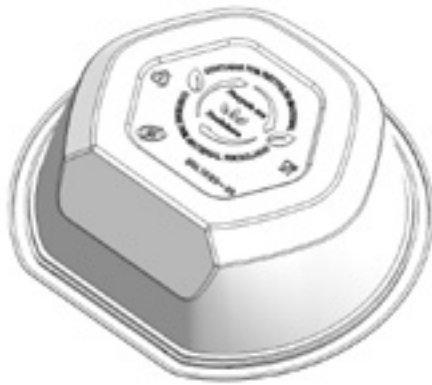
Moreover, we have implanted the same integrated system that we use in the company in Spain, in Switzerland, Germany and Italy in 2019.

Therefore, all shipments of raw materials and ingredients for salads produced at our plants in Europe are consolidated at the facilities of our agricultural unit in Dolores de Pacheco to unify transport and make it more efficient.



Packaging innovation

The **Clever⁷**, environmental project, based on the 7Rs of the circular economy - redesign, reduce, reuse, repair, renew, recover and recycle - guides our strategic actions in the search for more sustainable packaging.



We apply eco-design criteria to our packaging to offer more sustainable solutions to customers and consumers. Thus, in the assortment of ready-to-eat salads, 70% of the bowls come from recycled material and are 100% recyclable. The cartons or boxes are FSC (Forest Stewardship Council) certified.

In the Swiss market we use a cardboard container, as an alternative to the plastic bowl, for the assortment of ultra-fresh salads. We have also improved the packaging of some of our products thanks to the use of ultrasonic sealers. With the new machines we minimize up to 90% the number of defective bags. In addition, the narrower sealing bead allows us to reduce the used film by 5%. The bagging adapted to the size of the vegetable also improves consumption by 10% in the fresh produce range.

Following the **Clever⁷** project we have established synergies with technological centres. In this way, we have adhered to the ESEC strategy (Sustainable Containers and Circular Economy in Spanish) instigated by Ecoembes, which sets up a way of working for the future with all the players in the packaging value chain.

We also participated in a prospective packaging project, financed by the CDTI, within the MonoMat-Pack Project. It is a consortium, in collaboration with a Taiwanese company and in which the AINIA technology centre is participating as well. Our goal is to develop 100% recyclable packaging (mono-PET) and biodegradable packaging (PLA) with an improved barrier for our fresh-cut products.



Continuous reduction of our water and environmental footprint



-30% water consumption on new crops



Energy efficiency



FSC-certified cardboard packaging



70% recycled material in bowls



We promote responsible and sustainable water management in order to minimise the water footprint of our activity.



In the field, mechanised harvesting allows us to select the product on the farm thereby transporting only the quantities to be marketed to the processing plant.

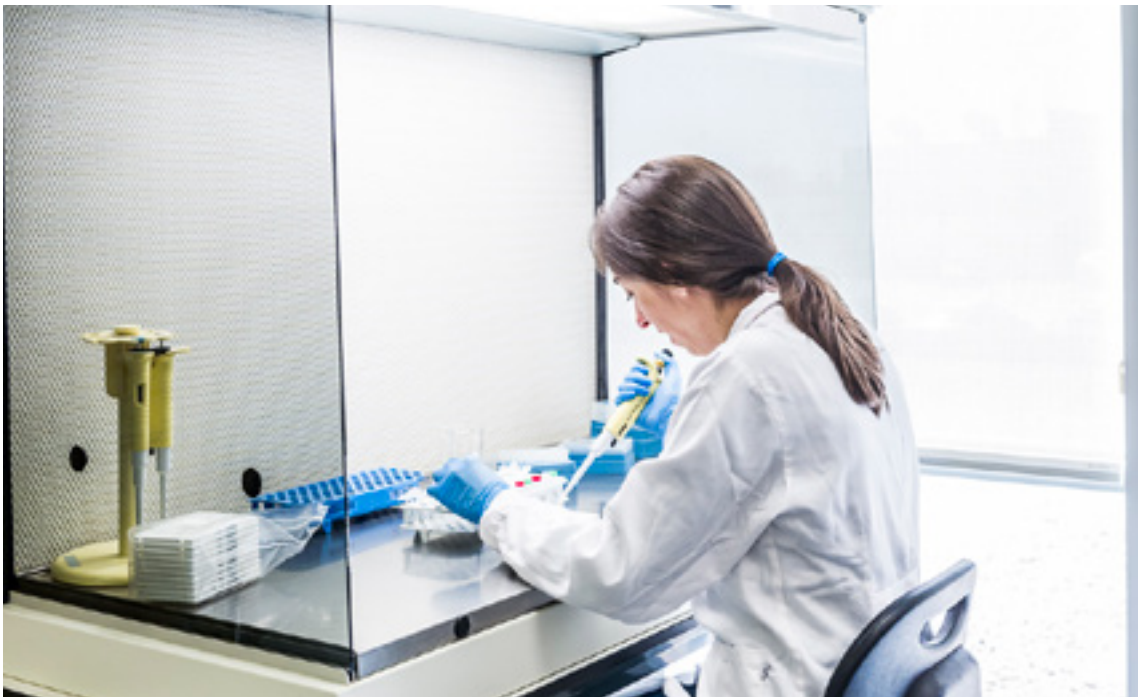


We have introduced eco-designed packaging to reduce the use of plastic, using the lowest amount possible of material and weight.



We implement emission reduction strategies promoting renewable energies to the detriment of fossil fuels to reduce greenhouse gas emissions.

Responsible for food safety and quality



Our proposal for a health revolution and a serious commitment to health derive from our company's responsibility towards food safety and quality and covers the entire supply chain.

This is why we have our own supplier audit models adapted to the needs of our range and production process, ensuring a strict control and product traceability, from the seed to the table. Furthermore, we reinforce this model with audits and controls, both internal and external, which allow us to renew the most demanding international quality stamps each year. In this way, we include our suppliers in our Quality Model, making us able to build a sustainable value stream.

Following our **SAFETYSHIELD** strategy, centred on the food safety and quality of our products,

all the Group's plants have internal food safety and quality laboratories. We also back this up using tests conducted by specialised external laboratories.

In this way, the Iberian fresh-cut unit has carried out more than 100,000 tests this year in our internal laboratories, both on our raw materials and our finished products. Without forgetting all the tests carried out to control the process which includes water for washing, the sanitation control, the atmosphere, the surfaces and the cleaning controls.

The Thurländer, Müller and Novanatura plants, followed external testing protocols in 2019, whilst waiting to roll out our own controls in the new facilities.

At Agromediterránea, testing prioritises the

We maintain the highest quality standard throughout the production process

analysis of water, soil and phytosanitary testing to control the presence of residues before harvesting, carrying out 50 chemical physical, more than 1,000 multi-residue and more than 450 microbiological tests.

At Alnut, more than 8,000 tests are carried out annually, where allergen testing, such as for gluten and lactose, stands out for its special relevance in infant food.

Our commitment is firm. We want to offer our customers and consumers excellence.



31
EXTERNAL CERTIFICATION AUDITS IN PLANTS

12
CUSTOMER AUDITS













23
SUPPLIER TRACEABILITY EXERCISES

10
CRISIS SIMULATIONS

100,000
ANNUAL ANALYSES AT VERDIFRESH AND MESTURADOS CANARIOS

8,000
ANALYSIS AT ALNUT

International Quality and Food Safety Certifications

Fresh-cut Iberia	Fresh-cut International	Nutrition	Agricultural Plant	Farms
 	 BIO RANGE Thurländer Müller  Thurländer SwissGAP Müller  Thurländer	 BIO RANGE  BRGS Food Safety CERTIFIED	Agromediterránea  BIO RANGE  BRGS Food Safety CERTIFIED	Espace  <small>GGN: 8436003300007</small>  GRASP GlobalG.A.P. 



Our plants renew the most demanding quality certifications every year

Our **SAFETYSHIELD** project commits us to maintain the highest standards of quality throughout the process. In 2019, the Group's 7 fresh-cut production centres have maintained the highest category of the International Food Standard (IFS) certificate.

Furthermore, the pre-packing centres in Spain – Verdifresh and Mestaurados Canarias – have renewed the environmental management certificate ISO 14001. In the case of Thürlander, the German plant is certified by ECO, QS (Wholesale, Coordinator, Production) and MSC (Marine Stewardship Council), which establishes standards for sustainable fishing. Müller in Switzerland has the BIO production certificate and the Swiss G.A.P.

In the agricultural business, the processing centre has maintained its BRC, IFS certificates as well as the environmental ISO 14001 and QS

certificates. In addition, all the farms in the agricultural business unit have the GLOBAL G.A.P. certification.

In the last year, Alnut has also renewed the IFS, BRC Food certifications and the BIO certification for organic production. Furthermore, it has maintained the food safety and quality certificates specific to different international markets such as the SAE, a specific self-monitoring system which implies an international guarantee to take our products to markets such as the Chinese one.

Quality throughout the process

During this year, Agromediterránea has made a significant effort aimed at strengthening quality, both in processes and in products. All the managers and co-ordinators have received training sessions to update their knowledge of methods, quality and service. Work has been done in customer orientation, specialising our staff in the monitoring and control of orders, both in product reception and in picking and loading.

The best alliances

We use the latest technology and the best team to ensure that our products reach our customers and consumers in the best conditions as well as maximum quality and safety. But, at GAC, we always want to go further than that, which is why we have continued to collaborate with universities and technological centres renowned in the area



Food Safety in Spain seminar

Our company participated in the Food Safety in Spain seminar in 2019 organised by the Spanish Food and Nutrition Safety Agency (known as AESAN in Spanish) and the Foro Interalimentaria (foodstuffs forum). This meeting brought together references from the sector, administrations, businesses and consumers. The participating bodies were able to share experiences in this field and explained how companies and institutions work together in times of crisis.



in which we work.

Through our strategic alliances, we are committed to being continually updated on new models and lines of work in our sector. We collaborate with partners to continue to offer our customers and consumers innovative products which we are continuously improving in food safety and quality.

Quality and food safety labs in all our processing plants

This year has been very important for us in the food safety and quality area. In our Safety Shield framework, we have established the implantation of internal food safety and quality labs in the

Group's three new processing plants – Thurländer, Novanatura and Müller – as a priority. They are similar to those we have in the rest of the production plants in Spain and allow us to standardise procedures and strengthen controls in Quality.

The laboratories, equipped with PCR micro-organism analysis equipment, allow us to verify the sanitary status of our products before they are delivered to our customers. We only dispatch safe foods

The implantation of the laboratories in the international processing plants started in 2019 at the same time as training the people who are

The highest quality and food safety is our hallmark

going to oversee them. The joint project in which €215,000 has been invested, has been developed internally by the Group's Integrated Systems and Engineering team.

The unification of the systems of analysis allows us to adapt the standards of the international plants to the Group's quality control and procedures, highlighting our firm commitment to the highest standards of food safety and quality.



In our commitment to food safety and quality, we have rigorous controls and protocols throughout the value chain that ensure the annual renewal of the best-known international certifications. Following our **SAFETYSHIELD** project, we have implanted internal laboratories in the new international production plants. The Group's 9 processing plants currently have their own food safety and quality laboratories.



Reasons for success:

We are producers

We are the health revolution

We are innovation and
efficiency



**WE ARE
PRODUCERS**

Farmers of the XXI century

From seed to production line

Our health revolution has its roots in the field, this forms the basis of who we are and what we produce. We are farmers, we cultivate our main raw materials, thereby controlling the entire chain of production, from seed to table. That is how we manage to supply our customers with the best possible fruit and vegetables, direct from the farms.

The best seeds

We achieve the highest quality and freshness of our products through selection of the best possible seeds. We have 10 hectares of our own seedbeds where we cultivate and experiment with more than 300 varieties, controlling the temperature, humidity, irrigation and all the other necessary conditions to obtain the highest possible quality and output.

21 plantations in 7 provinces

We have 4,000 hectares of crops, distributed over 21 plantations in 7 provinces in the south east of Spain and the Canary Islands (Valencia, Alicante, Murcia, Almeria, Albacete, Granada and Tenerife). We have reinforced this agricultural capacity with 225 hectares of greenhouses. The differing climatic and agronomic conditions of each plantation permit us to cultivate crops all year round, thereby responding to the varying requirements of product cultivation and customer needs.

Overall, we cultivate 34 varieties of vegetables and aromatic herbs, such as lettuce, courgette, broccoli, radish or corn. We also specialise in producing specific varieties for the processing industry, such as baby leaf crops, rocket, baby spinach, lamb's lettuce, and different types of lettuce.



We are 21st century farmers, efficiency and sustainability form the basis of our work in the field

The highest possible quality throughout

During this financial year, our Agricultural Department has carried out important work to ensure standards of quality are present throughout the entire process, from the fields to the processing plant, and through to the final product. As a result,

we have seen improvements in the efficiency and sustainability of our procedures, with the aim of offering, at all times, products which adapt to the needs of customers and fully respond to consumer demands. In order to offer the freshest possible product, our teams are specifically set up to work with different crops, enabling these to be harvested, cleaned and prepared directly at the fields. As a result, we reduce delivery time to the distribution platforms, and from those platforms, to customers and consumers. In addition, we only deliver the product volume to be marketed, always refrigerated, bringing further efficiency to the production process and distribution logistics.

On arrival to the plant, some varieties are placed in cold stores with a vacuum cooler system, to reduce, uniformly and quickly, the temperature of the product once the vacuum system has been activated. This system allows us to minimise dehydration of the product and therefore increase its

lifespan and quality, keeping it fresher for longer.

We create added value with products which are easier to consume, with formats and solutions adapted to the latest needs and demands of the customer. We have improved our broccoli and cauliflower florets, as well as our radishes, which come ready-washed. Our production is geared to provide not only the freshest product, but also with zero waste, for this reason the product is selected and peeled for the consumer.

Furthermore, we bring distinctive value to the fresh-cut food industry, offering varieties of product which comply with the specific requirements for processing of vegetables and fruit. We also, as part of CIAM (Agronomic Innovation Centre) develop crops such as the baby leaf variety, and micro-greens, new varieties in line with the latest consumer trends, and in line with CIAM we have been able to guarantee the stability and sustainability of crops throughout the year.



Biggest selling agricultural products



Crops covering the largest area

The best agricultural selection

We offer the freshest agricultural stock, with a wide portfolio made up of 34 varieties of lettuce, vegetables and aromatic herbs. This last year we have expanded and improved production of aromatic herbs in order to meet the growing demand in European gastronomic trends. We have cultivated maize in greenhouses to bring the harvest forward, and increased production of moon courgettes.

We have completed our range with a BIO agricultural supply of our main crops: courgette, iceberg lettuce and broccoli, designed to cover the growing demand for ecological products as the most respectful and sustainable option, both for the customer, and the environment.

Also, using our vast experience, we have focused on developing raw materials for the vegetable processing industry and of formats and products spe-

cifically for production lines such as Service-Horeca. Throughout 2019 we have reached production of 79,400 tonnes. Our range of vegetables 'from field to table' has supplied main distribution channels in more than 25 European markets.

Agricultural R+D projects

This financial year has seen us drive important projects to improve efficiency, innovation and sustainability in our fields and crops.

Where the courgette crop is concerned, and we are the biggest producer in the Murcia region, we have developed improvements which guarantee the highest quality and shelf life of the product. We have managed to reduce the use of plant protection products by 25% as part of our **zero CUCURBITA** line, we are looking to reduce the quantity of fertilisers and plant protection products to reach our

goal of zero residue on our products. This project has been completed with the investment necessary on site to improve post-harvest control and to increase storage space.

The commitment to innovation has led us to improve quality and look for new varieties of aromatic herbs, which is a growing market in Europe, and which continues to gain importance in our agricultural range, currently made up of fresh herbs such as basil, coriander and chives, among others.

Where our main crop is concerned, the cultivation of lettuce, the use of slow-release fertilisers and the modification of frameworks and orientation of the plantation, has allowed us to ensure quality and even minimise possible defects and diseases. At the sensory level, we have developed indicators which help to improve the flavour of the lettuce. In the same way, we have looked at cross-sectional improvement in vegetables such as broccoli and cauliflower with the aim of finding varieties more resistant to disease.

Another milestone reached this year has been the introduction of a maize crop in the greenhouses.

This signals a change in the way we would normally work, with the objective of maintaining the product's flavour, texture and properties through an extended season, allowing us to provide our customers with high quality maize from May through to November.



In all our fields and crops we promote efficient and sustainable farming. Throughout this past year we have developed projects to improve products with the aim of guaranteeing the highest quality, productivity and product shelflife, thereby reducing waste.



We boost sustainable innovation and technology in the agri-food sector. We depend on auto-production platforms to directly pack our products on-site without the necessity of transporting them to the processing plants. In this way, logistically we are more efficient. We are also developing R+D+i projects focussed on sustainability.



Courgette harvest at Finca El Carrascal (Albacete).



Farmitank 2.0: Agronomic Research and Innovation

The Farmitank project is the culmination of an idea that the Group has spent many years working on: the development of a Vertical Farming system in order to cultivate without the area's attributes or weather conditions being a concern; a lettuce factory for example.

This means that we can grow anything we please, wherever we please, without affecting the product. This would be achieved using only 15% of the area and 5% of the water needed for cultivation in open fields. There is also the fact that we have control over what we put into the system, thereby bypassing the need for plant-protection treatments, and making this system the most advanced in the world where food safety is concerned

The Farmitank project, which we collaborate on, is led by Parcitant, and relies on collaboration with other companies such as ER Engineering and ALBA, as well as technological centres like IRTA in Lleida, AIDIMME, TECNOVA and Wageningen University. Launching such an innovative project within one of the world's biggest sectors for social and economic projection has been incredibly enriching, especially when it concerns an industry such as agriculture, where there is still so much to achieve, yet at the same time such giant steps are being taken.

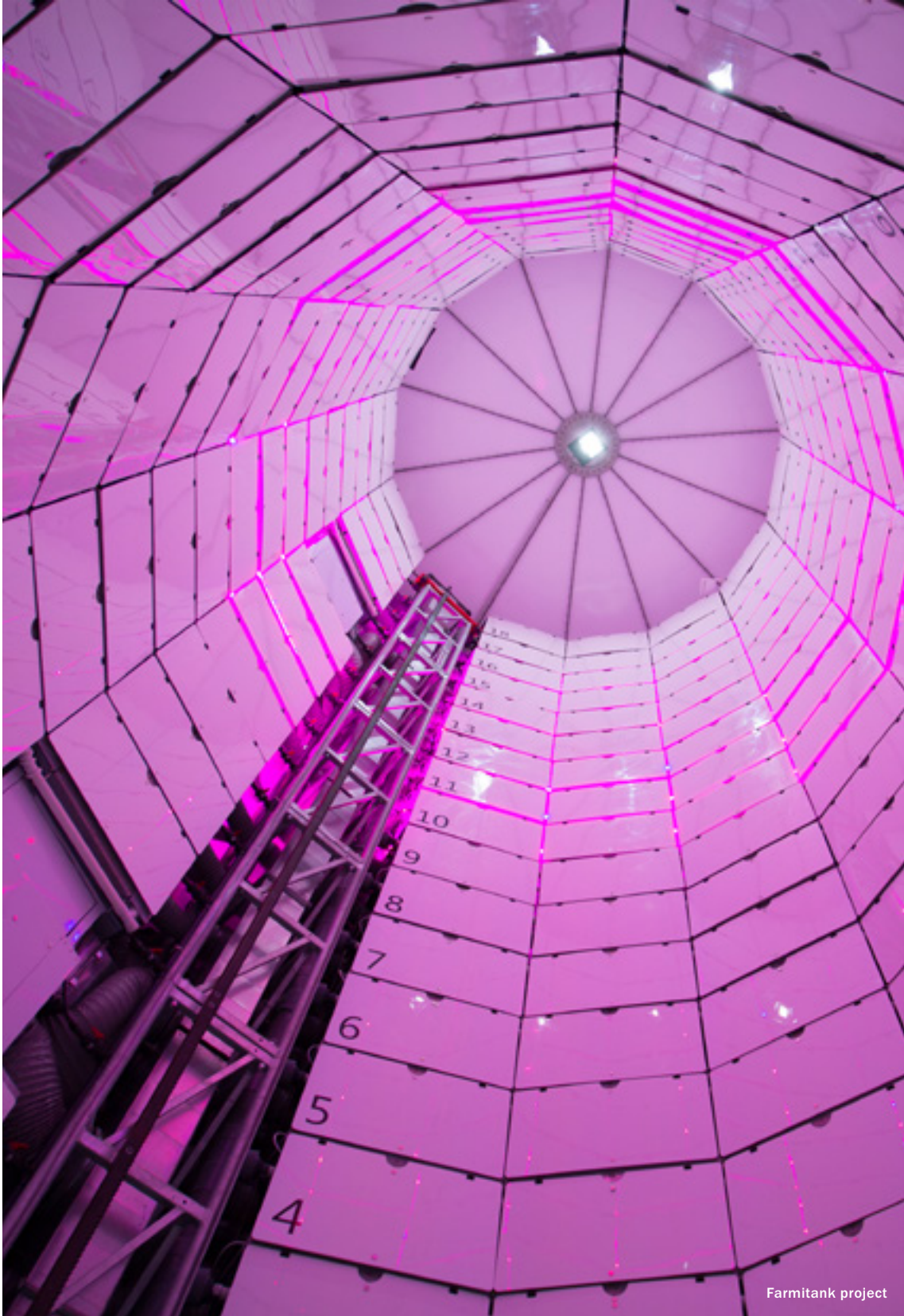
In this case in particular, where I have contributed in all stages of development, from the initial planning up to the project launch, you quickly realise how few points of reference you have within the market, obliging you to use your ingenuity to make everything turn out as well as possible. This lends excitement to the challenge and makes for an incredible experience.

Managing the project from the Agronomic Innovation Centre has been an extraordinary experience. When the company that taught and trained you gives you this opportunity, giving you the trust and economic backing to direct a project such as CIAM, it means that we are doing things right, and that we're on the right track for continuing growth and the setting out of new objectives.

Since the Centre began to function, we have developed different projects and implemented direct trials. As well as launching a technologically advanced baby-leaf farming system which brings multiple benefits to open fields, domestically we are pioneers in producing and marketing microgreens. This allowed us to publish, in 2019, our first article in one of the most prestigious scientific magazines in the world. We have also collaborated on validation of new sensory systems for saving water in open fields.

Of course, all these objectives we have reached, and the projects that we will procure in the future, would not be possible without the team formed by the CIAM. Thanks to all of them, we continue to grow and ensure that CIAM is a role model for all private Agronomic Innovation Centres.

Vicent Mániz
Manager CIAM



Industrial Capacity

Throughout 2019 we have increased the industrial capacity of the Group. The acquisition and incorporation of Novanatura (Italy) and Müller (Switzerland) has enabled us to add customers and markets, at the same time consolidating the production potential of the company: more than 65,000 m² of industrial area with state-of-the-art technology in the agri-food industry, all at the service of our customers worldwide.

We have a powerful industrial network made up of 9 production plants in Spain and Europe: one plant for agricultural procedures, 7 for fresh-cut units, and the remaining plant is for baby food and family nutrition. All of this has enabled the Group to reach a production total of 144,900 tonnes in 2019.

Fresh-cut Division

The incorporation of two new plants outside Spain has allowed us to reach 56,200 tonnes of production in the fresh-cut category, which means an increase of 39,5% with respect to 2018.

We have 7 strategically placed production sites in Europe: Riba-roja de Túria (Valencia), Antequera (Málaga), Aranda de Duero (Burgos), Granadilla de Abona (Tenerife), Thurländ (Germany), Hünenberg (Switzerland) and Novara in Italy.

The sites have innovative systems for the elaboration of a complete range of products ready to cook or to eat. We have also included a new category this year of ready-to-eat cut fruit which we produce in Switzerland. We have also centralised the production of toppings for our ready-to-eat salad selection at Verdifresh in Antequera.

Agricultural Division

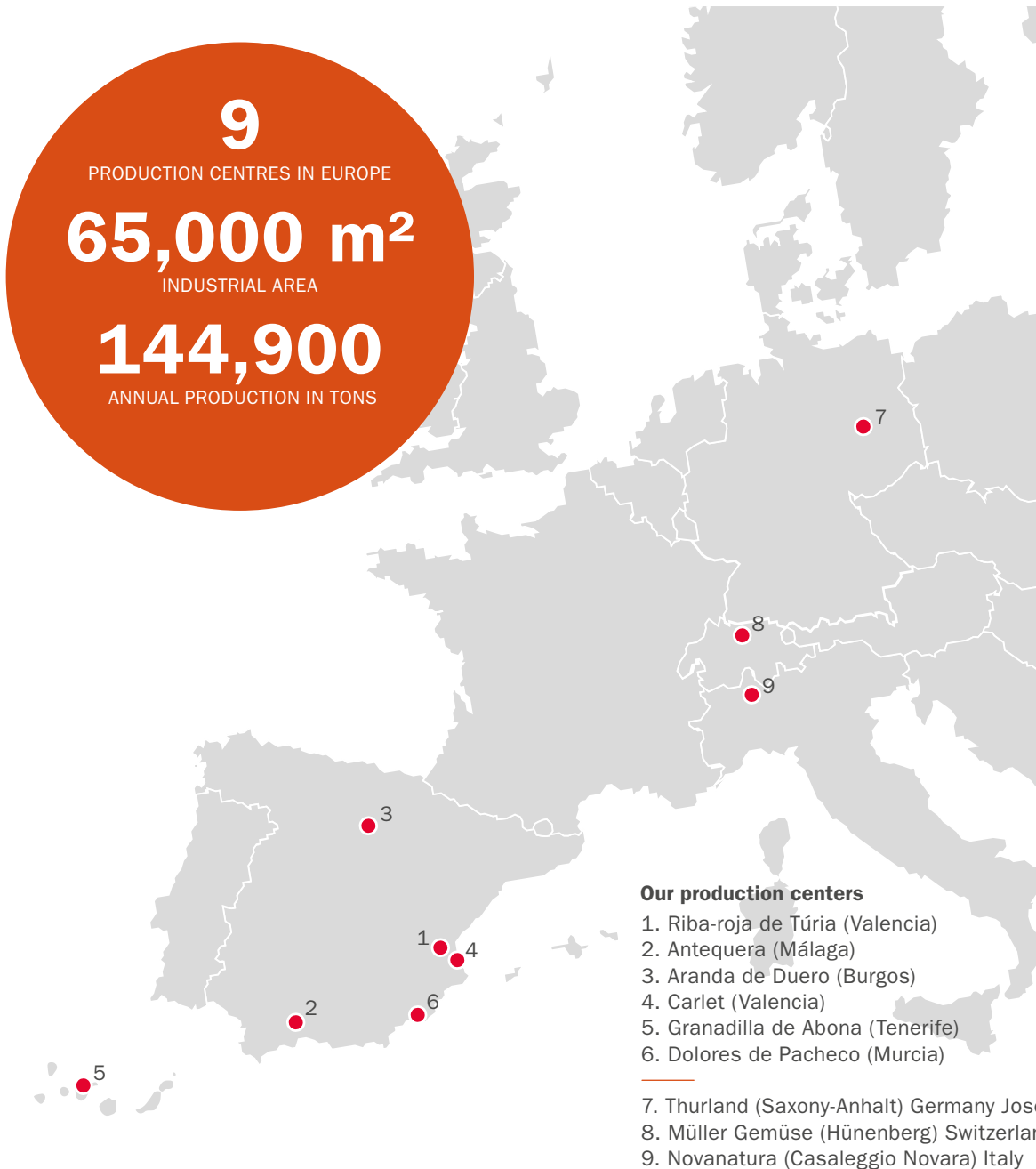
The centre for agricultural processing and dispatch is situated in Dolores de Pacheco (Murcia). Agromediterránea is one of the most modern companies in the fruit and vegetable sector. Here we prepare the fruit and vegetables direct from the field to be sent to our customers in more than 25 European markets. In 2019 79,400 tonnes were cultivated and dispatched.

The technological versatility of the facility permits us to produce almost 500 finished products, adapting to varying formats and packaging and to the needs of the different markets and product lines. The site is also certified for organic production.

Nutrition Division

In baby food and family nutrition, we have reached production figures of 9,300 tonnes for this period. The site in Alnut, in Carlet, Valencia, has highly automated installations, equipped with robotic technology, making us versatile and efficient and enabling us to do ad hoc packaging for a large range of products, in different formats and sizes, servicing all our customers worldwide.

Here we make a wide range of fruit and vegetable purees for babies, milk puddings, smoothies and vegan alternatives to yogurt. The site, certified for organic production, allows us to offer 50% of our items with the BIO stamp, adapted to the growing demand of our customers worldwide.



79,400

TONNES OF AGRICULTURAL
PRODUCTION

56,200

TONNES OF FRESH-CUT
PRODUCTION

9,300

TONNES OF NUTRITION
PRODUCTION

We create a sustainable value chain

Obtaining the highest possible quality, freshness and food safety for our products begins with the selection of the finest raw materials. To this end, we search for and work with specialised suppliers, who provide us with the seeds, the ingredients or the additional components necessary to achieve our goal.

Together with our suppliers we create a sustainable value chain

We maintain an honest and trustworthy relationship with our suppliers, and work with long-term agreements. As a result, our purchasing volumes result in procedures which are continuously improving and becoming more efficient, to mutual benefit. Within the **beGLOBAL** project of the company, we adapt our products and recipes, relying on the collaboration of local and regional suppliers, thereby generating a positive impact in the communities where we operate.

We endeavour to keep our suppliers satisfied and make them proud of forming part of the company's value chain. We consider the future, and joint sustainability, and we want to continue growing along with our best allies.

With these principles in mind, during the last year, on a global level, we have worked jointly with 337 suppliers, who have brought knowledge, security and sustainability to our Group, all of them

licensed with the relevant certificates of quality to maintain our demanding levels of quality control.

In the fresh-cut division of the business we have worked with more than a hundred agricultural

suppliers, from which we have purchased 55,000 tonnes of raw material. All our fruit and vegetable suppliers work within the guarantee of the Global G.A.P. Certificate, a document that attests to good agricultural practice.

Furthermore, during the last period a total of 60 suppliers have provided us with a range of products, from packaging to final ingredients ready for sale in our salad range.

The blueprint for our suppliers is included in the Quality Standards of the company

We use suppliers with ingredients that can be produced on an industrial scale, for example the sauces and raw materials with which we elaborate our ingredients trays (toppings). In Thurländer, all our fish suppliers have the blue MSC (Marine Stewardship Council) stamp which establishes standards for sustainable fishing.

Our Nutrition Division has worked with the support of 77 suppliers, who have provided us with a total of 7,820 tonnes of fruit.

SUPPLIERS

337

TOTAL NUMBER OF SUPPLIERS

80

TOPPING AND SAUCE SUPPLIERS

126

AGRICULTURAL SUPPLIERS

77

RAW MATERIAL SUPPLIERS

NUTRITION DIVISION

TONNES

55,000

TONNES OF MATERIAL

7,820

TONNES OF FRUIT AND LACTOSE DERIVATIVES



Supplier innovations for our fresh-cut food

The solid relationship that we have with our suppliers, based on trust, encourages innovation, stimulates investment in improving facilities and enables continuing improvement of production methods. This is how a value chain is built, one which allows us to work together and reach the highest possible standards of quality and efficiency.

All our agricultural suppliers are certified by Global G.A.P., the international standard for good practice.

Throughout 2019, together with our additional materials suppliers, we have boosted the application of sustainability and eco-design criteria for our packaging, thereby reducing plastic and using thinner packaging with the volume of plastic adapted to the package content. We have also increased the percentage of recycled material we use, and where possible, we work with more easily recyclable monomaterials.

We have focused on biodegradable and biocompostable materials, and on materials such as cellophane, the eco bowl, or the wooden bamboo fork, clear alternatives to the use of plastic.

Innovation on behalf of our non-horticultural ingredient suppliers, which we call toppings, has enabled us to improve our recipes and make them even healthier. The work of these suppliers allows us to offer more sustainable options, adapted to the latest dietary needs, facilitating the development of new and alternative formula, with less additives, gluten free, lactose free, apt for vegans and organic produce, to develop our range.

At Müller we have suppliers who provide us with organic products such as boiled eggs. Our suppliers are also finalising details in order to

obtain the Better Leven certificate for animal well-being. At Thurländer the fish suppliers have the blue stamp for sustainable fishing from the MSC (Marine Stewardship Council). Our “gluten free” project aims to achieve the highest number of certified ingredients without gluten, given the rise in the number of consumers who need this type of product.

We share synergy

The incorporation of Thurländer into our Group has enabled us to join forces on an operative level and be more productive and effective. One clear example of this has been the work developed with our suppliers.

Currently, at Thurländer we organise the purchase of additional and industrial material for more than 50 suppliers. Where horticultural material is concerned, we have incorporated 8 of these suppliers so that they can also supply other Group sites in Spain and Italy.

In this way we have broadened our sourcing and geographic diversification with the aim of guaranteeing supply at any moment or time of year. This also allows for a broader knowledge of the market as we are able to source wider product information and raise our capacity for innovation thanks to the diversity of suppliers with which we work and collaborate.

Besides that, placing value on the joint volumes of the Group has permitted us to introduce key suppliers into Thurländer for important ranges such as sauces, meat products, fish, dried fruit and nuts, and others.



We help our suppliers boost agricultural, livestock and fishing production, with continuous performance management.



Social practices of the fruit and vegetable suppliers are reviewed according to the GRASP model of GLOBAL GAP standards, which take into account health and safety, and human interests in agricultural companies.

The company works with a protocol of visits, along with our suppliers, to the production sites involved. This way we can ensure that our procedures are complied with at every stage of the supply chain.



We have introduced eco-design on our packaging to reduce the use of plastic, using the minimum material and weight necessary.



**WE ARE
THE HEALTH
REVOLUTION**

A health revolution with a local accent

Our health revolution continues to grow. The globalisation of the Group has allowed us to deliver our products to markets all over the world, without ever losing our identity and all that makes us unique: passion, honesty, excellence and above all, innovation.

For a long time, we have shown that innovation has always been and will always be the cornerstone of our company, our products and our brands, and this is one of the reasons why our health revolution is now unstoppable.

We perceive the latest global dietary trends and transform them into solutions and new ideas that

We engage with global trends and adapt them to local markets

foresee customer and consumer needs, surprising the market. Also, in line with our **beGlocal** project, we adapt our range, recipes and formats to the tastes and demands of the local customers in each market.

We have a range of fresh and healthy products intended to satisfy the needs of consumers worldwide: from fresh vegetables to ready-to-eat



salads and fresh fruit, 100% vegetable spreads, purées and pouch dairy desserts; a never-ending range of products made to enrapture customer and consumers across the globe.

Our products are delivered to world markets without ever losing the identity which makes us unique

Adding to the quality and innovation that characterises our products, is a commitment to anticipating consumer trends, together with the spirit of enthusiasm and honesty used to launch our health revolution two decades ago.

Our health revolution reaches more customers and markets

Our products make us unique, and we are becoming the preferred option for more and more customers and consumers the world over. As a result, the production volume for the fresh-cut division of the business has once again broken records, reaching a figure of 229 million units of ready-to-eat/cook products, a figure which signifies a increase with respect to the previous financial year, and which reinforces our growth and commitment to innovation in the fresh-cut food sector.



Where the Nutrition division of the business is concerned, we have reached 35 million units sold, which means a 13% rise with respect to 2018. Our range of 'from field to table' products are reaching more and more customers, with a presence in 25 different European markets. These results only serve to reinforce our undoubtable commitment to healthy food for all, and encourages us to aspire to further product innovation.

229

MILLION UNITS OF SALAD BAGS AND BOWLS

+7%

35

MILLION PRODUCT UNITS OF INFANT FOOD AND FAMILY NUTRITION

+13%

Connected to the latest consumer trends

Healthy eating is not a fad, it is a major current consumer global trend. It is a way of enjoying life while comprehending that diet is a source of well-being, health, energy, balance and even happiness, and, why not?

Healthy eating, the biggest trend for today's consumer

Apart from quality, consumers today look for new experiences and flavours, as well as practicality.

Modern routines and the lack of time that families have to spend in the kitchen cooking and

preparing food create a situation which explains the growing tendency for innovation and development of new products within the ready-to-eat or cook categories. Added to these requirements is a growing awareness for more responsible consumer habits and sustainability, responding to the growing challenges faced by the environment with naturally sourced products, nutritional transparency, and even reduced food waste.

New products based on vegetable proteins or the rise of ecological products point to a trend in food products, to which we can add those products for people with allergies (no gluten, no lactose), for vegans, for vegetarians, or simply for those who are following a whole foods or plant-based diet,



who opt for a greater consumption of pulses, fruit and vegetables, and who wish to eat according to the sustainability guidelines aiming to protect the planet.

So these are the fundamental pillars of our health revolution. We feel proud to be able to offer fresh and healthy products, in practical formats so that consumers can enjoy them any time any place. To this we add attractive and innovative proposals because we transform dietary trends into novelties which anticipate the demands of our consumers, so that they enjoy new and modern food experiences. We accept the challenge; we are aware that our customers and consumers demand innovation and continual adaptation to ever-changing needs and consumer ideals.

For this reason, whatever those needs may be, we try to bring value to all the current trends, making it not only possible, but also easy, attractive and accessible for people to eat a healthy and balanced diet, reaching the largest number of customers possible, helping them look after their health.



We help the consumer to maintain a healthy and balanced diet with our innovative range of fresh and healthy products. Also, with the aim of responding to a growing demand for organic products, we have a wide range of BIO products, even in our infant food range. We hope to bring value to new consumer trends, we count on products with the UVE certificate (for vegans) and a gluten-free range, a guarantee for celiacs and those with gluten intolerance.



We guarantee clear and visible labelling on all our products with the aim of providing complete and transparent information on the structure, ingredients, and nutritional information.



Oats and coconut, a current trend in sustainable and healthy food

The 21st century brings with it constant changes, and the food industry cannot remain on the sidelines. Healthy eating has become a priority. People's needs have gravitated towards the consumption of the highest quality products with properties conducive to a healthy diet.

Alnut has firmly backed this type of product, surging forward in the development of products which follow current market trends, as part of our **nutriBEST** project.

In line with these trends we have proposed products with low sugar content, and non-dairy products; as well as plant-based ingredients, making the products apt for a greater range of consumers, either because of intolerance and allergies, or to consumer trends.

Following this advance, in 2019 we developed new options for our 'it's oats' product, our plant-based yogurt, adapted to current market trends. Thanks to studies of new ingredients and internal development of the product and processes, we have managed to create 2 fermented products with an improved creamy texture, one natural and the other with fruits of the forest.

Further to this, following the trend of lactose-free vegetable products, Alnut's R+D team has developed a new range of coconut-based vegetable yogurts: 'it's coconut'. Our aim is to expand our range of options for those consumers who follow this new trend for soyafree, lactose-free, vegetable-based products. Therefore, we have launched an option tailor-made for those customers who are more committed to sustainable habits.

We would like to point out that the development of these products makes it easier to follow a balanced diet and, therefore, reduces the risk of suffering cardiovascular diseases, obesity or type II diabetes.

In summary, with these new alternatives we seek to offer food, without saturated fats of animal origin, with interesting contents of unsaturated fatty acids, proteins and fibre that enhances the diversity of the intestinal microbiota and helps to lower LDL or 'bad cholesterol' levels, including prebiotics, in the case of the fermented product option, not only of the highest quality but above all, tasty.

Research and development work continues, looking for more vegetable options which meet the demands of quality and flavour, and are aimed at a market which appeals to consumer tastes at the same time as being healthy.



Fabián Torres,
Head of R+D, GAC
Nutrition Division

'it's coconut' a new and delicious 100% plant-based dessert

In 2019 Sun&Vegs, the most innovative brand within the Group, launched 'it's coconut' in Spain, a new development in the plant-based dessert category.

'it's coconut', our new, 100% plant-based alternative to yogurt or soy

'it's coconut' is a dessert made with a coconut milk base, 100% plant-based, submitted to a fermentation process. It also incorporates important nutritional properties, as it contains fermented Bifidobacteria. With no gluten or lactose, it is apt for celiacs and vegans. Its principle ingredient is coconut, which gives it a delicious flavour and creamy texture. This tropical fruit is also known for its large content of essential minerals such as iron, phosphorus and potassium.

With the launch of this product, Sun&Vegs continues to broaden the range of plant-based

desserts which began with 'it's oats' which is already produced in a range of flavours, among them plain, red fruits or fig.

'it's oats': now creamier and with no added sugars

We have also launched the new varieties of 'it's oats' on to the market, with an improved formula, adding a creamier texture and with 0% added sugars. This new formula is part of the **nutri-BEST** company project, which aims to improve the nutritional content of its recipes, constantly adapting them to current consumer trends and demands.

The 'it's coconut' range was borne of 'it's oats', a pioneering product in the market, starting a total revolution in our dessert range. 100% plant-based, 'it's oats' is made from oat milk and contains natural ferments such as *L. Casei* and *Acidophilus*.



'it's oats' and 'it's coconut' are available in the main retail chains all over Spain

Market developments in 2019

We continue innovating to surprise the consumer with new and original products, offering practical, varied, fresh, fun and always healthy solutions. We grasp the latest dietary trends and transform them into new ideas which anticipate worldwide customer needs, adapting recipes to the local preferences in each country.

In 2019, Alnut reached 25 products on the market in conjunction with our customers, with our Byba brand as well as those who have trusted our know-how and launched their own brand. Our biggest challenge has been to introduce 13 recipes, 10 of which with the Byba label, in the Chinese market, adding new recipes to our line, based on fruit only or accompanied by yogurt, cereals or honey and all in the pouch format.

In addition, through S&V, we have launched a new suggestion for creamed products, fermented and plant-based using coconut or oats (0% sugars) for three distributors in Spain.

For our fresh-cut division, new developments have seen the introduction of new products on the production line, and improvements in recipes, format and packaging. The new products have been responsible for 15% of Group sales.

'No leaf' salad range

We have extended our 'no-leaf' salad range, with no lettuce, offering variety to show that healthy eating can also be fun. We have started with a potato salad, which has now been joined by a quinoa salad and a chickpea salad.



Quinoa salad

A delicious mixture of superfoods, such as white quinoa, vegetables such as carrots, courgette, spinach, broccoli, cauliflower, pumpkin seeds and kombu. All of this comes with a teriyaki sauce in a very practical format to eat whenever and wherever you want.



Chickpea salad

We have honoured the pulses this year and we have come up with a tasty recipe using a chickpea base, tomato, green and red peppers, onion, boiled egg, tuna and olives. It comes in our sustainable and practical bowl format.

Traditional recipes packed and ready to eat



Cocktail salad

This is new in our fresh-cut range, very tasty and evocative; we present our version of prawn cocktail, such a traditional recipe for the festive season, introducing our toppings, new to the market, such as shrimp tails and pineapple, with sweetcorn, surimi and thousand-island dressing.

Fruit



Washed and prepared fruit is an integral part of a healthy diet. With the integration of Müller in our Group, a specialist in this type of products, we have increased our global supply. In fact, we have made significant investment in order to be able to equip the Swiss site with improvements in the elaboration of this range, which includes pineapple, mango, pomegranate and coconut, in various formats for all our production lines.

The POKE family grows

Following market trends, in 2018 we launched our first poke bowl on to the market, with salmon and mango. In 2019, we have seen this product break into the catering market. Our response has been to extend our range with new recipes, such as our marinated tuna poke bowl, and another with salmon, apple and fried onion.





Spreadable Snacks

At Novanatura we have launched vegetable S&V snacks on to the Italian market which can be used as spreads, to accompany salads, or enhance other dishes, thereby adding this part of the market to our already varied product line. Our initial products are hummus, guacamole and tzatziki (with cucumber and dill).

New proposals for bigger formats

In Germany, we have broadened our salad range, taking advantage of the fact that Thurländer is market leader in salad bowls in Germany, we have expanded our range, offering formats already available in Spain.

Offering fresh and healthy products is our fundamental purpose, our core value, it defines us, makes us special, unique. In 2019 we continued

to develop innovative products aimed at markets where we already have a presence, for example the micro fresh range in Sonae in Portugal, the ultra-fresh salads for the Swiss market, or the new salads in snack format made by Thurländer.

Micro fresh in Portugal

In collaboration with Sonae, we have developed ready microwaveable meals and launched them on the Portuguese market. These meals have added proteins and are included in our fresh and ready to cook category, a growing range that responds to the demands of the modern consumer.

The recipes are based on fresh vegetables, with added protein, to be steam cooked in the microwave friendly packaging in just a few minutes.

The result could not be better: a fresh, wholesome and healthy dish, nutritionally balanced and



tasty. We have launched original recipes such as vegetables with quinoa and falafel, vegetables with rice and chicken, and vegetables with pasta spirals, chicken and tomato sauce, all of them delicious new dishes for our market.



Ultra-fresh salads in Switzerland

At Müller, we have carefully developed a range of ultra-fresh salads, made with premium ingredients, selected especially for our client, Migros.

These are mixed salads, using fresh and nutritionally balanced recipes, inspired by the latest dietary trends around the world. They are high-end salads with a variety of vegetables, fruit, and selected toppings, of the highest quality, where care is taken not only slicing the product, but also presenting it to exact specifications in the presentation basket. Cardboard packaging is used, an alternative to the plastic bowl. Also, all the ingredients are presented side by side in the package without dividers. For this reason, the product must be consumed within 3 days, as well as this, the ingredients used are delicate and could not be used in longer-lasting salads. This way we serve those customers who ask for products without plastic.

We have developed a wide range of tasty ethnic recipes, with ingredients such as feta cheese, melon and mango, which we will introduce to the market in 2020.

Snack Salat in Germany and Switzerland

At the Thurländer site in Germany we have extended the range of products we offer to our clients with new and exciting proposals, such as snack salads which customers enjoy as a fresh and healthy bite to eat, something to have between meals or compliment a meal, at a reasonable price.

This new product is available in three different flavours: Snack Salat mit Karotte & Mais (mezclum of endive, radish, carrot and corn with sylt style sauce), Snack Salat mit Weibkraut & Tomate (mezclum of endive, radish, cabbage and cherry tomato, with a fine herb vinaigrette) and Snack Salat mit Paprika & Mais (mezclum of endive, radish, red pepper and sweetcorn with Tuscan vinaigrette). They all come with a fork, which makes them ideal for enjoying any time or place.



AGRICULTURAL RANGE

Lettuce



BATAVIA LETTUCE



ROMAINE



MINI ROMAINE



RADICCHIO



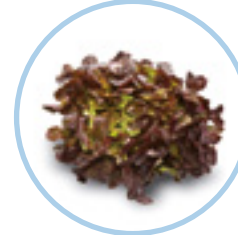
ICEBERG



TROCADERO



GREEN OAK LEAF



RED OAK LEAF



LOLLO ROSSO



LOLLO BIONDO



CURLED LEAF ENDIVE



PLAIN LEAF ENDIVE



RED MINI ROMAINE



MINI ROMAINE MIX



LITTLE GEM VERDE



LITTLE GEM VERDE

Baby leaf



**BATAVIA BABY:
RED & GREEN**



LOLLO ROSSO BABY



ROCKET



**SPINACH: BABY,
TEEN & ADULT**

Vegetables



CHARD



BROCCOLI



BROCCOLI FLORETS



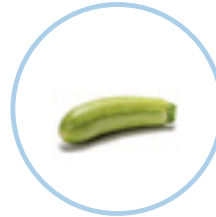
FLORET MIX



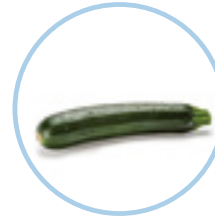
CAULIFLOWER



CAULIFLOWER FLORETS



WHITE COURGETTE



COURGETTE



MOON COURGETTE



RADISHES



SWEETCORN

Bio



COURGETTE



MINI ROMANA



ICEBERG

Micro-greens



BROCCOLI



KALE



MUSTARD



CORIANDER

Fresh herbs



FLAT PARSLEY



BASIL



MINT



CORIANDER



CHIVE

READY-TO-EAT RANGE

Ready to eat



Ultra-fresh Salad

Fruit



Bio



Ready to heat up



Ready to cook



Ready to prepare



Bio





BABY FOOD RANGE

Fruit pots



Yogurt pots



Fruit and cereal pots



Savoury pots



Fruit pouches



Yogurt pouches



PLANT-BASED YOGURT AND SMOOTHIES RANGE

Plant-based yogurts



Smoothies





**WE ARE
INNOVATION AND
EFFICIENCY**

Innovative spirit

The growth and trajectory of the company has always been linked to innovation. During this time, we have been pioneers in launching new products, formats and categories which have set market trends, foreseeing client and customer demands.

For this reason, R+D+i has been an essential part of our strategy for quality, distinction and excellence within the Group. In the last year we have invested close to 1.2 million euros in transversal innovation aimed towards the continuing improvement in efficiency, both in the fields as well as in

production plants, in research opportunities for business, technological vigilance, development, and launching new products or improving recipes.

We have dedicated a great deal of energy to building synergies between sites, studying the possible integration of know-how at each division, and the possibility of integrating recipes and product categories in other markets.

Of note, is the improvement in the ready to eat cut fruit, the development of bowl-salads for the Italian market, the introduction of S&V in the Swiss



€1.2M
IN R+D+i

+250
LAUNCHES IN 5 YEARS

PRESENT IN
30
MARKETS

market, the launch of ultra-fresh bowls at Müller and the adaptation of the plant to be able to make bags of vegetables at Thurländer.

We set trends in the health food world

Our passion for innovation has been demonstrated by the more than 250 product launches in the last 5 years. Our backing for new developments has made us leaders in health food production and means we can supply our products to more than 30 different markets. We intend to continue in this vein: innovating, surprising the market, winning over new customers and consumers across the world.

Shared Innovation

We want to have a fundamental role in the creation of an environment that promotes a varied, balanced, tasty, and practical diet, one which allows people to adopt a healthy lifestyle through their eating habits. We know that constant innovation is a necessary part of this.

As a company, we focus our efforts on constant innovation, internally, through our transversal innovation team, as well as externally, through collaborations with technological centres, universities and other private companies.

With the aim of perceiving and understanding the latest market trends, we are always receptive to new angles of cooperation which allow us to connect with the best talent on offer. This is why we have continued to collaborate in the academic field through forums and university conferences, to learn first-hand the most creative ideas. We have also encouraged, together with important technological centres, projects geared towards greater quality and food safety.



We believe in product, procedure and technology innovation to make us a more sustainable company.



We encourage public and private connections with civil society, the academic world, and with other companies to undertake collaborative innovation projects, sharing knowledge and procedures, with a focus on further sustainability.



These are the main organisations which form part of our collaboration network



Shared Innovation

2019 saw consolidation of our work in the Portuguese market, tightening commercial ties with large clients such as Sonae. We have extended presence of our products in the supply lines of the principle distributors in the Portuguese market, either through our own brand Sun&Vegs, or through one of our clients. We are motivated by recognition of our clients as innovative, expert and dynamic suppliers, available for development of projects exclusive to the fresh-cut range, the ready-to-eat category, so crucial in this market. At the hands of the development team of the Take Away product at Sonae a project has been initiated for the launch of 3 recipes for microwaveable dishes with added protein, constituting the perfect mix between product and supply line, as we already have a share of the microwaveable dishes market. Following the success of this project there are numerous teamwork open days, to determine the objectives, select the ingredients for the Portuguese market, and determine which products will be tried out by consumers. This has proved a very practical way of adjusting recipes to the tastes and needs of the end consumer. We are glad to say that the results have been excellent, the fruit of collaboration and shared innovation.

Sonae markets the 3 products under the brand name Continente fresh

Rita da Silva,
KAM Portugal

"Taste of the Year" award in Portugal

Our recipe for the micro fresh dish of quinoa y falafel, developed in conjunction with Sonae (Portugal) for the Take Away section, has been awarded the "Flavour of the Year" prize, chosen by the consumers themselves, after assessing the quality and exceptional flavour of the products.

For our microwaveable dishes, we have taken a step forward and enriched them with extra protein (both animal and plant-based versions). They are available in all stores of the Portuguese chain, and this is the result of excellent collaborative work with the product development team at Sonae, which has enabled us to continue gaining the trust of our clients and positions us as an exemplary business partner for development of innovative solutions for the fresh-cut industry.



As well as this recipe, we have developed a complete range, one with rice and chicken, and the other with pasta spirals, chicken and tomato sauce. All are based on nutritionally balanced recipes with unbeatable taste.

New challenges for the Swiss market

During this financial year we have worked in close collaboration with our clients, providing them with new angles to discover interesting products which complement their range. With Ardian Shala at the helm, we have built trusted relations. During this financial year we have worked in close collaboration with our clients, providing them with new angles to discover interesting products which complement

their range. With DENNER, working together to design a variety of products offering added value from a triple perspective: for the client, for the end consumer, and for Müller. The result has been a variety of products under the distribution brand name DENNER, which has opened the possibility for growth, both in volume and in innovation, providing new products and creating new categories of product.

Connecting talent

As part of our constant search for the best possible talent, we are collaborating with different institutions to find the most creative ideas and the most original solutions that will allow us to continue innovating and adding value to our work. With this in mind, we challenged a group of pupils in their third year of a university course in at Gasma (Gastronomy and Culinary Management Campus), to present us with an innovative and extraordinary proposal, in line with our values and brand.

The pupils designed a new product with an oat milk base, thereby expanding our category of alternative plant-based products within our 'it's oat' range. The result could not have been more spectacular; a tasty range of ice-creams made with oat milk, 100% natural, and with original flavours such as beetroot, raspberry, hazelnut and persimmon.



Pupils at Gasma (Gastronomy and Culinary Management Campus) during the presentation of their innovative proposal.

The dedication of the participants and freshness of the ideas surpassed our expectations, bolstering our commitment to collaboration with the best possible talent available to continue growing through innovation.

We continue to win over customers with our healthy 'vending'

We lead a health revolution which continues to conquer new supply channels. The project that began in 2018 to take our Sun&Vegs ready-to-eat range to the vending machines in Valencia Province has been fully developed in 2019 and has been analysed in 20 locations.

The Sun&Vegs Vending project has been carried out in collaboration with two companies at the cutting edge of their sectors: GAC, a leading supplier of the fresh-cut salads, and Teika, leader in the Vending sector in Valencia Province. The decision was taken to install machines exclusive to S&V, fine-tuned and adapted to the products on sale (Bowls, Wraps, MicroVegs, Oats and Smoothies). Miguel Moya, managing the project at Teika, tells us that, "to obtain maximum project information, a specialised delivery route was created, as management of fresh products in vending machines poses a greater challenge". The project has been pioneering, has had major media and social network representation, and has even been copied by other vending operators in Spain. 2020 will be a crucial year in the development of this initiative.

With this fresh and original approach, our S&V range has been supplied mainly to centres, both private and public, and to universities and hospitals. We have sold 50,000 units of the S&V brand, results which encourage us to continue lighting the way and demonstrating that together with Teika, we have developed a unique and pioneering proposal, facilitating the consumption of healthy products.

Operational efficiency

Growth of the company is directly linked to what we are, what we do and how we do it. Offering our clients products of the highest quality, together with the best service and competitiveness, is something that can only be achieved by pursuing operational efficiency through continuous improvement and constant transversal innovation. For this reason, throughout 2019 we have developed prominent projects designed to adapt our frameworks and grow the business, working from a solid base.

Global purchasing vision: Agromediterránea, our purchasing headquarters

Consolidation of the company as a multinational, with the incorporation of three new production plants in Germany, Switzerland and Italy, has provided us with the enormous opportunity to make our supply chain as efficient as possible. We have harmonised purchasing and supply procedures to satisfy not only the current needs of the Group, but also future obligations. To this end we have strengthened Purchasing Management, centralising it at Agromediterránea.

Agromediterránea acts as the coordinator for purchases, especially where horticultural products are concerned, for both support of our own crops and their subsequent marketing, as well as for supply of horticultural raw materials to all processing plants within the Group. Thanks to this global vision, we can make use of our local resources, our suppliers and raw materials to streamline the time to market procedures.

This new model has enabled us to consolidate our position as a commercial role model in the markets in which we are present thanks to the

quality of our agricultural products, which we supply to the main supply chains in Europe and guarantee the best integral service 365 days a year.

The scope of the project is very broad, the scenario very changeable and we continue to learn day in, day out

The same is true for the vegetable and fruit processing industry, as we have expert knowledge of the differing quality demands, including our own processing plants. This enables us to guarantee a reliable, quality supply at a competitive price.

We have the advantage of a global vision of purchasing needs for other non-agricultural raw material for the Group. As a result, the different production sites for the fresh-cut range obtain the best possible solutions, from the best suppliers.

This project has been possible thanks to the work and drive of our excellent, multi-disciplinary team from Finance, Purchasing, Commercial, Service Coordination, Quality Control and Processing, who have worked together to direct this new way of operating.

Agromediterránea; a new purchasing model for all involved

The project is wide-reaching, the terrain every-changing, and the learning curve has been steep. The company finds itself in a moment of growth and globalisation and therefore purchasing has had to evolve to accommodate to the new landscape



“From a personal point of view, it takes great effort, which is surely the same for the rest of my colleagues, but this only means that when objectives are met, the personal satisfaction is greater. The truth is that I enjoy every working day, I love it, I understand that great effort brings results.

The key for me is to make this professional project a personal passion, and that way, we grow together daily”.

Iñigo Ovejas
Purchasing Manager
(non-horticultural products)
Service and supplies.



“On a personal level it has given me the possibility to continue to grow professionally within the Group, broadening my knowledge of the sector, of new areas of production, new suppliers, different negotiation strategies, planning, sourcing, logistics...and above all the satisfaction of creating, together with other colleagues involved in the project, a model of purchasing management with the GAC Group.

We have laid the groundwork to continue growing at a steady pace.”

Jere Belda
Purchasing Manager,
horticulture



“Purchasing Headquarters is perhaps the most global and transversal challenge, and has the greatest economic impact, of all the projects I have been involved with in my time at GAC. The beginning and end of this project has already been written, but it is an honour to be writing and developing the chapters in between, along with the rest of the team. The project demands a high level of effort and dedication, but I think that we are taking important steps forward, and that is very satisfying.”

Jaume Puchades
Controller AGM

(multi-cultural, multi-national and multi-client) while also contributing to the continuing improvement in company sustainability.

This has allowed us to have a broader vision of the business, and better knowledge of the sector at European level.

We have worked on redefinition of purchasing strategies, relations with key suppliers, and the standardisation of products and procedures. The diversity of suppliers, their backgrounds and the volume of information that we deal with today is infinitely greater to what we had and, inasmuch, we must guarantee to get the best out of it.

The team is fundamental, and for this reason we have had to contribute to purchaser training, in order to maintain focus on internal client services and budgetary control. The teams have become more multi-cultural, which took a lot of effort at the beginning, but has obtained impressive results.

We can conclude that success depends, to a great extent, on the cooperation between departments and the choice of travel companions (our suppliers) that we made for this journey.

Digital transformation: towards industry 4.0

On the company's road to digital transformation, and in accordance with our **e-SHARE** company project, this last year we have taken a bold step with analysis of an integral technological platform, coordinated under one software, which analyses all the industrial information in our processing plants with the aim of improving efficiency, productivity, and the quality of products and processes. This system interconnects all the elements that make up the production process: machines, personnel, products, quality and systems, among others, responding to all their operational needs. From a supervisory point of view, this allows us to manage on-line all the information from anywhere in the world, providing us with information on possible problems or deviations and identifying their source, in real time.

For the day to day management of the company, we take full advantage of our human and technical resources and combine this with the most advanced IT tools. Our aim is clear: to integrate and automate all procedures of our business activity and therefore make us more efficient. The technology contributing to the growth of the company, and the efficiency and management of our talent, have allowed us to implement and develop varied systems of digital transformation.



LIFESIZE

We have installed videoconferencing terminals and accessories and high-resolution screens in our processing plants and offices. This has brought effective and efficient management of internal communication between the different production centres and our central offices, distributed throughout Spain and Europe, minimising travel and enabling decisions to be taken more fluidly.



SALESFORCE

The activity of our sales teams is very important. We have, therefore, in this financial year, finalised implementation of the Salesforce Cloud tool, a portal which enables those in the sales department to undertake their work in a more efficient manner as it facilitates follow-up and daily management of sales, and also allows them to monitor accounts and contacts, at the same time as generating new opportunities for growth. And all this in real time.



My GAC

Digitalisation of the Human Resources management has been a priority project to accompany the growth of the company over the last few years. We present myGAC, a powerful software, specifically designed for management of our personnel, allowing us, through various modules

and features, to manage appraisals, training, career plans and talent management, at the same time and facilitating access to a large amount of information on job postings, production centres, personnel and organisational charts.



SAP

This year we have implemented SAP technology across the company's 9 processing plants. Innovation on a logistical level is fundamental and we are lucky to possess advanced ordering programs through this technology, affording us a completely automated system of barcode, label and warehouse management.



We use technologically advanced and disruptive systems in the company which allow us to boost innovation, efficiency and productivity under sustainability criteria for throughout the entire value chain.

SAP in all processing plants

This financial year, we have successfully implemented the first phase of SAP at Thurländer (Germany), Novanatura (Italy) and Müller (Switzerland).

The main handicap were deadlines put in place by the previous owners, and a total lack of compatibility between IT systems. All systems had to be online and up to date by the end of 2019, so operations could be streamlined across all sites.



We have always stuck to our maxim where integration projects with new companies are concerned: Keep the lights on.

In other words, all IT systems currently used by the organisation, and all corporate operations must continue to function without any disruption to the service we offer, although new companies have been added to the Group.

Thurländer used its own IT system, and so in May we kick-started the use of SAP for Financial and Purchasing Management (excepting stock control), which enabled us to have financial and reporting control in SAP before the summer.

In June, we kick-started the project in Italy and Switzerland. We managed to align with Müller in October for financial and purchasing management, and in December, finance, purchases and sales were included for Italy, thereby achieving the objective set before the end of 2019.

These have been complex projects, especially due to financial, legal and fiscal characteristics in the different countries, as well as the language barrier and cultural differences.

I must highlight the incredible effort made by all the staff at the new companies of the Group, in making this integration a reality and of course recognise the magnificent work done by our internal IT department as well.

In 2020 ... on to phase 2!.

Andrés Navarro,
IT Manager GAC

Service and Competitiveness

Our company is an expert in the production of healthy food. We combine our experience with knowledge of the market to offer innovative products of the highest quality.

We listen to the customer and adapt to the needs of each market. Our globalisation has enabled us to look for synergies between sites and share products and knowledge.

Sun&Vegs mixed salad bowls enter the Italian market

Given that the section of mixed salads in bowl form is the biggest grower in the fresh-cut European market, we have boosted our efforts in those new markets where we already have a sales presence.

For this reason, at Novanatura (Italy), in just 10 weeks, we have launched the first line of salads in bowl format, producing up to 50,000 units in a week. This is an innovation exchange project between processing plants which has enabled us to introduce our Sun&Vegs brand on to the Italian market and provide our clients with a more extensive range of this supply line.

Our teams have worked jointly to make this launch possible in record time, perfectly adjusted to the needs of our customers and the sales commitments involved. This has been a challenge on an engineering level, as well as at a product and technical level, as salads were only produced in bags and it was necessary to redesign the layout.

At the same time as the new product line was launched, the old line was discontinued, but

without interruption or cancellation to the orders received from our clients.

The project has been made possible thanks to the coordination between various departments, with a special mention for our international engineering team, as well as those in maintenance and production at Novanatura. For implementation of the project we relied on technical support and training from the Antequera plant, which also provided the ingredients trays (toppings) to Italy. And of course, the work of the Marketing and R+D teams, to define the product range and adapt it to the needs and tastes of the Italian market, has also been invaluable.

Sara Acconci
Comercial & Manager Marketing Novanatura



Close collaboration and mutual benefit

We work with our clients to offer them global solutions, from the format and packaging of the product, to specialised distribution and logistics services, we look to be the best partner possible for management and development of new product lines.

This modus operandi has generated the necessary trust to consolidate our commercial relationship with the DIA chain in 2019.

9 new products: Following a trial period during which we guaranteed the best possible quality and service, we have managed to increase the presence of our fresh products, 'from field to table', to DIA's supply lines, beginning with one product and ending the year with nine.

The product range, under our Sun&Vegs brand, includes different types of lettuce, curly endive, broccoli, green courgette and moon courgettes, as well as a varied range of fresh herbs such as basil, mint, coriander and flat leaf parsley.

Fully integrated transport service: We provide a comprehensive transport service for goods which guarantees a daily supply of maximum quality, fresh products to the different distribution platforms of the DIA chain thus offering an integral service adapted to their needs.

Packaging innovation: This has improved our procedures and made us more efficient and environmentally friendly. For the fresh-cut range, through ultrasound sealing machinery used for package closure, we seal less surface area and therefore improve the quality of the seal while reducing the quantity of plastic film used.

Moreover, for our fresh products, we have adapted our continuous feed packaging process, to the actual size of the product, thereby using less material. This change has meant a reduction in the quantity of plastic film used in packaging of our agricultural products by 12%.



Commercial milestones

In 2019 we reached commercial milestones which have contributed to the expansion of our products all over central Europe and Asia.

Our expansion in central Europe and Asia continues

Boosting one of the key business areas of the Group – the fresh-cut range – with the acquisition of two new European plants specialised in the ready-to-eat category, has allowed us a solid commercial position in the respective countries and we continue to add to the number of new customers and markets.

We are leaders in Spain, Germany and Switzerland in the ready-to-eat segment and now we are also present in countries such as Austria, Denmark, Italy or the Netherlands.



Throughout the year we have continued our expansion in Portugal, where we are already present in the main Portuguese chains, which together form 90% of the market share of the fresh-cut range. This has allowed us to gain a notable presence on the shelves, both as a private label and with our own Sun&Vegs brand.

Our S&V and Byba brands continue to increase their market share

Through our own Sun&Vegs brand and Byba brands we market fresh products and baby food in 30 countries throughout the world. S&V is not only continuing to increase its market share in the main supermarket chains in Portugal but also its presence in distribution chains in Spain.

Our products are present in 30 markets worldwide

The brand has also made its way into Italy, where we have started to commercialise our Salad Bowls, a category that is leading growth in the fresh-cut range, as well as Wrapidos. In Switzerland we have introduced carefully selected varieties of bagged salads.

In baby food we lead the category in the pouch format in Spain and this year we have landed in Asia – China, Hong Kong and Macao – with our Byba brand. It is a market with huge potential in which we are taking huge steps to make our mark. In the same way, we are continually strengthening our presence in Europe.

Our Byba brand arrives in China

In 2019 we started to market a selection of baby food through our Byba brand, thanks to an agreement reached with Shanghai DingDong Trading Co. Ltd., a distributor which belongs to the same group as TuoYi International Trading (Shanghai) Co. Ltd

This alliance has allowed us to introduce our Byba products into Hong Kong and Macao as well as in China, and in more than 15,000 outlets specialised in the infant market and in the country's main supermarket chains, as well as on online platforms such as TMALL. This accomplishment represents a qualitative leap in the company's international expansion strategy, opening the doors to a huge market, with new consumer profiles looking for quality children's products which are practical and adapted to their lifestyle and for which our Byba brand has innovative solutions, nutritionally balanced and adapted to every growth stage and with the maximum guarantees of quality and food safety.

With 29% of our sales in foreign markets, our food product sales continue to expand in Europe and Asia.



A huge challenge

On a personal level, it involves a 180° change in mentality, not only for the huge cultural and business differences but also for the continual learning and the need to adapt to the customer and the market, the development of new abilities in the sales process, the negotiation, the capacity to detect business opportunities.

On the professional side, the jump has been both quantitative and qualitative. China is an important opportunity: there is a large demand for imported products, Spanish products are highly valued, the volumes are large and, as it is a dynamic and changing market, the results are quicker.

It has also been a huge challenge at an industrial level: it involves adapting the product, labelling, packaging or the logistics. This effort has led Alnut to better integration and collaboration in all the organisational areas, to implement improvements in the processes, to be more efficient at a productive level and to develop new more flexible and more dynamic ways of working.

In short, exporting to China has meant clear recognition for the Byba brand and for the company which helps us grow day by day and to be better.

Marta Estébanez,
KAM ALNUT International



Our customers

Throughout 2019 we have strengthened the Group's position in the European market by acquiring two new production centres, one in Switzerland and the other in Italy, to continue growing sustainably.

The company's commitment to international expansion has resulted in 39% of our sales being abroad in 2019, a clear example of the trust that customers and consumers have placed in our company and in our products, which today are distributed in 30 markets around the world.

From the base we have built over the last few years we look to the future from a position of strength. We want to continue finding more customers and consumers, both for our industrial brands as well as for Byba and Sun&Vegs, our own brands.

30
MARKETS



EUROPE
25
MARKETS



Investment pushes our growth

In 2019, we have made investments worth €5.3 million, €1.2 million of which has been invested in developing research projects and €4.1 million has been mainly spent on to improving all the company's production plants.

In line with international growth and expansion, as part of the **Growing** program, we have increased the commercial potential of our international fresh-cut division. So, we have allocated €1.7M to the improvement of 3 recently integrated centres to adapt them to the Group's production and quality standards.

At Müller, the facilities have been adapted for the manufacture of the cut fruit range, by designing an independent factory and installing an additional line for the development and promotion of this product category.

Since the company's creation, we have invested more than 180 million euros in facilities and the automation of all our systems of control

Our main investment at Navatura has been the installation of a new line for salads in a bowl format, allowing us to address the category that leads our growth in the fresh-cut division and to introduce our own Sun&Vegs brand to the Italian market.

At Thurländer, bowl format specialists, we have installed a new line for manufacturing in cups,



thereby extending our range in the aim of continued growth with our new items and customers.

The three sites now have an internal laboratory for quality and food safety, to adapt ourselves to the company's standards, complete with advanced systems for microbiological analysis.

Our second biggest investment, of €1.2M, has been allocated to the Iberian fresh-cut production centres with the aim of improving our facilities and to continue adapting our plants to the multi-customer model.

At Mesturados Canarios, we have improved the plant and started a third line of salads in bowls and increased the storage capacity for growth and to meet customer demand. At Verdifresh we have also promoted various initiatives. In Riba-roja de Turia (Valencia) we have finished refurbishing the offices, thereby improving our employee's working conditions. Both in Riba-roja and Antequera we have installed ultrasound sealing equipment to improve the quality of our salads.

In the agricultural unit we have allocated a significant provision of funds – more than €0.5M – to the improvement of the greenhouses, to projects for the development of improved varieties and to prepare an area specially conditioned to the requirements of the courgettes which is one of our main horticultural products.

In the nutrition division we have continued making improvements which complete the large investments made by the company over the previous two years and amounted to nearly €4M.

The growth of the company also involves investment in technological improvements. We have successfully finished the implementation of SAP in all the company sites and we have looked at an online platform which will allow us to continue advancing in the Industry 4.0 project, integrating all the industrial information of our sites in order to improve efficiency, productivity and quality in processes and products. All together we have invested more than €0.6M

Main investments

International fresh-cut division:

€1.7M

- Implantation of internal quality laboratories at Thurländer, Müller and Novanatura.
- New production line for bowl format at Novanatura.
- Expansion of facilities and an additional line of cut fruit at Müller.

Iberia Fresh-cut division:

€1.2M

- Completion of work on the offices at Verdifresh (Riba-roja de Túria).
- Machinery improvements in Antequera and Riba-roja de Túria).
- Implantation of a new bowl-salad line at Mesturados Canarios and improvement of the facilities.

Fresh produce:

€0.5M

- Improvement of greenhouses on farms, placement of plastics and expansion of storage chambers for courgettes.

R+D and innovation:

€1.2M

Digitalisation, new technologies and Industry 4.0:

€0.6M

Sustainable growth and international expansion

The 2019 financial year is the year in which we consolidated our commitment to the implementation of our '**Growing**' project. This focuses on sustainable growth, international expansion and with it, customer and market diversification.

We recorded steady growth, reaching 324 million euros

The collective effort of all the people who make up the Group has led to year-on-year growth. Thus, we have consolidated sales of €324M which is a 5% increase on the previous financial year. This growth is due, in part, to the development of new products and new customers, as well as the integration of Müller and Novanatura.

This year's balance shows how we have strengthened and positioned the Group in Europe. 40% of company turnover are sales made outside Spain (+52% with respect to 2018) and all the units of the Group have increased abroad.

Fresh-cut, the key to the company's business

The ready to eat area has led sales yet again. Sales, of €222M, have increased by 12% with respect to the previous year. The seven pre-packing plants produced more than 229 million units of salads and ready-to-eat vegetables in 2019, a processed volume of 56,200 tonnes.

The Nutrition business unit has invoiced €26M, remaining at figures similar to those of the previous year. At a production level, more than 35 million units of tubs and pouches of baby food and other

products for the rest of the family have been produced, equating to 9,300 tonnes. It has been a year of great achievements, such as breaking into the Asian markets, the start of our global expansion.

The turnover from the agricultural area was €76M which is a reduction of 8% on the previous year, this is due to the changes we have implemented to the structure and Group organisation as well as to the adverse weather conditions or DANAs (isolated high altitude depression) suffered twice which gravely affected our fields and crops.

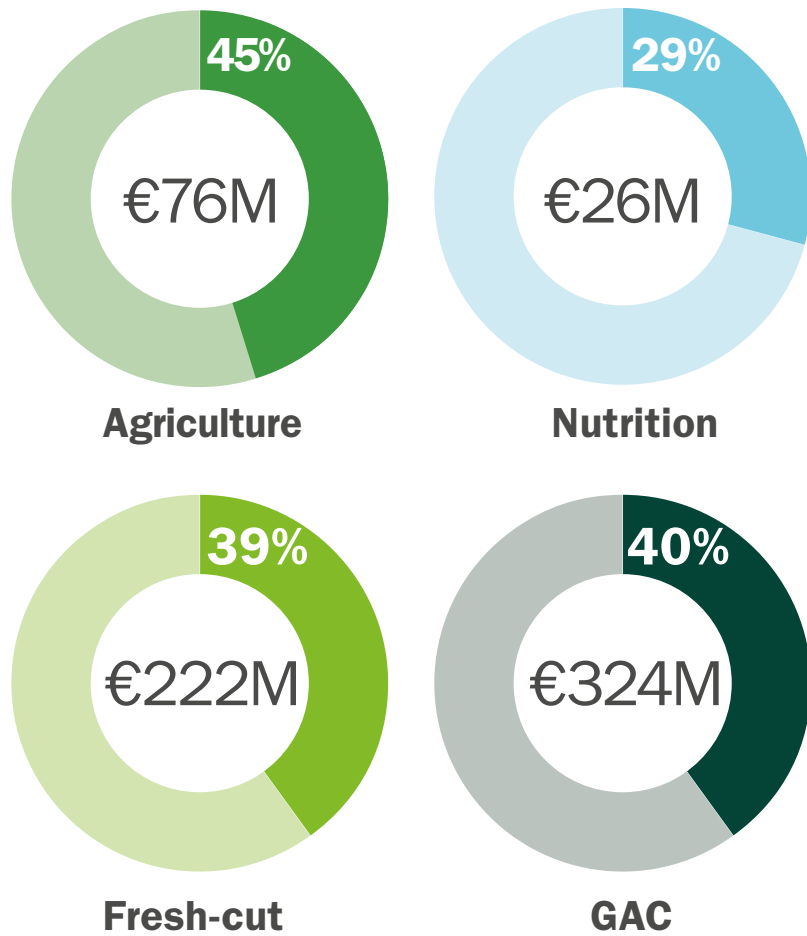
40% of the Group's turnover now comes from outside Spain

We are continuing along the road to leadership and sustainability we started five years ago. The results obtained encourage us to continue working on this exciting project as we have done so far, with honesty, transparency at the same time as creating long-term value for our shareholders, workers, collaborators and consumers. We look to the future with optimism, convinced that we are taking important steps to become the preferred fresh and healthy product company for customers and consumers.

Business division share



International turnover

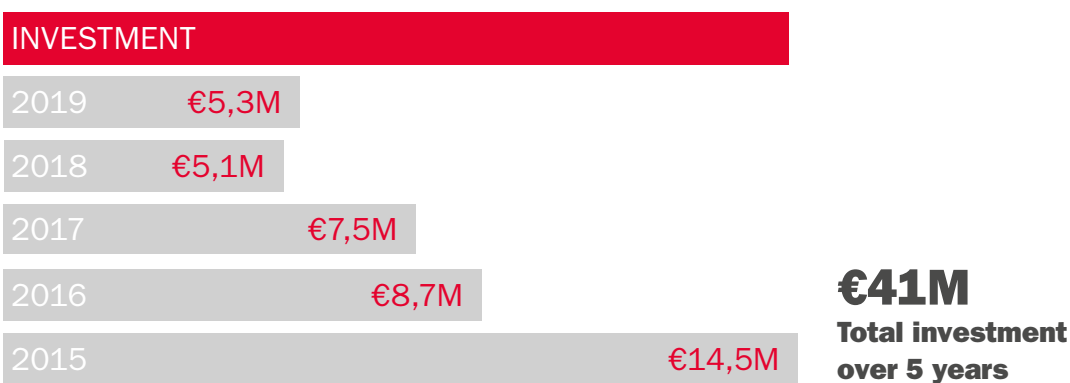
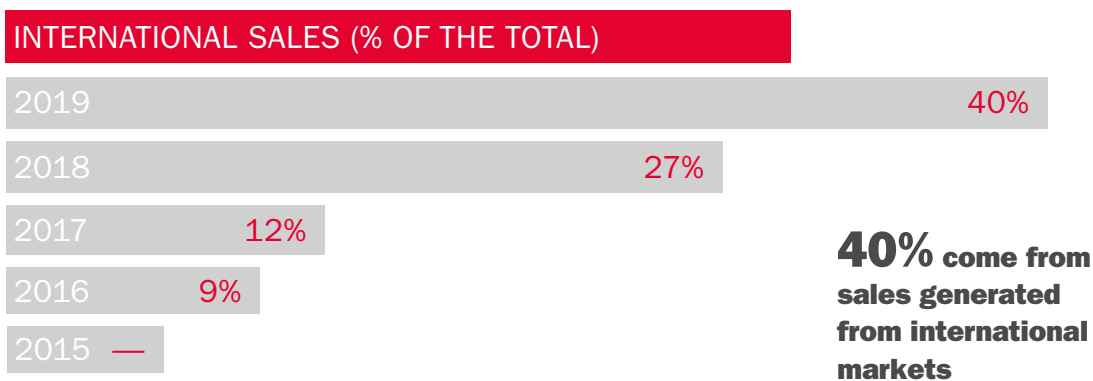
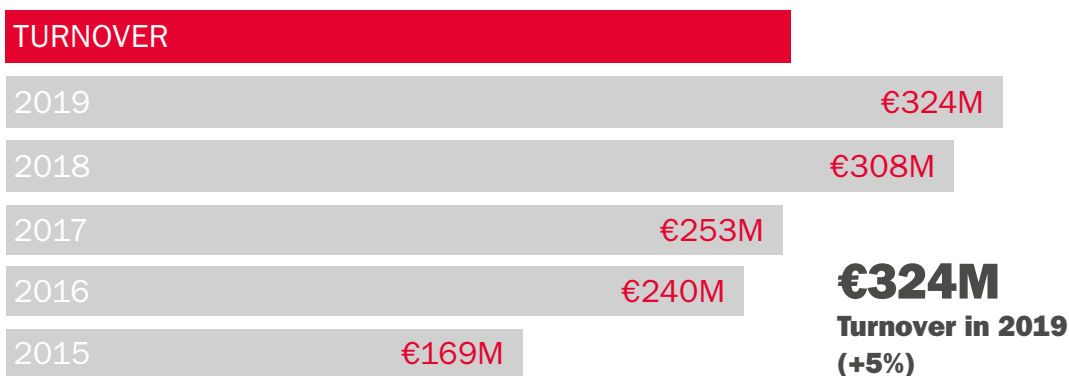


Turnover per business unit

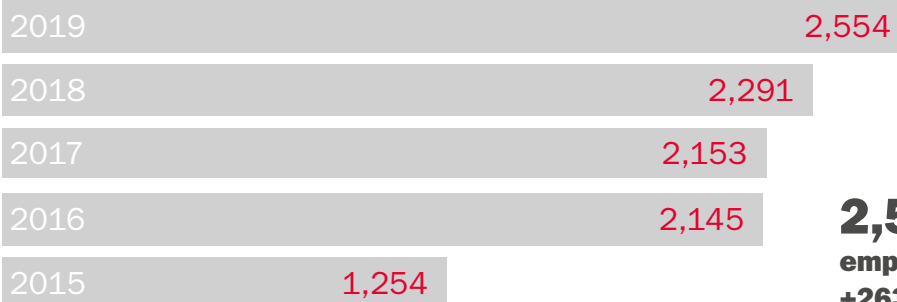
	2019	2018	Variación
FRESH-CUT	€222M	€198M	12%
NUTRITION	€26M	€27M	-3%
AGRÍCULTURE	€76M	€83M	-8%
Total	€324M	€308M	+5%

Sustainable growth

In 2019 we have had a new record turnover and increased our growth and international expansion



EMPLOYEES



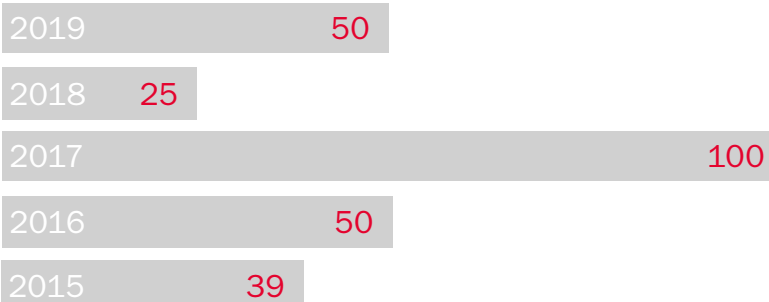
2,554
employees.
+263 in 2018

N° SITES



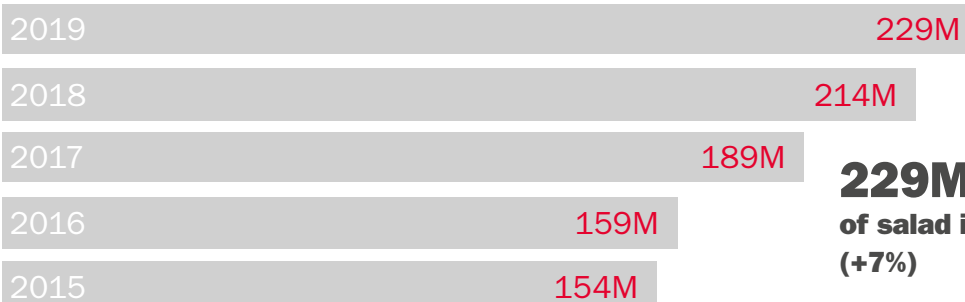
9 processing
plants

INNOVATION: NEW PRODUCTS



+15% of the
turnover comes from
2019's innovations

VOLUME SOLD (UNIT) FRESH-CUT



229M units
of salad in 2019
(+7%)



