



Growing together



Rafael Juan
Managing Director of Dulcesol Group.
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The spirit of the Corporate Social Responsibility has been present in **DULCESOL** since it was founded, but in recent years we have found it necessary to identify and group all these actions together, not only to improve them, but also to present them to our community. Our premise is to do our best in order to return to the society what we receive from it, not causing it any harm.

We believe that it is our duty to account for the economic and social aspects that could affect our workers, clients, communities, and the society in general.

The four fields in which the **DULCESOL GROUP** develops the Corporate Social activity are the following:

The **Value Creation**: Our objective has always been the production of quality products at an economic price: "**Quality at a good price**". Our success has allowed us to invest more than 100 million euros over the past 5 years.

The people, our **Human Capital**: Every person in the company is important, and they help achieve the Global objectives with their work. The Group cares about the quality of the working life of the employees as well as their professional self-fulfillment.

The **Natural Environment**: We are aware that our activity consumes primary resources, produces residues and

causes an environmental impact. Therefore, from day one we have adopted a proper policy of purchases and production, as well as a residues management, since we are a company that cares about the environment and natural resources in the long term.

Our **Commitment on Quality**: All the efforts that our company makes are for the sole purpose of satisfying our clients.

I think it is important to point out that all progress regarding environmental sustainability is made in a context of constant growth of the Group, both in quality and quantity, which reinforces our foundational idea that an economic growth is compatible with the social and environmental development. For this reason, I am proud to announce that in 2012 the **DULCESOL GROUP** has manufactured over **110 thousand tonnes of product** and it has continued with its international expansion plan by **selling in more than 30 countries around the world**.

Today we present to you our **Corporate Social Responsibility** report, a specific summary document that reaffirms our constant commitment with quality and sustainable development.

Dulcesol throughout its History



"Our commitment from day one is to obtain certified quality food, constantly innovate and anticipate market needs"

DULCESOL is a Group of companies with a familiar spirit and entirely Spanish capital, whose origins date back to the early 1950s, where it started with a small traditional bakery in Villalonga (Valencian Community).

Nowadays the group has two plants destined to the manufacture of baked goods located in Gandía and Villalonga (Valencian Community). In recent years, the Group has started manufacturing new products like the cream spread or the baby food.

The Group has also its own egg producing farm and a plastic company that produces all the packaging material with the latest machinery available.



Human capital

"Every person is important; with their collective work the Mission of the Group is achieved. The Company must watch over the quality of the working life and the self-fulfillment of each person. It must also promote the permanence of these people through a design of the workplaces that makes them attractive and desired".

Key commitments with our people

- **Clarity:** The organisational structure must be clear and known by all. Teamwork and cooperation among all workers are strengthened through **continuous coaching plans**.
- **Internal promotion:** One of the features of the Group is the opportunity for the worker to develop his own professional career on it. **All of the members of the Board of Directors have developed the most important part of their professional careers on this GROUP.**
- **Training:** The initial and the continuous training of the workers are developed and fostered in order to improve their professional skills.

• **Integration and equality:** The Organisation ensures the proper integration of each person through its **initial welcome and the different developed plans** (Equality, Anti-harassment).

• **Work conditions:** Physical safety, health, and hygiene of the workers during their activities are ensured in the workplaces and working environments. **Excessively heavy and repetitive tasks have been minimised.**

• **Family-Company conciliation:** The Company fosters the conciliation of the professional life with the familiar life through flexible schedules and **helping parents with preschool children.**

Social Cooperation



For the past 10 years, **the Group has donated over 240 tonnes of food (27.000 kilograms in 10.400 product boxes in 2012) to local public and private entities like hospices, old people's homes, prevention hospitals, as well as national entities, like the Food Bank.**



Workers of the Group make regular donations to the Transfusion Centre in the Valencian Community with the aim of helping save lives or restoring other human being's health.

Healthy lifestyle promotion

The Group is constantly searching for ways to support and promote healthy lifestyles, actively cooperating by giving products to participants of popular runs or with local sport entities in the influential area of the factories. In the past 3 years, **the Group has contributed with more than 50.000 euros given to sport entities.**



Cooperation with technological and education centres

Agreements with Universities and technological Centres to **develop projects for improvement and Research + Development + Innovation (R+D+I) of the productive facilities**

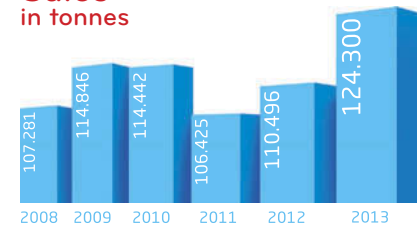
Agreements and Plans with Universities and Professional Training Centres to cooperate in the **students' access to the Labour Market**

Over **3.000 elementary and secondary students** in the Valencian Community have visited the productive facilities of the Group last year.



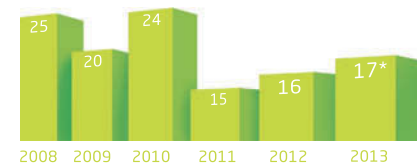
Creation of Value

Sales in tonnes



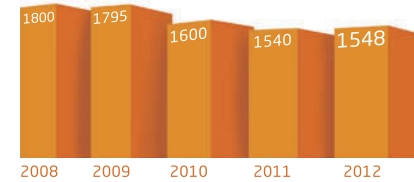
DULCESOL GROUP production reached **110.000 tonnes** in 2012 and it is expected to exceed **124.000 tonnes** in 2013. This figure has been achieved thanks to a wide variety of products (**more than 100**).

Investments in million euros



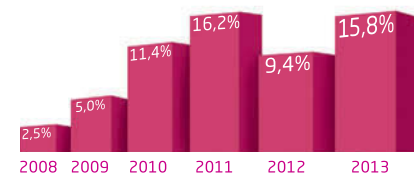
In the past 5 years the Group has invested **100 million euros** in facilities and latest machinery. This amount includes the **new and biggest plant of sliced bread in Spain**, an **automated logistics warehouse** or the **baby food factory** as the most important investments.

Workers number



DULCESOL GROUP has a team of **more than 1.500 workers**, and **more than 45% are women**. According to the production and sales expectations, **the Group expects to increase the workforce by 10% approximately in the next 2 years**.

Products percentage of new products sales over total



The most known and important activity of **DULCESOL GROUP** is the manufacture of industrial bakery, but for more than a decade, the Group has become one of the **industrial models in sliced bread production**. In 2010 the Group has also begun manufacturing **cream spread** and in 2013 has started producing **food for children**, which started with the production of jars for babies.

Internationalization



International Sales in million euros



The Group has been present in more than 30 countries since the 2000s, but it is not until the year 2010 when the **International Market** is considered a strategic key for the future growth of the Group and it is given new resources, structures and a first internationalisation strategy which, **in only 3 years reaches the 17% of the income of the Group**.

We are aware that **it is important to expand our presence in the international market for the sustainability of our business**, as pointed out by our Strategic Plan. In this respect, the Group expects to invest over 15 million euros to develop the production and the sales of products abroad.

YEAR 2000

The Group **exceeds 100 million of income** with **1.125 workers**. **Nova award for the enterprising woman** awarded to **Ms Doña Victoria Fernández Prieto**, co-founder and President of the Group.

YEAR 2003

The Group reaches **1.400 workers** in national territory. **GEA Award for the Business Track Record** and **award for the Technological investment** awarded in the IV Awards for the Best Spanish Food Company of the Ministry of Agriculture, Fishing and Food.

YEAR 2005

175 million of income exceeded with **1.720 workers**. **Award for the Business Track Record** awarded by the Economy Group of SAFOR.

YEAR 2006

Best Food and Agriculture company, granted by the Office of Agriculture, Fishing and Food in the Generalitat Valenciana.

YEAR 2010

Construction of the **biggest Plant of Sliced Bread in Spain**. **Award for the excellence in flexography** from the International Grand Prix Cyrel.

YEAR 2013

The group expects to **exceed 250 million euros of income**. Finalization of the investment for the plant of baby food production. **Expansion and investment in Algeria and France**.









Commitment to Quality

New generations are the future and we must control what they eat. It is our responsibility to teach them how to lead a healthy life and choose quality products. In **DULCESOL** we can guarantee the selection of our raw materials, since they are subject to multiple legally required controls. **This allows us to offer healthy, certified quality products.**

DULCESOL was the first and only mass market products brand that eliminated **hydrogenated fats of all bakery products in early 2010 in Spain**. This important fact proves the concern and the leadership that **DULCESOL** represents on improving the quality of the ingredients used.

All the effort we make in our company is aimed towards the complete satisfaction of our clients, therefore we work continuously in order to ensure the continuance and the progressive improvement of the system of quality management in the **DULCESOL GROUP** always seeking the same goal: **to provide quality products.**

Quality at the best price

 <p>Certified IQ Net International certificate. DULCESOL is Partner of the Group of Companies that Improve the Quality of the European Union Structural Funds Programming through Experiences Exchange.</p>	 <p>ISO 9000 Certificate In 1997 the Group certified its Integrated Management System (IMS) with a double objective: the improvement of its quality system and the positive impact it had in its image for its clients, since it was the first company in Spain to obtain that certificate.</p>
 <p>ISO 14000 Certificate National certificate. It identifies DULCESOL as socially responsible, differentiating it from the competition and reinforcing in a positive manner its reputation for third parties.</p>	 <p>ISO 166002 Certificate In 2005 the Group certified the Management Procedures and Standards to develop its system of Research + Development + Innovation. This group of standards optimizes the Group's technological innovation process under the reference ISO 166002.</p>
 <p>OHSAS 18000 Certificate During 2013 the Group has got the internationally recognised OHSAS certificate, which defines the requirements for the establishment and operation of an effective Safety and Health Management System in Work.</p>	 <p>Certified IFS International certificate. IFS (International Food Standard) is an international standard under certification criteria based on the standard EN 45011 on product certification.</p>
 <p>Certified EMAS International certificate. Voluntary European Union standard for Organisations which adopt an Environmental Management System and commit themselves to constantly improve it.</p>	 <p>Certified BRC International certificate. Food safety standard whose objectives are: Compliance of Legal Obligations. Consumer Protection. Examination and audits of suppliers. Reduction of the production costs. Reduce price inflation.</p>

Sustainable Business



Awareness and commitments of Dulcesol

We are aware of the importance of our activity for the **progress and social welfare**. Therefore, our environmental policy is based on the following mottoes:

MAKING our business compatible with the **environmental preservation, minimising residues and pollution**.





FOSTERING product design and procedures that minimise the impact on the natural environment.

COMPLYING with the applicable environment regulations, as well as with other requirements that **the Group voluntarily accepts**.

TRANSMITTING our **environmental commitment** through this policy to the interested parties and encouraging its performance.

IMPROVING the Environmental Management System based on the **UNE-EN ISO 14000** and **EMAS Regulation**.

Objective accomplished: Reductions and improvements made in 2012

	Objective*	Reduction reached
 Urban Waste	Reduction 5%	7,76%
 Electric Consumption	Reduction 5%	8,83%
 Diesel Fuel consumption	Reduction 20%	26,55%
 Water discharge	Install biological treatment in the purification system	In process, planned for 2013

* Information from Environmental Statement Juan y Juan Industrial S.L. (2012)

Investment in R+D+I

Our objective: Healthy diet

We consider that an important part of our activity is to develop **continuous improvements in the industrial development process**. That is why the Group has invested over **15 MILLION EUROS** in R+D+I PROJECTS to **IMPROVE OUR PRODUCTS AND PRODUCTIVE PROCESS** in the past 8 years.

Improvements in nutrition

The Group has invested over **2 MILLION EUROS** in the past 3 years to **IMPROVE THE NUTRIENTS** of its products and **ELIMINATE HYDROGENATED FATS**.

Development of new low-calorie products

The Group regularly undertakes research projects to develop **HEALTHIER NEW** industrial bakery **PRODUCTS**. We have invested nearly **1 MILLION** euros in recent years.

Excellence in Food Safety

We have developed a **VIRTUAL INTELLIGENT QUALITY MANAGEMENT SYSTEM** for our bakery products whose investment exceeded **1,7 Million euros** between **2010 and 2012**.



Continuous Improvement

In **DULCESOL** we believe that manufacturers are an essential part involved in the success of the diet of a society and, therefore, we can have a positive influence on it having healthy habits.

Since early 2010, our products contain only **soybean and sunflower oil**, as well as **non hydrogenated vegetable fats**, thus containing no fatty acids and eliminating any related harm (LDL, HDL, cholesterol) to our heart.

The constant concern to improve the quality and provide healthier products has lead **DULCESOL** to eliminate hydrogenated fats from its bakery, pastries and cocoa, using **vegetable fats** instead, **free of trans fatty acids**.



Product Diversification



Balanced baby food jars for the proper baby's growth

During the first quarter of 2013 we launched new baby food jars which will become a clear quality alternative at a competitive price. The initial product consists of 6 different jars which adjust to the nutritional needs of the baby:

- An intelligent purchase: 3 fruit jars, 2 meat jars and 1 fish jar constitute a complete and varied addition of baby food to the market. The recipes are developed by nutritionists and they adapt to the babies' needs.
- An **adjusted purchase effort**: As with every other product of the Group, the **price is undeniably attractive** (below the average baby food jars price).
- Everything under goes a quality production process using the **EU latest knowledge in Food Technology** and the strictest procedures.

In addition, Mi menú takes the utmost care of the origin and traceability of all raw materials and it has all the guarantees of the Group **DULCESOL**.







Our Challenges

We want to keep creating a value with a **Sustained Growth**

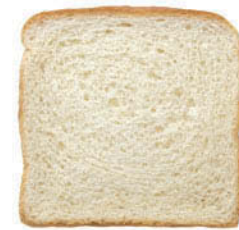
We have a **Commitment to Continuous Improvement**

Proposed improvements to minimise and reduce our environmental impact

	Objective*
 Urban Waste	Reduction 5%
 Electric consumption	Reduction 5%
 Diesel fuel consumption	Reduction 20%
 Water discharge	Reduction 5%

* Information from Environmental Statement Juan y Juan Industrial S.L. (2012)

Proposed improvement objectives for our products. Year 2015



SLICED BREAD
-10%
salt



MAGDALENAS
-15%
cholesterol



SPONGE CAKES
-5%
fats



CROISSANTS
-3%
fats

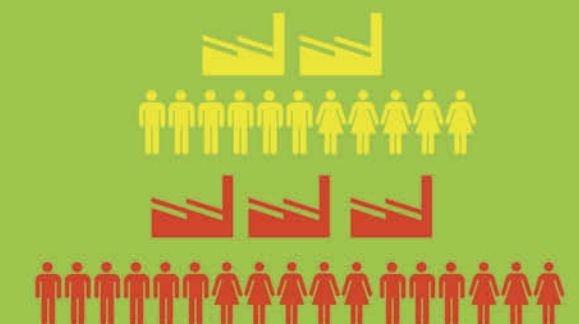
Foster INTERNATIONAL EXPANSION



Development of the Annual Plan for SOCIAL COOPERATION



Job creation
in 3 years
+10%



Dulcesol



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