



ANNUAL REPORT

15/16





ANNUAL REPORT 2015/2016

INDEX

Presentation	4
Who we are	6
Our history	8
Our products	10
Our brands	12
Innovation and quality	14
CSR and sustainability	16
Our group	22
BBF worldwide	26
Milestones of 2016	28
Marketing campaigns	30





PRESENTATION

Since many years ago Borges International Group has been publishing Group annual reports. However, following last year's restructuring, Borges Branded Foods has become autonomous and independent enough to present its most outstanding milestones individually. For this reason, I am pleased to present the first Corporate Report of Borges Branded Foods.

The axes of our strategy have always been quality, internationalisation, innovation and sustainability. These are the key ingredients to remain a leader in healthy and wholesome products consumed in 91 countries worldwide, with a clear position as ambassadors for Mediterranean cuisine and lifestyle.

This has been the year of our entry into Italy under the Ortalli brand. This historical company was founded in 1899, from family origins, and is located in the Modena Denomination of Origin, from where it sells its creams and balsamic vinegars, made with the highest quality standards. This operation will allow us to strengthen our leadership regarding the marketing of Modena balsamic vinegar and glazes in markets such as Spain or the West Coast of the United States, and also strengthen our position in the Italian market via a consolidated sales network based in Italy and over 40 other countries.

We are confident that its integration into the Group will allow us to replicate the success obtained with the other incorporations that we have carried out in recent years. An excellent example would be Capricho Andaluz, considering that four years after its integration into the Out Of Home (OOH)

unit, we have achieved historic results from our OOH division as well as a sales record of 90 million of portions. This represents growth of 40% and 25% respectively when compared to the previous year.

Likewise, I would like to highlight the work done towards the consolidation of the Indian market, where our team and portfolio have grown significantly during the last few years, accompanied by development of the market that has made us leaders in the main categories in which we compete, such as olive oil, pasta and nuts.

Adaptation to the needs of our consumers and the promotion of healthier consumption habits have borne fruit. Today we are the world leader in organic olive oil and in addition, we have tripled the volume sold in this segment. We have also been the first company in our field to calculate its carbon footprint, certifying the emissions from the field to our customers for all our Pizarro range, nuts of 100% Spanish origin.

These are just a few examples of the efforts we make to continue improving and innovating, and this year they have also been reflected in new launches under our main brands. This fiscal year has been one of continuous improvement and pursuit of excellence, which must continue to guide our steps along the "path of good things".

RAMON PONT

WHO WE ARE

We are part of a family-owned food processing company of Mediterranean origin, with 120 years of history and a strong international presence. We are leaders in managing agricultural farms as well as industrial processing, packaging and marketing of olive and seed oils, nuts, dried fruits, Modena vinegar, pasta and snacks.

Our goal is to create value for our stakeholders, based on quality and innovation, offering consumers the standards and qualities of the enjoyment

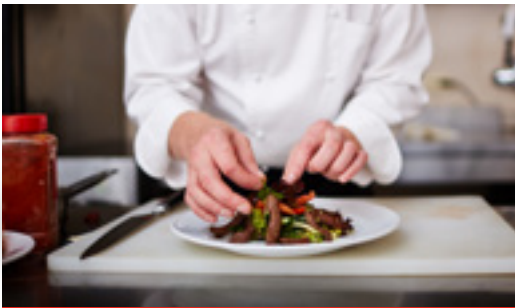
of Mediterranean life as a global cultural concept that defines food as a source of health and pleasure, a unique cultural experience: Mediterranean Life & Quality.

Internationalisation has been part of our DNA since our first exports began in 1957. Today we have 12 commercial offices worldwide, where over 6,000 professionals, both in-house and external, serve our customers and consumers around the world, making the Borges brand the most international presence in its sector.

MAIN BUSINESS AREAS:



RETAIL
Products packaged under our brands aimed at the end consumer.



OOH
Products packaged under our brands aimed at catering professionals.



241.925.000	69.800	215	91
EUROS IN SALES	TONS SOLD	EMPLOYEES	SALES DESTINATION COUNTRIES

OUR HISTORY

120 years of family tradition, internationalising Mediterranean values and culture.



1890'S



1920'S



1950-60'S



1970-80'S



1990'S



2000'S



2010-15



2016

1896
Antonio Pont and Dolores Creus start their business project.

1925
Incorporation of the Second Generation with the entry of Josep and Ramón Pont Creus.

1957
First bulk exports of olive oil and nuts.

1964
The Borges brand is born.

1967
First nuts packaged under the Borges brand.

1978
First Borges advertising campaign launched.

1978
The Borges logo is redesigned to the current one.

1980
Consolidation of the Borges brand at the national level achieving leadership in oils and nuts.

1995
Acquisition of Star brand to Giurlani USA Inc. founded in 1898 in the United States.

2003
Reinforcement of the Food Service channel in France with "CDS Catering Distribution Services".

2004
Purchase of ITLV in Russia.

2007
Purchase of Tramier in France.

2009
Opened subsidiary in India.

2011
Opened subsidiary in Brazil.

2012
Opened subsidiary in China.

Entry into the capital of Capricho Andaluz, a leader in olive oil portions.

2016
Incorporation of the Italian brand Ortalli, founded in the late 1800s, with a great tradition of Modena vinegar.

OUR BRANDS

The current trade brand structure presents a combination of the global Borges brand, local brands and specialist brands.



Leading brand of the group, perceived as a “top of mind” brand across all its references.

Borges International Group contributes to the consolidation and furthering of the group’s brands, annually providing 14 million Euros to support advertising in the media and promotions.



Star is a leader in olive oil, vinegar and olives on the west coast of the United States.



Tramier is a leader in France in table olives, with significant market shares.



ITLV is a leader in Russia in olive oil, olives and vinegars and is present in Eastern territories.



Ortalli legitimises the Modena origins of our vinegars and balsamic glazes.



Capricho Andaluz is the market leader for olive oil and vinegar portions.



Popitas is the leader in the Spanish market for microwave popcorn.



Cara Mia excels at selling “Premium” preserves and artichokes on the North American market.



Pacific Choice enjoys great prestige within the OOH channel in the western United States.



Alferdous brings the quality of our products to Arab consumers.

OUR PRODUCTS

We offer consumers from around the world delicious ways to enjoy MEDITERRANEAN LIFE & QUALITY.

Our products are fundamental ingredients of Mediterranean cuisine, especially virgin olive oil and nuts, which are recognised by nutritionists worldwide for their healthy effects with

regards to reducing cholesterol levels in the blood and preventing certain diseases.

Innovation is one of the fundamental axes in our strategy of creating value. We develop and expand our range to adapt to changes in lifestyle, offering alternatives that contribute

to the health and well-being of our consumers.

We are making a significant investment in the development of products and processes, ones completely new to our sector, in order to guarantee the highest standards of quality and food safety.

Our recipe is simple, yet elaborate: a wide range of healthy, pleasurable products that provide profitability and sustained growth over time.



OLIVE OILS



SEED OILS



NUTS



VINEGARS



POPCORN



PASTA



SAUCES



BALSAMIC GLAZES



OLIVES



OUT OF HOME RANGE

QUALITY INNOVATION

Innovation management is for us a key tool in creating value. In a clear commitment to the future, we continue to dedicate our efforts to the development of products and processes that allow us to be pioneers in our sector, upholding the highest quality standards and ensuring that our customers and consumers get products that meet their needs and expectations, in

very complex and diverse markets. We firmly believe that anticipating is the best way to lead a business into the future. That is why we have made an important investment effort to investigate, innovate and improve processes, thus guaranteeing the competitiveness and future of the company.

OUR MAIN ONGOING PROJECTS ARE INTENDED TO ACHIEVE:

- Improvements in the levels of sodium, sugar or fat in our products.
- New healthy products for our customers and consumers.
- Formats and packaging that are practical for our consumers and environmentally-friendly.
- New business lines to complement our current range.
- Healthy alternatives to products that we do not currently market.



QUALITY

Quality forms part of our culture: “Always give what is expected of those who are part of this Organisation, at the right moment, in the right amount and in the right form.” We extend this commitment to our suppliers and those who effect the continuous improvement of all stages and activities, via checks and traceability programmes. The effectiveness of these pro-

grammes is regularly evaluated by independent experts. The highly demanding certifications we hold, along with the experience and professional skills of our employees, allow us to offer our clients and consumers the highest standards of quality, traceability and food safety.

TO ENSURE THE SAFETY AND HEALTH OF OUR CUSTOMERS, WE HAVE:

- Built-in security reinforcement measures.
- Continuous monitoring of our facilities
- Dissemination of information to customers to ensure safe use of the products and services offered.
- Analysis of critical points and product quality controls.
- Regulatory inspections and compliance with applicable requirements.
- Implementation of quality control and food safety systems.

QUALITY CERTIFICATIONS



CSR AND SUSTAINABILITY

Our commitment to our stakeholders extends to all those whom the company’s activities may significantly affect, or whose actions may impact our ability to successfully develop our

strategy and achieve our objectives. As a result of dialogue and participation mechanisms involving our stakeholders, four major areas of work have been defined, for which the prio-

rity aspects for the Group’s management have been identified. These were the bases for defining our Sustainability and Corporate Social Responsibility Strategy, as well as

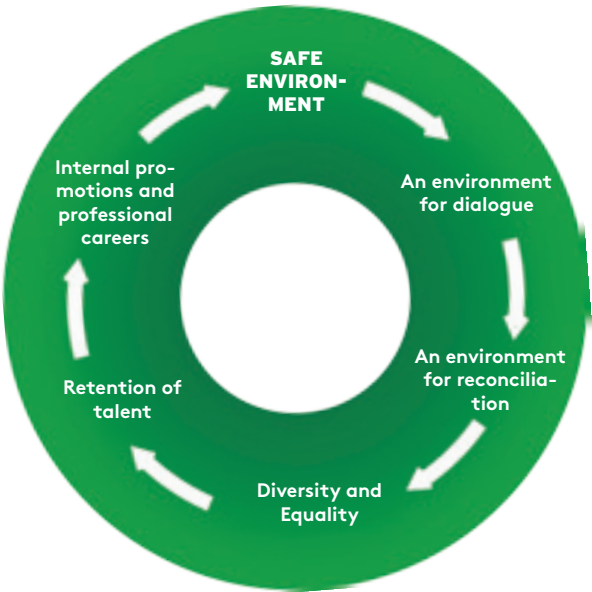
establishing milestones and objectives that will allow us to evaluate our evolution over the next five years and which are summarised in the following table:

OUR PEOPLE	OUR PLANET	SUPPLY CHAIN	OUR COMMUNITY
The success of a company is the result of the talent and well-being of its employees.	The actions of today must not compromise the needs of the future, neither those of the company nor of society.	Promoting responsible manufacturing and consumption as part of our objectives.	Engineering and promoting changes that can improve the quality of life for society.
OBJECTIVE: To promote the development of collaborators.	OBJECTIVE: To minimize the environmental impact of our operations.	OBJECTIVE: To take ethical, environmental and social issues into account in the supply chain	OBJECTIVE: Contribute to generating sustainable communities.
LINES OF WORK: <ul style="list-style-type: none">Diversity and equality.Employee health and safety.Attracting, developing and retaining talent.	LINES OF WORK: <ul style="list-style-type: none">Risks concerning the supply and management of water.Packing and packaging of products.Strategy on climate change, policy and environmental awareness.	LINES OF WORK: <ul style="list-style-type: none">Supply chain management.Evaluation of supplier CSR compliance.Code of Conduct and Anti-Corruption.	LINES OF WORK: <ul style="list-style-type: none">Health and nutrition.Promotion of healthy lifestyles.Dialogue with relevant stakeholders.
			

OUR PEOPLE

- Development of the Group’s 3rd Equality Plan, whereby the following objectives are established:
- Ensure equality of treatment and opportunities for women and men in the company.
 - Provide for measures in the Plan aimed at reconciling work and family life.
 - Review the harassment protocol, and procedures in case of non-compliance.
 - Review the practical manual on non-sexist language.
 - Promote personal and professional development.
 - Implement a social benefits programme to guarantee quality and stability of employment to favour the reconciliation of working life and family matters.
 - The “Borges te Cuida” (Borges Cares for You) programme aims to transfer values, promote healthy habits and generate commitment to being a sustainable, healthy and supportive company.

EMPLOYMENT POLICY AND STAFF STABILITY PRINCIPLES:



OUR PLANET

As part of Borges International Group, we aim to achieve a balance between our activities and sustainability, through our commitment to the environment.

MAIN MEASURES TO MINIMISE THE IMPACT OF OUR ACTIVITY ON THE ENVIRONMENT:

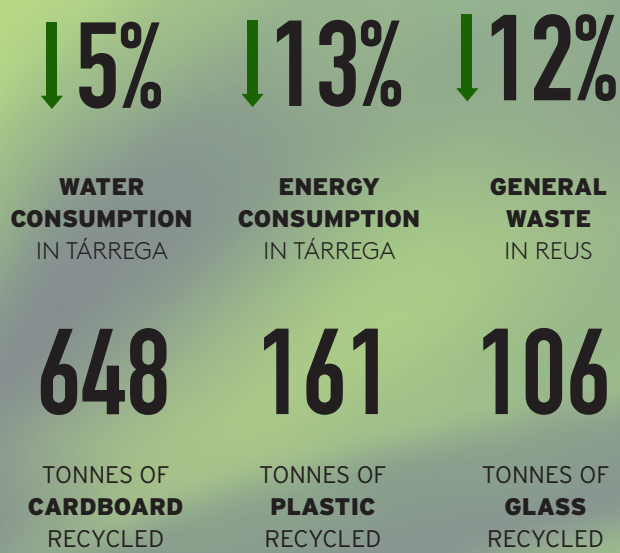
- Ongoing renewal of industrial equipment, replacing it with new technologies that are more efficient and generate less pollution.
- Better techniques and exploitation processes at our own purification plants, reducing consumption of the chemicals used and outputting more environmentally-friendly waste water.
- Energy audits at each production centre.

We recognize that every Organisation must develop its activity in a sustainable way, integrating economic, social and environmental factors into its strategy and policy.

- Continuous studies to encourage recycling and weight reduction for all containers.
- Ongoing annual training regarding environmental protection matters.
- Worker awareness training regarding key environmental issues.
- Publication of the Practical Green Office Guide that collects tips for energy, water and paper savings.



KEY MILESTONES:



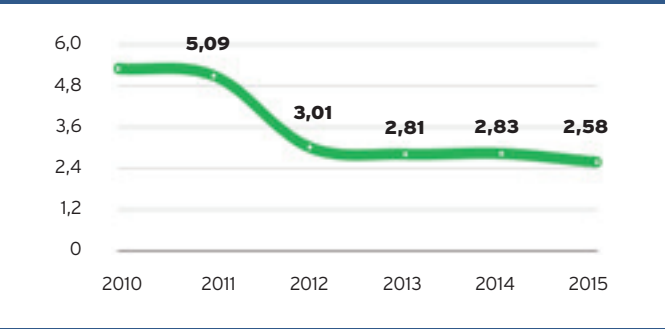
WASTE MANAGEMENT

Reduction of waste generated by process improvements and management optimisation (grease, sludge, etc.), prioritising destinations for recovery, recycling or energy recovery, as in the case of ineligible everyday residues.

The correct functioning of our purifiers is a fundamental element of the daily development of the activities of the plants, and because of this their optimisation is one of the Organisation’s environmental objective at all times.

In 2012, the purification and sludge separation system was modified, obtaining satisfactory results, both in terms of the quality of the discharge and the reduction of sludge treated as waste. Continuous adjustments and improvements allow us to continue reducing the pollution values of these waters and the quantity of sludge to be managed, as can be seen in the following evolution chart.

AMOUNT OF SLUDGE IN THE PURIFIER
(KG SLUDGE / M3 PURIFIED)



CARBON FOOTPRINT

We are the first company to obtain a certificate to measure the carbon footprint for the complete life cycle of our products, from its production in our own orchards to the consumer:

A carbon footprint is an environmental indicator that expresses the amount of greenhouse gas emissions (GHG) that are associated with the life cycle of a company or organisation’s product, service or activity, and that contribute to global warming as an environmental impact factor.

ORGANIC PRODUCTS

Development of a new range of organic products that contribute to the sustainability of the environment, based on ecological agriculture, thus avoiding the use of synthetic products such as pesticides, herbicides and artificial fertilisers. Our range of eco-friendly products includes nuts, oil and Modena vinegar.

Calculating our carbon footprint allows us:

- To quantify, reduce and neutralize our CO2 emissions within the framework of climate change mitigation.
- To offer reduced-carbon products, in line with our sustainability policy.
- To identify opportunities to make cost savings in our processes.



SUPPLY CHAIN

Working on the sustainable development of the supply chain is key to our Social Responsibility strategy. Therefore, we expect the same commitment from our suppliers, contractors and collaborators, in order to:

- Mitigate risks of any violation of human and social rights.
- Ensure integrity and ethical conduct.
- Reduce the environmental impact of the organisation.

Our contracts include clauses relating to the operations of our suppliers as part of the ethical management of the supply chain and our quality code.

In recent years, we have expanded the internal monitoring teams responsible for the approval and continuous evaluation of national and international collaborators.

DURING THE YEAR, THE FOLLOWING INITIATIVES WERE CARRIED OUT:

- Definition of social and environmental criteria for the selection of suppliers, as part of the Supplier Code of Conduct.
- Improvements to the Social Responsibility and Sustainability Self-Assessment Questionnaire for the supply chain.
- Approval of the Ethical Principles for suppliers and collaborators and establishment of the Ethical Channel for suppliers.
- Analysis of fundamental aspects such as transparency, business ethics, human rights, social action, quality and environmental care.



OUR COMMUNITY

Two factors are crucial in the pursuit of high quality standards: our staff and the use of the most advanced techniques. As a company, we are close to society and committed to it, contributing to its development through our way of doing things and the initiatives that we carry out in three areas:

HEALTH	CULTURE	SPORTS
We conduct various collaborations with associations, non-profit bodies and public bodies.	We are present at events held in our immediate neighbourhood.	We focus on sport as an integrating element and a way to promote healthy life habits.
<ul style="list-style-type: none">• Susan G Komen Foundation (United States) Against Breast Cancer.• Association of Diabetics of Catalonia.• Spanish Association of Transplants.• Spanish Association of Autism Professionals (AETAPI).• The Spanish Association Against Breast Cancer.	<ul style="list-style-type: none">• Collaboration in the traditions and popular festivals of the areas where the Group carries out its manufacturing activities, collaborating with municipalities, neighbourhood associations and other institutions.	<ul style="list-style-type: none">• Support via contributions of money or products to various types of sporting events such as school races, popular treks, hikers' associations, etc.

BODIES WE WORK WITH

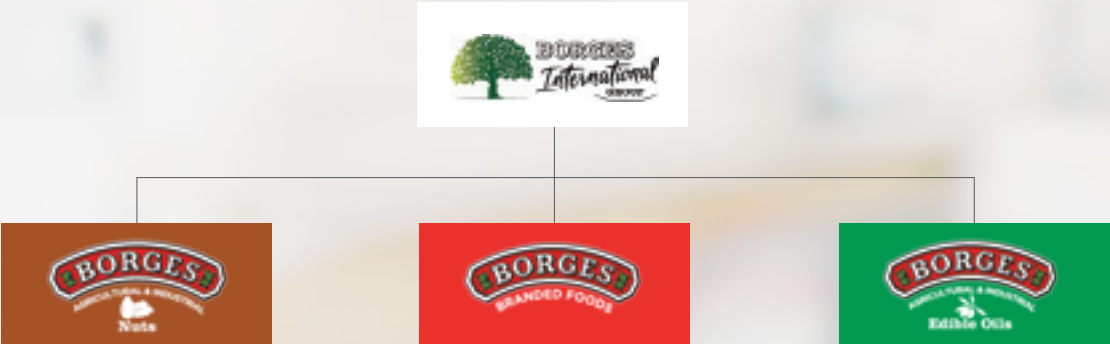
We are members of various organisations committed to social and environmental progress, such as:



Our relationships of trust are based on a responsible service, with a business model sensitive to social realities and sustainable management processes that add certainty to our future.

OUR GROUP

We are part of the Borges International Group family-owned group, with the third and fourth generations of the Pont family represented on the board of directors and with a fully professionalised management. We are a family business with totally professionalised management, a great spirit of improvement and growth, and - true to our origins - the land, with its tradition and values typical of the Mediterranean lifestyle.



Group of companies dedicated to agriculture, industry and B2B trade in nuts and dried fruits. Present in 54 countries.

Group of companies dedicated to the marketing of products under the Group's brands, mainly within the Retail and OOH channels. Present in 91 countries.

Group of companies engaged in agriculture, industry and B2B trade of olive oils and seed oils. Present in 53 Retail and OOH.

OUR STRONG POINTS

Our greatest strengths are our values and our global business network which comprises more than 6,000 professionals who offer our products to buyers worldwide every day, supported by nearly 1,000 professionals specialised in purchasing,

operations, back office services, administration, finance, IT, and all aspects of technical and legal support, ensuring that any form of contact with Borges is always a satisfactory experience.

BORGES INTERNATIONAL GROUP IN FIGURES:

756.864.000

EUROS IN SALES

321.000

TONS SOLD

1.020

EMPLOYEES

108

COUNTRIES



BORGES INTERNATIONAL GROUP IS LEADER IN...

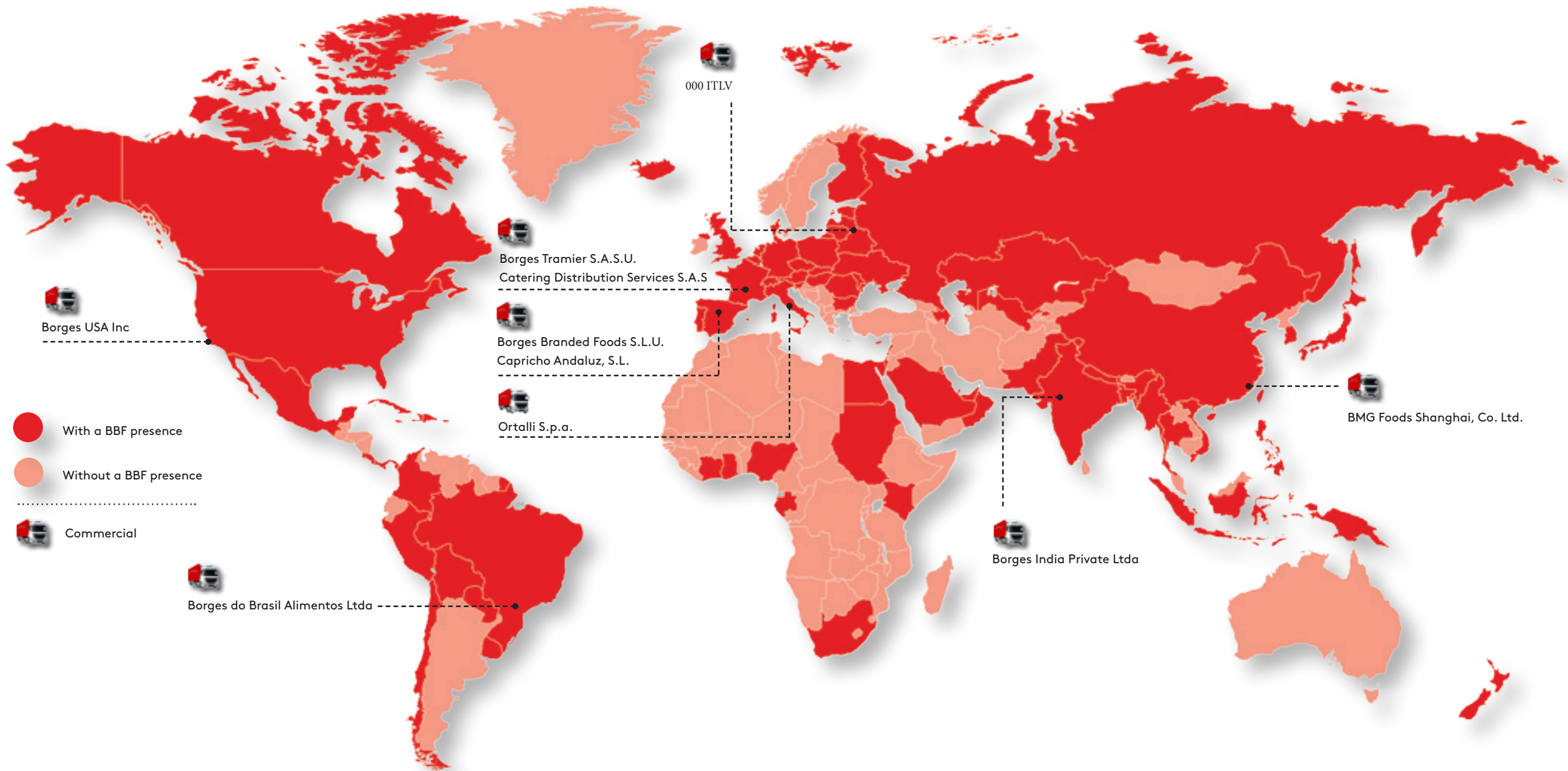
- Borges-branded olive oil in 25 countries.
- Noble nuts, Modena vinegar and balsamic creams in Spain under the Borges brand.
- World leader in organic olive oil.
- Microwave popcorn in Spain with Popitas.
- Nuts in Spain with the brands Borges and Pizarro.
- Portions all over the world.
- Olives in France under the Tramier brand.
- Olive oil in France within the OOH channel under Borges brand.
- Olive oil, vinegar and olives in the United States under the Star brand.
- Marinated artichokes in the United States under the Cara Mia brand.
- Olives and olive oils in Russia under the Borges and ITLV brands.
- Olive oils and pasta in India under the Borges brand.
- The most widely distributed oil and vinegar brand in the world.
- Exports of olive oil in Tunisia.

BBF GROUP COMPANIES

LOCALISATION	COMPANY NAME	ACTIVITY
Brasil (São Paolo)	Borges do Brasil Alimentos Ltda.	Marketing of olive oil, vinegar and pasta.
China (Shanghai)	BMG Foods Shanghai, Co. Ltd.	Marketing of olive oil, vinegar and pasta.
Spain (Tàrraga)	Borges Branded Foods, S.L.U.	Marketing of oil, olives, vinegar, vinaigrettes, microwave pop-corn, nuts, pickles and pasta.
Spain (Cabra)	Capricho Andaluz, S.L.	Marketing of olive oil, mainly in portions.
United States (Fresno)	Borges USA, Inc.	Marketing of oil, olives, vinegar and pickles.
France (Vitrolles)	Borges Tramier, S.A.S.U.	Marketing of olive oil, vinegar, pickles and pasta.
France (Nanterre)	Catering Distribution Services, S.A.S.	Marketing within the Food Service channel.
India (Delhi)	Borges India Private Ltd.	Marketing of oil, olives, vinegar, popcorn for microwaves and nuts.
Italy (Modena)	Ortalli, Spa	Manufacture and marketing of Modena vinegar.
Russia (St Petersburg)	OOO ITLV	Marketing of oil, olives, vinegar, popcorn for microwaves and nuts.



BORGES BRANDED FOODS WORLDWIDE



241.925.000
EUROS IN SALES

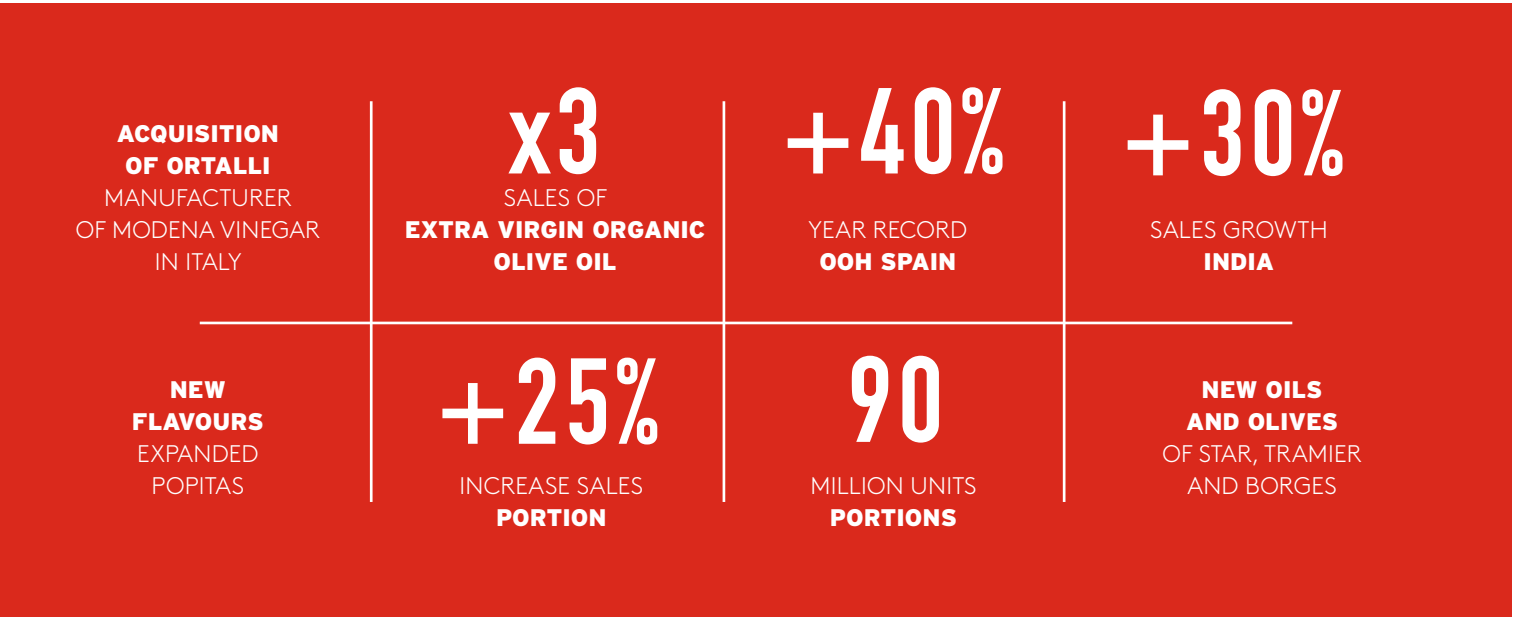
69.800
TONS SOLD


91
SALES DESTINATION
COUNTRIES

12
COMMERCIAL
OFFICES

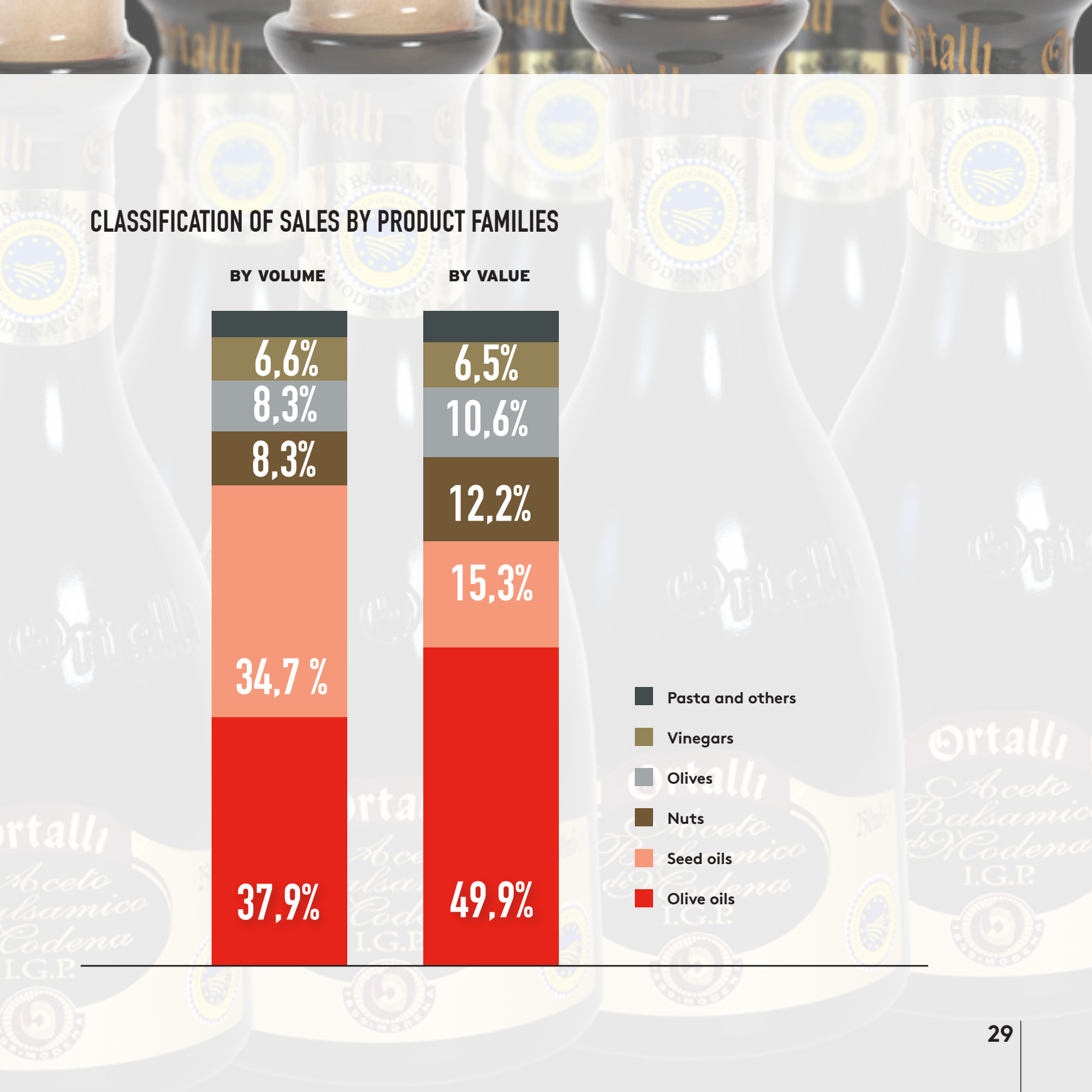
215
EMPLOYEES

MILESTONES OF 2016





“Borges Olive Oil - Extra Light in taste was named Product of the Year 2016 in India at the awards ceremony organised by Nielsen.”



MARKETING CAMPAIGNS

CAMPAIGNS

Our brands enjoy a constant presence in the media, combining various means of communication to reach all our potential consumers and reinforce the image of our brands.

On an international level, but especially in Spain, we continue to develop campaigns that help explain how the

brand has grown over time by forging a path, a path that since 1896 has allowed us to learn how to select the best products, the highest quality and exceptional flavour; a path that has built a brand loyal to its origins, its products, the land, people and ultimately, a way of doing things based on excellence. "The path of good things".



LAUNCHES

EXPANSION OF OUR RANGES OF:

- Pasta with the introduction of whole wheat pasta
- Borges Delissimo vinaigrettes in glass packaging
- Popitas, with Popitas Delight , a healthy and tasty snack in two varieties: cheddar and sea salt
- Tamier sauces, made with olives as the main ingredient, ideal for accompanying pasta dishes
- Star vinegars in the United States with the addition of organic apple vinegar
- Oils such as Mantega and Selecto under the ITLV brand as healthy alternatives
- Mustard vinaigrette for the food service in France
- Pizarro with the new nuts cocktail
- Balsamic creams in Spain with the addition of Pedro Ximénez glaze.
- Olives in France, Russia and the United States with products such as Apero olives
- Oils with 100ml miniature formats in India
- Star-branded olive oils in limited edition vintage-style cans
- Nuts in India with marketing of California nuts and pistachios



COLLABORATIONS

- Borges Branded Foods collaborates with leading chefs and cookery programmes in some of its major markets, most notably Spain, France, Russia and Mexico.
- In the United States we continue to collaborate in the fight against breast cancer with the Susan G Komen Foundation.
- Pizarro nuts were the first products to result from TVE's "Made in Spain" programme.
- In India our oils have been recognised as the Product of the Year.
- We have participated in races around the world, such as the Rock 'n' Roll Marathon Series in California.



ACTIONS AT THE POINT OF SALE

We have developed actions at the point of sale to support our customers and increase the visibility of our brands among consumers. In many cases this has been done achieving a particularly outstanding and unique presence, thereby

contributing to the positioning of our brands. Some of these actions include tasting events where olive oils, olives and pasta can be sampled, allowing consumers to confirm the high quality of our Group's products for themselves.

In some of the markets where olive oil still has great potential for development, we have included information at the point of sale to help our consumers with recipes, as well as cooking tips and information on the benefits of our oils and vinegars.



