

## 6. VALUES OF THE MEDITERRANEAN DIET

SOS Group has taken strong action to stimulate and promote good eating habits, through its products, truly representative of the Mediterranean diet, through the provision and dissemination of advice and recommendations, and through active participation in Research and Development.

As already mentioned in last year's report, the Plan *Feeding the Future* involves, as a priority, designing a distinct management model based on the values of the Mediterranean diet. Its principal lines of action are:

- The definition of values and the management model based on those values;
- A review of the range of products and their nutritional characteristics;
- The development of activities of communication and dissemination which favor the promotion of healthy eating practices and habits;
- The maintenance of smooth relationships with customers and consumers.

### The corporate culture

The programme to communicate the corporate culture was launched in 2009. In March the then Chairman of the organization issued a communication giving the first outline of what the culture and general spirit of the Group would be.

However, owing to the changes which affected the management, and to the actions that occurred inside the Company, the project was frozen. It is intended to reactivate it during the reorganization of 2010.

With this new focus on a common culture, it is hoped:

- To bring all the companies inside a single organization that shares a common spirit, regardless of each company's activity and/or the geographic area to which it belongs.
- To re-build from the atmosphere of division that resulted from the events of 2009, encouraging and promoting the common and distinctive values of the Group's management.
- To incorporate the values of the Mediterranean diet in the daily tasks of the organization.

#### Visión de Grupo SOS

" Grupo SOS tiene como visión ser la **compañía referencia** en el Sector Alimentación para consumidores, clientes y accionistas, admirada por su **capacidad de crear valor**, por la **calidad de su equipo humano**, poseedora de una cartera de **marcas líderes** reconocidas por su compromiso con la nutrición y con los valores de la **dieta mediterránea**."

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### Definition of values

In matters of nutrition and health, the approach of the Management of SOS Group involves policy, objectives and the monitoring of performance. This system addresses the various areas of importance for the interest groups:

- Health and Safety of the Customer
- Research, Development and Innovation
- Labeling of Products and Description of Services
- Marketing Communications
- Privacy for Customers
- Compliance with Standards

In this way, the Organization includes four basic pillars in its Commitment to Nutrition:

- Research and development centered on health;
- Transparency in information;
- Increasing awareness and communication;
- Listening

### Research centred on health.

#### R+D+I with the consumers in mind

Progress has been made in the Department of Quality, Innovation and the Environment with some of the Organization's important projects aimed at making scientific advances in matters relating to health. Of vital importance are the research agreements made with prestigious universities in the United States and with Spanish centers.

Each of these sections is thoroughly dealt with in the chapter on Innovation. However, it is important to emphasize that in 2009, SOS Group subscribed to various initiatives aimed at developing research into the improvement of the foods offered by the Organization and the validation of the nutritional qualities of its products.

#### Development of new products

In 2009, pursuing our line of work to develop healthy products that are also adapted to the demands of present-day society, changes were made in two directions: one focused on the exploitation of the value of the traditional products, and the other, orientated towards research into the development of new ones.

We give details of some of them below:

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### **SOS Bomba**

SOS has launched on to the market a new variety of rice, the SOS Bomba, to complement the already wide range of rice of the brand. The new '*SOS Bomba*' rice is produced using a traditional method and in limited quantities because of the special care that is needed during the production process, which gives it a unique value compared with other varieties.

It is a variety of rice of extraordinary culinary quality, and is especially suitable for lovers of rice and of Mediterranean cuisine. This product is sold in one-kilo packs, of the traditional paper that is typical of the brand, and with a design that accentuates the most traditional values of the brand, which are fully exemplified in this product.

### **SOS Mushroom and chicken duo.**

By contrast, and within SOS's range of ready-made dishes, called *SOS Sabore.es*, a new recipe has been introduced into the market: rice with mushroom and chicken. Following the good reception of the first three varieties launched - Curry, Chicken with Ratatouille and Tuna, SOS developed this new variety, which is a complete food that can be prepared in the microwave oven in only two minutes.

It comes in an individual design – two 125gr. jars, one of white rice and the other containing the new recipe of slices of chicken with mushrooms and a light, cream-based sauce seasoned with extra virgin olive oil, and without preservatives or artificial colorants.

The Chicken and Mushroom Duo is specially designed to meet the needs of consumers who have no time to cook, but who do not want to forgo the taste of a complete dish made according to the timeless recipes, and with the quality of SOS rice.

### **Carbonell concentrated olive oil.**

Launched exclusively for a distribution brand.

In 2009, within the Carbonell range, the available varieties of oil were also complemented with the new Carbonell concentrated olive oil, intended for those consumers who prefer an olive oil of a stronger nature.

It is an oil that is especially suitable for use in cooking, because it has a high resistance to the heating process, thanks to its high quality, refined oil content. Furthermore, its high extra virgin oil content adds taste to every dish. The product is sold in the brand's characteristic triangular bottle, bearing a label with the distinctive Carbonell ambassador, and with "sweet" colors so as to be easily identified by the consumers.

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### **Carbonell First Harvest – in PET containers of one liter**

Carbonell also introduced into the market, at the end of 2009, their First Harvest oil, coinciding with the beginning of that year's olive season. First Harvest oil is the fruit of the first olives collected. The product is sold in triangular, one-liter bottles, and has been produced in limited quantities.

### **Carbonell 750**

Launched in an exclusive way for a distribution brand

Households are getting smaller and smaller – strengthening the commitment to the environment.

In 2009 Carbonell also introduced a new 750 ml bottle for their basic products, olive oil and extra virgin oil. This product is specially designed for the new households with fewer members – one or two - and smaller-sized homes, where the quantity of product required is smaller. This allows the qualities and benefits of the product to remain throughout its life in the household.

### **09010 First campaign**

One more year, already the sixth, and Carbonell launched the *Primera Campaña* oil on to the market. As in every year, this limited edition received an exceptional welcome in the market, which was a great event awaited by distinguished gastronomic critics, marking the beginning of the campaign. This product was presented, as in other years, in the classic Carbonell half-liter, mosque-shaped glass bottle, and inside a case for better protection. It is an extra virgin oil, young, fresh, of bright green color, taken from several different types of olive, predominantly the *arbequina*. An oil of excellent quality, moderately hot and bitter.

The product was presented, as in other years, at the VIIth Edition of *Madrid Fusión*.

### **Food quality and safety.**

SOS Group has a clear policy of commitment to the health of its consumers and to good practice in the manufacture of all its products. It has therefore established a management system that is orientated towards both food quality and food safety aspects. In this regard, to the base of the classical ISO 9001 system, SOS Group has added as references the BRC (British Retail Consortium) and IFS (International Food Standard) standards.

SOS Group has a management model that is adapted to the needs of its factories. That model is homogenous, and is applied without distinction in all the Organization's centers. In this way, it is possible to share the best practices, and prevent situations from getting out of control, finding timely solutions.

The Organization works actively to install systems. Applying this principle, it commits itself to the involvement of all the players in the centers. Certifications are used only when they are required for external interest groups.

All the centers in SOS Group are certificated in accordance with ISO 9001:2000. The plants that are representative of each activity are therefore also certificated in accordance with the food safety standards. The certificates for each centre are shown in the chart below:

**Plants certificated according to Food Safety standards (At 31-12-2009)**

<i>Factory</i>	<i>Country</i>	<i>Activity</i>	<i>BRC</i>	<i>IFS</i>
Acyco	Spain	Olives	x	
Alcolea	Spain	Oil	x	
Algemesí	Spain	Rice	x	x
Tavarnelle	Italy	Oil	x	x
Voghera	Italy	Oil	x	x

### Transparency of information

#### Nutritional and labeling information

SOS Group is aware of its advisory role in purchasing situations, not only through its advertising, but also through the information it provides to the consumer.

In this way, the Organization tries hard to provide data that are easy to understand, and that are accessible almost immediately. That is why it uses its labeling as a means of communication which informs about and clarifies all aspects relating to nutrition.

There is no doubt that considerable efforts have been made to keep abreast of all aspects connected with this section, but in view of the large number of products handled, one is not entirely free of error. That is why warnings have sometimes been received from the regulators. Which were answered diligently and professionally.

In 2009 two new cases involving possible sanctions were begun, in which the Administration accused SOS Group of infringements in connection with quality (both in progress). No new proceedings have been begun in connection with labeling.

In 2009, a total of 18.600 € was paid in respect of fines relating to labeling/quality. The said fines were for five (5) cases, three (3) of which related to labeling infringements, one (1) to a quality infringement, and another to an infringement in labeling and quality.

## Data protection

As a consequence of its commercial activities, SOS Group interacts with many interest groups. Stemming from this process of communication, the organization manages a series of records which allow it to keep track of these various relationships.

In order to guarantee the confidentiality of the data, and in order to protect the rights of the users, SOS Group uses a procedure which reflects all the instructions of the data protection law (LOPD in Spain).

In 2009, 65 requests from private individuals, exercising their rights under the said law, were attended to:

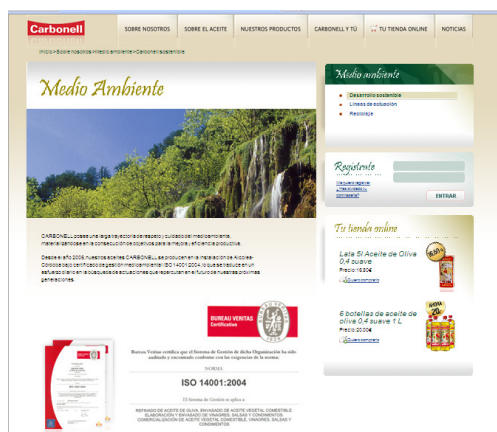
- Right of access: 1
- Right of cancellation: 51
- Right of rectification: 8
- Others: 5

## Communication and increase of awareness

SOS Group keeps its telephone lines available for attending to its consumers, but at the same time has increased its presence in the internet. The re-launch of the websites of Koipe and Carbonell has strengthened their presence in this medium.

In 2009 work continued on the inclusion of environmental information in the website of the Group and in the websites of the principal brands.

And although no significant changes have been recorded in the number of webs, the versatility of the pages is noteworthy, as is the constant renewal and bringing up-to-date of the information that they contain.



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### Other activities in Communication – Factory visits - Shops

During visits to its installations, SOS Group finds other ways to promote Mediterranean culture. In 2009, one may highlight the visits to the oils factory at Alcolea (Córdoba) and to the shops.

#### Visits to Alcolea

Carbonell, being committed to spreading the culture of olive oil, continued with its program of factory visits in 2009. Thanks to this program, thousands of people, both adults and children, have the opportunity to come into contact with the deepest roots of the olive oil culture, which is closely connected with the history of Carbonell's own brand.

During the visit, there is an opportunity to see a 3D video featuring Sara Baras, in which the process of obtaining olive oil is explained using dance. Later, there is an opportunity to visit an olive plantation, where visitors may see the existing varieties of olive trees, and appreciate *in situ* the differences between the trees and between the olives. Finally, the visitors arrive in the tasting room, where they can experience an olive tasting, guided by Carbonell staff. They also have the opportunity to taste up to five different kinds of extra virgin olive oil, and thus to notice the differences among them – from the most fruity, like the *Arbequina*, to the strongest and 'hottest', such as the *Picual*. This activity is highly appreciated, and many a demonstration of affection and approval is received every year from visitors grateful for the two hours spent in this way.

#### Carbonell shop

Carbonell has four outlets for sales direct to the final consumer: three physical shops, the first of which is situated in Carbonell's own factory in Alcolea (Córdoba), the second in the AVE (high speed train) station in Cordoba, and the third in Madrid, right in the capital's tourist centre, at calle Mayor 43, very near the restored San Miguel Market.

Carbonell also has an on-line shop, available through its website [www.carbonell.es](http://www.carbonell.es), where consumers can find the complete range of Carbonell products, whether oils or olives and vinegars. These sites have also been conceived as places for the dissemination of the olive oil culture, and consumers can find not only own-brand products, but also a large range of references, carefully selected by the shop staff, and all of which are connected with the world of the olive: cooking utensils made of the wood of olive trees, olive oil-based cosmetics, candles, vinegar bottles, patés, among others.

As the prime example of this mission to spread the olive oil culture, a space has been prepared on the second floor of the Madrid shop, especially for olive oil tasting. Free tasting courses are given there every day, both for groups and for visitors passing by.

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For one hour, the participants have access to all the secrets of olive oil, and, thanks to the explanations of our specialized staff, can also enjoy tasting five different varieties of Carbonell extra virgin oil. Each year this activity has a better reception among the public, and interest is growing as well as the number of participants.

This year, Carbonell's Madrid shop also received two very significant acknowledgements. The first was the visit of Telemadrid's programme 'Madrid Directo', and the second was the shop's recognition by the Guía Metrópoli of EL MUNDO as a Recommended Establishment, and its consequent inclusion in the guide *Comer y beber de Madrid del año 2010 (Food and Drink of Madrid, 2010)*.

### **Cordoban Patios: other ways of spreading the culture of the olive**

As in other years, Carbonell was the sponsor of the popular festivities of Cordoba: the Cordoban Patios. The history of Carbonell is closely linked with the city of Cordoba. In fact, the factory producing oils, vinegars and sauces has been in that capital ever since its foundation. Carbonell sponsored the posters and maps that the visitors to the said event receive in May, and was also the sponsor of the prizes for modern and classical patio architecture, worth 6,000 € in each category. This event attracts people from all parts of Spain, and together with the Crosses and the Fair, it is one of the biggest tourist attractions in the capital in Spring.

### **Listening: relations with consumers and customers**

In SOS Group all information received as feedback from outside the Group is carefully considered. Following the AA1000 model, SOS Group takes a close interest in studying the requirements of its interest groups. With regard to nutrition and the values of the Mediterranean diet specifically, the Organization focuses its attention on customers, consumers, and sector advisors.

To that end, dedicated lines of communication have been set up for consultations by telephone and by e-mail.

In this report, the information will relate to the two most representative European business units: Spain and Italy.

### **Department of Service to Consumers, 2009 in Spain**

From the Department of Service to Consumers at the headquarters of SOS Group, an important and invaluable line of communication with consumers is maintained, bringing added value to the Group's brands and products. All the comments that the best connoisseurs of the products wish to make are collected and recorded: in that way they collaborate and share in the process of continuous improvement.

In the Department of Service to Consumers, the internal management of claims and enquiries has been optimized, as has the management of feedback from consumers and its relay to all interested parties.

- Enquiries and complaints

The statistics of enquiries and claims for the year 2009, classified by products, and at worldwide level, were as follows:

Country	COMMUNICATIONS RECEIVED FROM CONSUMERS					
	2008			2009		
	total	complaints	enquiries	total	complaints	enquiries
Spain	3,768	2,131	1,637	3,134	1,487	1,647

It will be noticed that there was a reduction in the total number of communications received compared with 2008, but that there were 6% more enquiries from consumers in 2009 despite the fact that the number of complaints decreased by 30%.

- Requests from consumers for information, principal interests and enquiries.

Throughout 2009, and especially for rice products, consumers asked for specific information about food allergies and about sales outlets. In the rest of the product lines, interest centered on composition, the different sales outlets and especially on participation in the promotions that were undertaken throughout the year. The product that was the subject of the largest number of enquiries in 2009 was rice, followed by oil.

### Department of Service to Consumers, 2009, in Italy

Service to consumers of the brands Carapelli Sasso Friol was managed internally by Italy's Marketing Department throughout 2009 – with advice from the Group's Spanish headquarters, naturally.

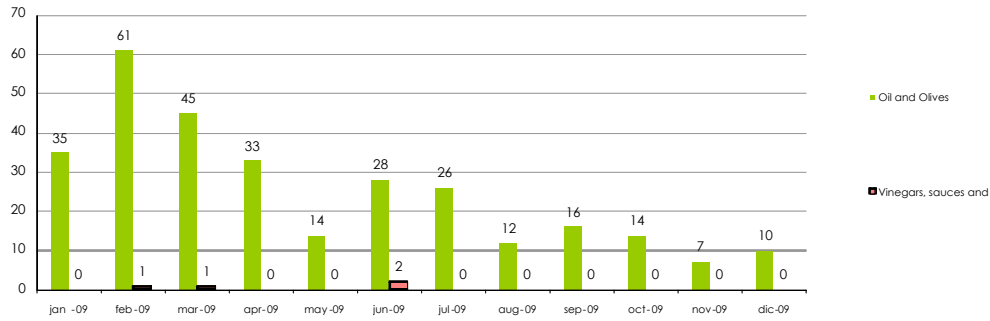
Since January, 2010, the management of the brands mentioned above has been in the hands of an external agency, with headquarters in San Cemit Mauro Torinese Torino.

The chart below summarizes consolidated information and detailed information about each brand.

## Summary of incidents (January 09-December 09) Carapelli Sasso Friol Bertolli Maya.S.giorgio

Categoría	jan-09	feb-09	mar-09	apr-09	may-09	jun-09	jul-09	aug-09	sep-09	oct-09	nov-09	dic-09
Oil and Olives	35	61	45	33	14	28	26	12	16	14	7	10
Vinegars, sauces and olives	0	1	1	0	0	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>35</b>	<b>62</b>	<b>46</b>	<b>33</b>	<b>14</b>	<b>30</b>	<b>26</b>	<b>12</b>	<b>16</b>	<b>14</b>	<b>7</b>	<b>10</b>

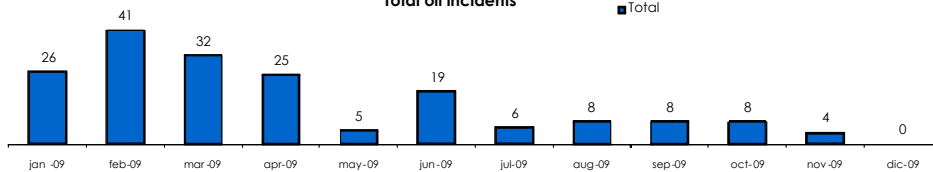
Incidents by category



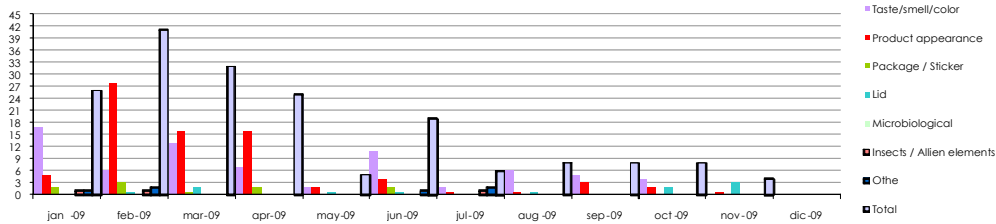
## Summary of incidents with Olive Oil (Jan 09-Dec 09) Carapelli SASSO and Friol

Reclamación	jan-09	feb-09	mar-09	apr-09	may-09	jun-09	jul-09	aug-09	sep-09	oct-09	nov-09	dic-09
Taste/ smell / color	17	6	13	7	2	11	2	6	5	4	0	0
Product appearance	5	28	16	16	2	4	1	1	3	2	1	0
Package/ Sticker	2	3	1	2	0	2	0	0	0	0	0	0
Lid	0	1	2	0	1	1	0	1	0	2	3	0
Microbiological	0	0	0	0	0	0	0	0	0	0	0	0
Insects / Allien elements	1	1	0	0	0	0	1	0	0	0	0	0
Othe	1	2	0	0	0	1	2	0	0	0	0	0
<b>Total</b>	<b>26</b>	<b>41</b>	<b>32</b>	<b>25</b>	<b>5</b>	<b>19</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>0</b>

Total oil incidents

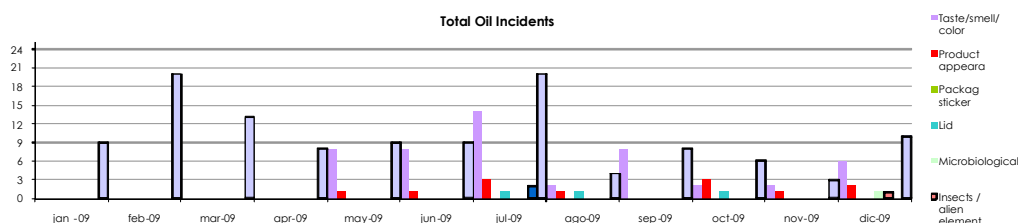
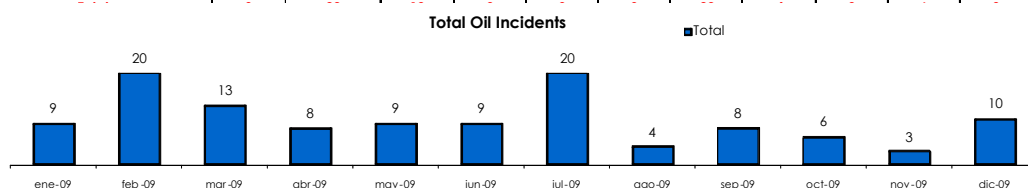


Incidenias de Aceite



## Summary of oil incidents (January 09-December 09)BERTOLLI-SAN GIORGIO-MAYA

Reclamación	jan-09	feb-09	mar-09	apr-09	may-09	jun-09	jul-09	ago-09	sep-09	oct-09	nov-09	dic-09
Taste/smell/color	nd	nd	nd	nd	8	8	14	2	8	2	2	6
Product appearance	nd	nd	nd	nd	1	1	3	1	0	3	1	2
Package/sticker	nd	nd	nd	nd	0	0	0	0	0	0	0	0
Lid	nd	nd	nd	nd	0	0	1	1	0	1	0	0
Microbiological	nd	nd	nd	nd	0	0	0	0	0	0	0	1
Insects/alien elements	nd	nd	nd	nd	0	0	0	0	0	0	0	1
Othe	nd	nd	nd	nd	0	0	2	0	0	0	0	0



## Study of customers' level of satisfaction

In SOS Group, among final users a slight distinction is made between those who are described as consumers and the marketers (intermediaries like the big chains). In the second case, the quality of service is monitored using indicators of the numbers of orders fulfilled. The results of the evaluation of service in Spain are shown below:

### PROGRESS OF SERVICE QUALITY YEAR 2009

YEAR 2009	% PERFECT ORDERS	% PERFECT LINES	% PERFECT KILOS
JANUARY	93.41	95.34	96.43
FEBRUARY	94.25	96.50	96.77
MARCH	93.99	96.32	97.52
APRIL	94.90	96.40	98.23
MAY	95.11	96.64	98.22
JUNE	95.06	96.17	98.69

<b>JULY</b>	94.28	96.59	97.50
<b>AUGUST</b>	94.38	96.22	97.40
<b>SEPTEMBER</b>	93.03	95.00	96.89
<b>OCTOBER</b>	94.50	96.69	98.04
<b>NOVEMBER</b>	94.83	96.23	97.54
<b>DECEMBER</b>	95.16	97.02	98.04

## CSD Italy

This year, for the first time, SOS Group highlighted the work of the CSD of Italy and devoted a special section to the detailed explanation of its activities.

The Italian CSD has a clear philosophy of functioning: develop an active customer-contact role to provide the best service at the lowest possible cost, seeking the customer's satisfaction as much as that of the Organization.

To perform its work it uses five basic components:

- Clear business policy, shared at all levels
- Knowledge of its own identity and of the market
- Well defined and focused responsibilities
- Efficient control systems
- Suitable logistic network.

The Department has some internal administrators and an external partner. In this way it can complete the cycle and monitor the whole process, from order registration to delivery of the product and measurement of the customer's level of satisfaction.

For the final stage of distribution, the organization in Italy uses a logistics operator (Checci) thereby integrating horizontally towards the front of the value chain.

	Italy	Southern Europe	Export	Total
Liters	117,299	6,128	85,653	209,080
Gross Kg	136,184	9,120	103,126	248,520
Legal entity clients	1,491	68	89	1,648
Delivery points	2,281	185	152	2,618
References	236	143	344	723
Orders	35,596	3,223	6,473	42,292
Payments by price and or quantity	1,100	156	32	1,288
Contracts and commercial agreements	2,001	14	58	2,063

## 7. INNOVATION

The Plan *Feeding the Future* includes the stimulus of innovation based on healthy eating, the Mediterranean diet and sustainable development as a priority. That is why the innovative abilities of the Organization are harnessed to develop lines of healthy products which conform to the values of the Mediterranean diet, and to design and improve industrial processes that are compatible with the concept of sustainability.

The general purpose of the programs that are being developed in this field is to position the organization as the reference for its ability to innovate and to satisfy markets that are growing bigger and bigger and more and more demanding – starting from the defining principles of the Mediterranean diet.

The lines of action are directed towards:

- Innovation in the development of products with greater added value, which tend to encourage healthy habits, and which respect society and the environment.
- The use of industrial processes that are increasingly sustainable.

### **Promoting product innovation based on the principles of health, sustainability and the Mediterranean diet.**

In 2009, SOS Group concentrated on five lines of innovation and research:

- Research into new oils.
- Research intended to prove scientifically the intrinsic benefits of the products developed.
- Efficient use of the by-products of the Organization's processes.
- Development of new healthy foods
- Development of new techniques in laboratory analysis.

### **Research into new oils for improving health.**

In 2009, as in the previous year, work was continued towards the production of new oils which will satisfy the demands both of the consumer and of industry, always with the intention of improving health, functionality and quality in comparison with the products currently available on the market.

SOS Group is concerned with developing innovative products which correspond to consumers' needs without abandoning the quality or the taste of traditional, home-made foods and recipe, and which provide the nutritive ingredients necessary for a balanced diet.

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In the case of oils, efforts have been concentrated on three projects:

- **Clinical study of the benefits of olive oil**

The objective is to evaluate the possible benefits of olive oil in particular communities in the U.S.A., in which the consumption of olives is not customary, so that one may expect very favorable differences in comparison with the oils normally used in the diet in the United States. This research project is being conducted jointly with the Consejo Superior de Investigaciones Científicas (CSIC) (Higher Council for Scientific Research) and the TUFTS University of Boston, which in food research is probably the most prestigious university in the world. All of which ensures that results of great scientific value will be obtained.

- **Development of new, highly interesting vegetable oils.**

Of note is the development of a new Oleosan (OLEOSAN PLUS), improved for sale to industry.

Work is being done on innovation in the area of special oils for the HORECA or Foods Service channel. Comparative tests are also being carried out by prestigious centers to discover the advantages and disadvantages of each oil.

- **Project of Collaboration with Advanta to develop a line based on High Stearic-based Sunflower Oil.**

An agreement has been signed with Advanta to investigate and evaluate the commercial interest of a new sunflower oil. This new variety of sunflower has a triglyceride composition that is totally different from that of the present varieties, and it has enormous potential, both from a health point of view and in industrial applications.

During 2009, in addition to numerous experiments with the oil obtained from this new variety of sunflower, more than 1,500 ha of this new sunflower seed were planted in an experimental plantation, from which sufficient quantities of oil will be obtained for new experiments and to evaluate its commercial potential.

### **Research to prove scientifically the intrinsic benefits of the products developed.**

A project has been begun, with Ebiotec, to find differentiating elements among the products developed by the Organization. In this way it is hoped to incorporate in some of the products more and better nutritional and beneficial properties, by the addition of marine extracts obtained naturally and with no de-naturing processes, so that all their properties are retained. Better products can then be offered to the customers of SOS Group, bringing greater health benefits.

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### **Efficient use of by-products of the Organization's processes -**

This is done through obtaining and purifying new compounds, either for the development of new products inside the Company, or for their sale to other sectors. It is considered that this market niche is one of the most promising for the Group in the medium term.

There is a pilot plant in the Andújar factory in which important advances have been made in the obtaining, purifying and conversion of substances which have undoubted commercial interest, and which will represent, in the short term, an increase in profitable sales of product, as was the case with Escualeno, which has already been on the market for years. There will also be a greater number of products offered in this line of business.

Three relevant projects may be highlighted:

- A project in collaboration with NEURON Bph to obtain products of great interest using biotechnological processes, starting from various by-products of the productive activities of the Organization.
- The isolation of interesting compounds, present in the by-products, for their subsequent sale in different sectors (pharmaceutical, cosmetic, etc.) or for their use in the formulation of new products, to which they would bring the corresponding benefits.
- The improvement of the quality of the Escualeno produced and increasing its added value by means of various purifications and conversions.

### **Development of new healthy foods**

The Organization is working on the ALANDSALUD project, set in motion by its Research and Development Department in collaboration with other companies in the Spanish agro-alimentary sector, with which it hopes to develop a series of specific foods for the different segments of the population, providing personalized nutritional solutions for each.

The project focuses on population groups, such as the elderly, pregnant women or children, who have specific nutritional needs.

Starting from natural raw materials, it is hoped to obtain products that will serve to fill the deficiencies in diets, balance the elements that are ingested to excess or help to prevent the principal risks associated with different segments of the population. Among them are products having neuro-protective properties, which after study and evaluation can be used in the preparation of new, functional foods which help to prevent cardiovascular and neuro-degenerative diseases such as Alzheimer's disease.

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The work consists of identifying components which fulfill the desired function, which may be the reduction of cholesterol, the testing of its efficiency or the seeking of the most suitable combinations and the best way to include it in the food, while paying attention to aspects such as stability of properties throughout the product's life, or the absence of unpleasant taste.

As well as the development of products, the project includes the preparation of guides containing advice about the best way to maximize their benefits, for example, recommendations about the most suitable time of day to eat certain foods, and about physical exercise.

The project will continue for a period of four years, that is to say, until March, 2013. Its total cost will be six million Euros, of which the organization will contribute more than half.

### **Development of new techniques in laboratory analysis.**

Research is being conducted into the development and application of new analytical techniques, in order to stay at all times at the forefront in food control, both to have the maximum product guarantees compared with those of our competitors, and to optimize resources through the use of keener techniques, at lower cost.

The level of control, the reliability of the results and the potential of SOS Group's laboratories have enabled us to offer analytical services to outside companies such as Nutrexpa, Syngenta and Todolivo. This has facilitated the signature, in the last few months, of several important contracts for the provision of analytical services.

Consistent with the work that has been done in recent years, research has been intensified, with very good results, into the possible application of NIR techniques for the multi-parametric control of oils, which will probably result, very soon, in the simplification and streamlining of those controls, with considerable savings.

To control the quality of the various kinds of rice, computer vision equipment has been successfully developed and installed in all the Organization's rice mills. This has reduced analysis times, leading to the improvements which this implies.

Research has been conducted into the elimination of the chemicals used against insects in rice. These experiments are pioneering on an industrial scale, and are providing important conclusions, which it is hoped definitively to share with others in 2010.

**Stimulating process innovation in accordance with the principles of sustainability.**

The Organization has also been careful to bring innovation into production processes to make them more efficient in their use of energy, reducing as much as possible the impact that activity development and manufactured products, in their life-cycles, have on the environment.

Innovation applied in the processes has enabled the Organization to improve its energy efficiency, reducing impact on the environment by the use of alternative technology.

In 2009, the Organization experienced a reduction in its ability to invest, and consequently in the number of action programs, which therefore focused on small projects of improvement in the factories.

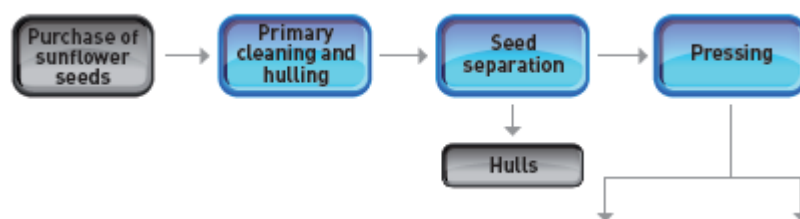
**Innovation in production centers.**

- **Project to use bio-mass.**

Concerning the derivative products and by-products obtained from its production processes, SOS Group continues in its efforts to put them to good use in terms of energy.

The purpose of the project is to use bio-mass as an alternative to fossil fuels. The intention is to derive a financial advantage from a reduction in fuel costs, and to make efficient use of a by-product, at the same time achieving a reduction in ‘greenhouse’ gases.

In 2007, as part of this project, a boiler was installed in the factory at Andújar (Jaén), using as fuel the sunflower husks obtained as a by-product of the grinding process.



Also in the Andújar (Jaén) factory, in 2009, three boilers were installed using glycerine-natural gas, in the proportion of 80%-20%, as fuel to produce steam. Glycerine is a by-product of the process to obtain biodiesel, which is considered to be bio-mass and to result in energy-saving.

These actions succeeded in reducing CO2 emissions and the consumption of fossil fuels by using a bio-fuel to produce thermal energy.