

2. MODEL OF SUSTAINABLE MANAGEMENT

With the creation, in 2003, of a specific management team, Grupo SOS began to implement a policy of Corporate Responsibility as such. At that time, this was still only an emerging concept in the business world. The Management started out with the aim of managing those non-financial matters that were of importance to the enterprise in a way that would not only minimize risks, but also, by its management, add value. With the vision of sustainable development as a factor that helps to increase the competitiveness of organizations, the said management team arranged itself into separate areas of responsibility: social, environmental and organizational (the first two had not previously existed in the organizational structure).

The strategy of Corporate Responsibility was constructed, from then on, around a Management Plan, called *Feeding the Future*, which studies matters important for the Organization, and which are managed in accordance with programmes.

The Management Plan for the period 2003 to 2007 was designed and developed with the principal aim of introducing into the Organization matters related to Corporate Responsibility and creating an initial framework for their management.

The Management Plan for the period 2008 to 2010, currently operative, was conceived with the purpose of strengthening the management model of Corporate Responsibility, beginning with an analysis of its weaknesses and trying to take advantage of its strengths. At the beginning of said period it was planned, starting in 2011, to extend the model to the different regions into which the Organization is divided.

The management plan in 2009

In the current period, the year 2009 represented a turning point in the implementation of the Management Plan. The priorities and the programs to be developed had been established by a study carried out in 2007 for the purpose of identifying the important aspects for the organization to consider, both in its management of risk and in the exploitation of opportunities in the areas of the social and environmental subjects that were considered as part of the Corporate Responsibility.

After a first year of management under the Plan, and as a result of the unforeseen events that occurred during 2009, it became necessary to carry out an analysis of the situation that the Organization was confronting, in its new structure and circumstances, and to identify priorities to be addressed by the Management Plan.

One of the first decisions that was taken was the precautionary suspension of some of the planned programs, with the intention of resuming them later on. That was the reason, together with some new reasons, for the reconsideration of the current horizon of development of the Management Plan, and for its extension by one year, that is to say, until 2011.

It was also decided to give priority to matters related to corporate governance, so that the Board of Directors and its Chairman could have the information necessary to approve the

policy of Corporate Responsibility, supervise the development of the Plan, and set in motion the mechanisms required for the consideration by the management of all matters related to this subject. Among those were an appropriate management of the non-financial risks (reputational, social and environmental) and the maintenance of the Organization's integrity.

To that end, a specific program of revision and adaptation of the management model for corporate governance in the Grupo SOS had been designed, for implementation as a priority in 2010. The program envisaged:

- The formalization of the commitments concerning corporate governance in a policy aligned with the recommendations of the regulator and with the requirements of international analysts and investors.
- The review of the framework policy of integrity, if necessary bringing the codes of conduct up-to-date so as to focus on questions such as the prevention of fraud, and devising a safety mechanism. This aspect would be developed in conjunction with the new Management of Internal Audit, so that the supervision of these matters rests with the Board's Audit Commission.

At the same time, a reply was being given, to a greater or lesser extent, to priority matters which the Organization must unavoidably attend to, namely:

- The attitude of the Organization towards the problem of climate change;
- The extension of ethical commitments to the supply chain;
- The development of products in accordance with parameters of nutrition and health, with a low environmental and social impact throughout their life-cycles;
- The management of matters related to those people who take part in the business project (this was becoming more and more important in view of the approach, in the near future, of the new structure of the labor market).
- The contribution to the development of the communities in which the activities take place.

View of the future

The extended period of the Management Plan has to conclude with the consolidation of the changes introduced in the management model, resulting from the review process previously described.

The preparation of the new edition of the Management Plan *Feeding the Future*, for the period beginning in 2012, will require a review of the subjects envisaged as being part of Corporate Responsibility, in the light of the Organization's situation and the future conditions in which it must operate, taking into consideration the expectations of all the interest groups, and faithful to the vision of sustainable development as a factor that helps to increase competitiveness.

Interest Groups – Inclusivity - Expectations

In the last report, of 2008, there was a detailed presentation of the development of the model of sustainable excellence used by the organization when applying its strategy of corporate responsibility. That report can be consulted on the following website: www.gruposos.com

We may summarize by saying that, in the definition of the model, great importance was attached to the three premises of standard AA1000 of AccountAbility :

- The establishment of a strategy based on a complete and balanced understanding of the environment, and which covers the relevant subjects and all the concerns of the interest groups;
- The establishment of objectives and rules for the management and evaluation of the strategy and of its execution;
- The provision of credible information about strategy, objectives, rules and performance to whoever bases their actions and decisions on it.

Four criteria were used to identify the interest groups of the organization: responsibility, influence, proximity and dependence.

From the analysis and classification, a map of the interest groups was obtained, together with their expectations, and actions were designed to fulfill those requirements.

In this way the interest groups were defined, and classified into four categories, in accordance with their affinities and their potential for establishing lines of communication and compatible responses:

- Our people: human assets
- Communities: the community in close proximity to the centers of production, administrative staff, NGO's
- Partners and Stakeholders: consumers, customers, shareholders and investors, providers and suppliers, financial institutions
- Prescribers: the academic sector, communication media.

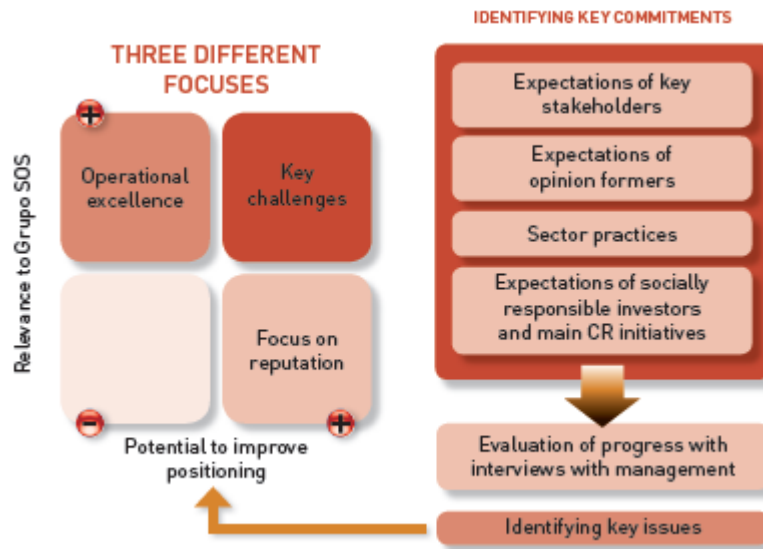
The chart summarizing the expectations and the channels of communication may also be found in the annual report of 2008.

Materiality - Relevance

The attached diagram illustrates the process by which the key subjects for the organization are identified, based on the sources of information that are available to it and on the understanding within the Organization of the nature of the business and of its environment.

Criteria of maturity and materiality were applied in order to determine the key subjects to which the Organization must find its responses.

In prioritizing subjects to identify the key challenges of the Organization, a double criterion is used: taking account of the importance that they have in the operation, and as a way of positioning in relation to the interest groups.



The use of this diagram in the annual review of the model, and the events that occurred inside the organization, have revealed the need to recover social trust in Grupo SOS and to strengthen its reputation and attractiveness for capital markets, for clients and consumers and for the people who work in it.

The subjects that emerge as having priority are:

Governance, responsibility and integrity

- Corporate Governance
- Codes of Conduct/Ethical Behavior

Care and development of our people

- Labor practices

Commitment to sustainability

- Climate Change
- Management of impact on the environment

Responsible supplying

- Supply chain

Improvement of relations with the community and with interest groups

- Relations with the interest groups
- Transparency of communication
- Development in the community

Our ability to respond

The commitments that comprise the management model of Grupo SOS are:

- Commitment to innovation, and the health and quality of life of our customers
- Commitment to good practice and integrity in our management model
- Commitment to efficiency in the use of natural resources
- Commitment to our people and their personal and professional development
- Commitment to the communities in which we operate

And the vision:

Grupo SOS wishes to be a company that is admired for its ability to create value, for the quality of its managers and for its social commitment; the possessor of a portfolio of leading brands which are recognized for their commitment to health and to the values of the Mediterranean diet.

The lines of action that constitute the Organization's response are directed, as a priority for 2010, towards:

- Investors, through the strengthening of the practices of corporate governance, ethics, integrity and transparency ;
- Customers, through the extension of the principles of sustainability to the supply chain and the incorporation of the environmental and social variable in the products;
- Collaborators, through internal communication and the minimization of the impact that the financial situation might have.



Managing with criteria of sustainable excellence

The responses are formulated by means of the programmes included in the Management Plan *Feeding the Future*, which, as previously mentioned, is brought up-to-date while it is in force, in the light of the events that occur in the environment and within the organization.



The principal objectives of each of the priorities are set out briefly below:

Eco-efficiency and Climate change

A commitment to our surroundings, involving a reduction of the impact on the environment and the development of the ability to innovate with products that are environmentally better..

- Development of the Grupo SOSustainable program:
 - Project SOS Action CO₂ which includes actions both in offices and in factories.
 - Extension of the indicator tool SOSMA and of the model of environmental management.

Attraction and retention of talent

The creation of an Organization that is able to attract the best professionals in the sector, having a culture that is based on personal growth and reciprocal commitment between professionals and Company.

- Encouragement of dialogue with the people who work in the organization;
- Minimization of the impact of the financial situation on the work of the organization.

Management of risk to reputation

A commitment to the social and environmental problems of its time.

- Review of the system for risk management
- Development of the area of internal audit
- Development of the model for responsible supplying

Values of the Mediterranean diet

Transformation of the Organization into a reference on the subject of Mediterranean diet, as regards both the management model and the product portfolio..

- Consolidation of healthy product lines, in accordance with the values of the Mediterranean diet.
- Sensitization of consumers, by means of the product websites, the messages being orientated towards health and the environment.

Local implantation

A commitment to the community in which the activities are developed.

- Linking the activities to which we are committed with the communities in which they are performed.
- Development of the program of food aid.

Innovation

The development of the ability to innovate and to operate in markets whose size and demands are continuously increasing, starting from the defining principles of the Mediterranean diet.

- The development of new, healthy foods for specific purposes.
- The improvement of processes which optimize production and reduce consumption and environmental impact.
- A study of ways to minimize the impact of products in their life-cycles.

Positioning with regard to emerging subjects

A commitment to working on those subjects, related to nutrition and sustainable development, which are of concern to public opinion..

- Attending to those matters arising from directives and standards issued by public administrations.

Integrity and transparency

Transforming the Organization into a sector reference in corporate governance practices.

- Formalization of the Organization's commitments in the matter of corporate governance.

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- Review of the framework of integrity
 - Adaptation of our reports to the new demands
 - Encouragement of dialogue with institutional investors who value the best practices in sustainability and corporate responsibility.

3. CORPORATE GOVERNANCE

Management Report

The Annual Report on Corporate Governance, which may be consulted on http://www.gruposos.com/web/es/accionistas/gob_informe.asp , reflects, as in the previous financial year, the degree of fulfillment by SOS Corporación Alimentaria, S.A. of the recommendations contained in the Unified Code of Good Governance.

The Annual General Meeting of Shareholders

As stated in the First Section of the Articles of Association of Sos Corporación Alimentaria, S.A., the Annual General Meeting of Shareholders is the supreme body in the Company. It is regulated by the Regulations of the Annual General Meeting of Shareholders, which are available to the general public in the Company's website: www.gruposos.com.

There is also a complete section dedicated to this governing body in the Annual Report of Corporate Governance which forms part of the Volume of Appendices to this Annual Report.

During the financial year 2009 the Annual General Meeting of Shareholders was held on one occasion, in an Ordinary Meeting that was held on 29th June. The decisions agreed upon in that meeting were approved by the majority of shareholders present and represented, and are recorded in section E.8 of the Annual Report on Corporate Governance for financial year 2009.

In financial year 2009 the shareholders of Sos Corporación Alimentaria S.A. were again offered the option of exercising their voting rights electronically, the appropriate platform from which to do this being included in the Company's website (www.gruposos.com). The authenticity and confidentiality of all the data used is guaranteed throughout the electronic voting procedure.

It is the intention of Sos Corporación Alimentaria, S.A. to continue putting into practice any measure designed to facilitate and increase the participation of the shareholders in the taking of decisions that affect the Company.

In financial year 2010, on 19th April, an announcement was published calling the Annual General Meeting of Shareholders to a first meeting on 20th May, to deliberate and decide on the matters included in the following agenda:

FIRST- Approval of the annual accounts (balance sheet, profit and loss account, statement of changes in net assets, cash flow statement and annual report) both for the individual Company and for the consolidated Group, for the financial year ended 31st December, 2009.

SECOND- Approval of the Directors' Report, including the Report on Corporate Governance and the additional Report required by Art. 116b of the Law of the Stockmarket, both for the individual Company and for the consolidated Group, for the financial year ended 31st December, 2009.

THIRD- Approval of the management of the Board of Directors during the year ended 31st December, 2009.

FOURTH – Application of the result of the financial year ended 31st December, 2009.

FIFTH- Ratification and appointment of Board Members, if appropriate.

SIXTH—Modification of article 23 of the Articles of Association, cancelling the limitation of voting rights.

SEVENTH—Reduction of the share capital by 153,952,448.32 Euros to compensate for losses, by reducing the nominal value of all the shares from 1.5025 Euros to 0.50 Euros per share. Corresponding modification to article 6 of the Articles of Association. Delegation of powers.

EIGHTH—Increase of share capital through non-monetary contributions consisting of the offsetting of credits – consequently without preferential subscription rights – in the amount of 60,538,721.21 Euros plus the interest accrued on the credits. Such offsetting is subject to the approval of this General Committee until the date of issue of the public deed documenting the execution of this increase of capital. The maximum amount of the increase in capital will be determined by the Board of Directors, with powers of substitution. The current increase in capital will be effected by means of the issue and putting into circulation of new ordinary shares of a nominal value of 0.50 Euros each, with an issue premium of 1.0025 Euros per share, which will be subscribed and disbursed totally by means of the offsetting of credits against the Company, with provision for partial subscription. Delegation in the Board of Directors, with powers of substitution, of the specific powers to determine the exact amount of the increase in capital and fix the conditions for the same wherever not provided for in the present agreement, under the protection of the provision in Article 153.1.a) of the Spanish Companies Act, and re-writing of Article 6 of the Articles of Association.

NINTH—Increase in the share capital up to a maximum nominal amount of 37,332,571 Euros by means of the issue and putting into circulation of a maximum of 74,665,142 new ordinary shares of a nominal value of 0.50 Euros each, with an issue premium of 1.0025 Euros per share, which will be subscribed and disbursed totally by means of monetary contributions, with recognition of the right to preferential subscription and with provision for partial subscription. Delegation in the Board of Directors, with powers of substitution, of the specific powers to fix the conditions for the increase in capital wherever not provided for in the Agreement, under the protection of the provision in Article 153.1.a) of the Spanish Companies Act, and re-writing of Article 6 of the Articles of Association.

TENTH—Authorization to acquire, directly or indirectly, treasury stocks in accordance with the provisions of Article 75 of the Spanish Companies Act and/or current legislation.

ELEVENTH- Delegation of powers to formalize, clarify, interpret, resolve and execute the measures adopted by the Annual General Meeting of Shareholders.

The Board of Directors

The Board of Directors, the body responsible for the governance, administration and management of the Company, is regulated by the Second Section of the Articles of Association of Sos Corporación Alimentaria, S.A., and also by its own specific Regulations, which during financial year 2009 were not modified at all.

The Regulations of the Board of Directors are available on the Company's website: www.gruposos.com.

The Board of Directors of the Company, on 31st December, 2009, was composed of:

CHAIRMAN

Mr. Mariano Perez Claver

VICE-CHAIRMAN

Caja General de Ahorros de Granada (represented by Mr. Javier Merino Temboury)

VICE-CHAIRMAN

Mr. José Miguel Salinas Moya

MANAGING DIRECTOR

Mr. José Manuel Muriel Jiménez

BOARD MEMBERS

Mr. Vicente Sos Castell

Mr. Eduardo Sos Ahuir

Mr. Giuseppe Francesco Gasparini

Mr. Ildefonso Ortega Rodríguez-Arias

Mr. Jose Querol Sancho (Board Secretary)

- Ahorro Corporación Financiera, S.A
- Grupo de Empresas Cajasur, S.A. (represented by Mr. Angel Maria Cañadilla)
- Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Málaga y Antequera - Unicaja (represented by Mr. Manuel Azuaga Moreno)
- Corporación Empresarial Cajasol, S.A.U (represented by Mr. Lázaro Cepas Martínez).
- Avanza Inversiones Empresariales, S.G.E.C.R., S.A (represented by Mr. Eduardo Castiñeiras Cenamor)
- Sociedad de Promoción y Participación Empresarial Caja de Madrid, S.A (represented by Mr. Ángel Córdoba Diaz)

In addition, within the Board of Directors are the Committees listed below. Their composition on 31st December, 2009, was as follows:

EXECUTIVE COMMITTEE

Currently inactive

AUDIT AND CONTROL COMMITTEE

- CHAIRMAN : Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Málaga y Antequera - Unicaja (represented by Mr. Manuel Azuaga Moreno)
- COMMITTEE MEMBER: Grupo de Empresas Cajasur, S.A. (represented by Mr. Angel Maria Cañadilla)
- COMMITTEE MEMBER: Avanza Inversiones Empresariales, S.G.E.C.R., S.A (represented by Mr. Eduardo Castiñeiras Cenamor)

Mr. José Querol Sancho – Secretary (non-member).

APPOINTMENTS AND REMUNERATIONS COMMITTEE

- CHAIRMAN: Corporación Empresarial Cajasol, S.A.U (represented by Mr. Lázaro Cepas Martínez)
- COMMITTEE MEMBER: Caja General de Ahorros de Granada (represented by Mr. Javier Merino Temboursy)
- COMMITTEE MEMBER: Sociedad de Promoción y Participación Empresarial Caja de Madrid, S.A (represented by Mr. Ángel Córdoba Diaz)
- COMMITTEE MEMBER: Mr. Ildefonso Ortega Rodríguez-Arias

Mr. José Querol Sancho – Secretary (non-member)

STRATEGY COMMITTEE

Currently inactive

Organizational chart of the Board of Directors	Audit and Control Committee	Appointments and Remunerations Committee	Capacity
CHAIRMAN Mr. Mariano Perez Claver			Executive
VICE-CHAIRMAN Caja de Ahorros de Granada (Mr. Javier Merino Tembory)		M	Proprietary
VICE-CHAIRMAN Mr. José Miguel Salinas Moya			Proprietary
MANAGING DIRECTOR Mr. José Manuel Muriel Jiménez			Executive
BOARD MEMBERS			Other
Mr. Vicente Sos Castell			External
Mr. Eduardo Sos Ahuir			Executive
Mr. Giuseppe Francesco Gasparini			Proprietary
Mr. Idefonso Ortega Rodríguez-Arias		M	Independent
Ahorro Corporación Financiera, S.A			Proprietary
Grupo de Empresas Cajasur, S.A (Mr. Angel Maria Cañadilla)	M		Proprietary
Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Mr. Manuel Azuaga Moreno)	C		Proprietary
Corporación Empresarial Cajasol, S.A.U. (Mr. Lázaro Cepas Martínez)		C	Proprietary
Avanza inversiones empresariales, S.G.E.C.R., S.A. (Mr. Eduardo Castiñeiras Cenamor)	M		Proprietary
SPPE Caja de Madrid, S.A (Mr. Ángel Córdoba Díaz)		M	Proprietary
BOARD SECRETARY			Other
Mr. José Querol Sancho	S*	S*	External

C= Chairman

M=Member

S=Secretary

***Non-member**

Although at the moment there is no lady member of the Board, for the future, once its financial situation has stabilized, the Company intends, in a completely unbiased manner, to include for consideration in future renewals of the Board, applications from ladies having the professional qualities and experience necessary to carry out the functions of a Board Member.

In financial year 2009, the Board of Directors of Sos Corporación Alimentaria, S.A. held 20 meetings.

The Audit and Control Committee met 13 times during the year, and the Appointments and Remunerations Committee 7 times.

Number of meetings of the Executive/ Representative Committee	0
Number of meetings of the Audit Committee	13
Number of meetings of the Appointments and Remunerations Committee	7

Information about Board Members

Below is a brief biography of each of the members of the Board of Directors:

CHAIRMAN

Mr. Mariano Pérez Claver, is a Graduate in Economics and Management of the University of Sevilla. He occupied various management positions in the Banco de Financiación Industrial (Induban) and was Subdirector in charge of Corporate Finance and General Corporate Development at Banco Zaragozano, General Manager of the Banco de Crédito y Ahorro, Managing Director of the Corporación Financiera Caja de Madrid, General Manager of Caja Madrid, Vice-Chairman of Applus, Servicios Tecnológicos, S.A., Vice-Chairman of Indra y Global Vía Infraestructuras, a Board Member of Gesbanzano, S.A., BZ Leasing, BZGM SA, Gestao, S.A., BME Mapfre Caja Madrid Holding and Vida, NH Hoteles, a Trustee of the Fundación de la Universidad Complutense de Madrid and a Trustee of the Fundación Autónoma de Madrid. He is currently Executive Chairman of Grupo SOS, a member of the Management Committees of the CEOE, CEIM, American Chamber (AMCHAM), and Círculo de Empresarios, Trustee of the Fundación Consejo España – EEUU, Board Member of the Corporación Tecnológica Andaluza (CTA), of Realia and of Mapfre América.

VICE-CHAIRMAN

Mr. Javier Merino Temborry (representative of the Caja de Ahorros de Granada), Graduate in Law of the University of Granada. From 1990 to 2006 Leading Counsel in the Granada Office of J & A Garrigues, S.L. In October, 2006 Legal and Fiscal Adviser to the Assistant General Manager of Inversiones Corporativas. In August, 2008 Chief of General Management Staff. Member of the Management Committee of Caja Granada. He is a Board Member in the following companies: Caja Granada Mediación, Linked Operator of Banca Seguros (Board Secretary); Impluvium 1, S.L.U. (member), a property company; 02 Granada Centro Wellness S.L. (member) , a company in the leisure/sports sector.

VICE-CHAIRMAN

Mr. José Miguel Salinas Moya, Graduate in Economics and Law. Diploma in Senior Management from the San Telmo Institute, Seville. Lecturer in Economics at the Faculty of Company Management in Cordoba (ETEA). Director of the Cordoba Strategic Plan. Chairman of the Social Committee of the University of Cordoba. Board Secretary at Bodegas Hacienda Monasterio S.A. Board Member at UNIÓN EÓLICA ANDALUZA and at ENERGÍA SOLAR FOTOVOLTAICA, Board Secretary at Activos Multimedia VideoPlaning, a television production company, and an agricultural entrepreneur in the olives sector. Currently Vice-Chairman of SoS Corporación Alimentaria

MANAGING DIRECTOR

Mr. José Manuel Muriel Jiménez, An industrial engineer from the Higher Technical School for Industrial Engineers in Seville. Among other executive posts, he occupied that of General Manager (Operations) in the Grupo Pascual (1992-1994); and General Manager of Prensa Española, S.A (1995-2000). In the year 2000 he created MV Asociados, a services company specializing in the restructuring of companies in crisis and in advising on purchase and sales transactions – working on numerous projects. He is currently Managing Director of Sos Corporación Alimentaria, S.A. He was also a Board Member of the following companies: Provimar, Graficas Altamira and Grupo de Negocios, Diario de Soria and Grupo Optico+Visión, and Chairman of the Board of Grupo Zena, Epelsa, Combursa, Paconsa, and Integralpress.

Currently, he occupies the following posts: Chairman of Santana Motor, Chairman of Grupo Daorje, Advisory Board Member of the private university Esic, Chairman's Adviser for Grupo Leche Pascual, Chairman of Condepols-derprosa, Chairman of the publishers Diario Jaén.

MEMBERS

Mr. Vicente Sos Castell: Graduate in Economics (1965), Master's Degree in Management from the Club of Economics and Management of Valencia. From 1965, total dedication to the family firm, Hijos de J. Sos Borrás, until its present structure as Sos Cuétara, S.A. Currently he still works regularly with Sos Cuétara, S.A. on new product development. In addition, he is General Member of the Governing Committee of the Acequia Real del Júcar; Trustee of the Fundación Benéfico-Docente Josefa Ahuir Miquel; Advisory Member of the Plenary of the Valencia Chamber of Commerce. More recently, he was appointed Honorary Consul for Mexico in Valencia.

Mr. Eduardo Sos Ahuir: Holder of a Diploma in Business Science from the University of Valencia, specializing in Business Management, Course in Accounting in the Business School of Valencia, Purchasing Management Seminar at the IESE. Assistant Purchasing and Production Manager at Hijos de J. Sos Borrás, S.A.; Rice Purchasing Manager at Sos Arana Alimentación, S.A. Currently has responsibilities as Manager of Countryside Purchases (rice, oil, vinegar, olives and sunflower seed) for Sos Cuétara, S.A.; Special Products Sales Manager for Sos Cuétara, S.A.; General Manager of Arroz Sos Sevilla, S.A..

Mr. Giuseppe Francesco Gasparini, Graduate *cum laude* in Economic and Business Sciences from the University of Genova, completed his thesis on management of change risk in money markets. He is Honorary Consul of the Republic of Haiti in Genova. In 1982 he

occupied the post of General Administrator and Chairman at Familiar (Grupo Minerva), which operates in the olive oil sector. He was responsible for purchases from producing countries. In 1997 he reached an agreement with Nestlé, in 2001 he collaborated in obtaining Costco USA as a customer, in 2003 he made agreements with investment funds such as Prudentia Athenea and Fidia, arranged a pool loan, and the acquisition of the Sasso brand by Nestle. In 2005 the Minerva group was sold to the Grupo SOS, and from 2005 to the present time, he has collaborated with the Grupo SOS as a trader and broker for the supply of olive oil.

Mr. Ildefonso Ortega Rodríguez-Arias, Graduate in Economic and Business Sciences (Companies Branch), from the C.E.U. Lecturer in Economic Subjects at the Training Centre of the Toledo Chamber of Commerce and Industry. He was General Manager of the Central Alavesa de Crédito (Grupo Mapfre); and Financial Director of the Nachi Fujikosi (owned by N.F. Japón and Banco Español de Crédito); prior to that he was Director of Administration in seven subsidiaries of the Nachi Fujikosi and Banesto and General Manager of Caja Castilla-La Mancha (from 1998); he was on the Management Committee of Caja Castilla-La Mancha (from 1998), was Chairman or Board Member of several holdings of Caja Castilla-La Mancha, and was on the Boards of CCM Corporación and LICO CORPORACIÓN.

Ahorro Corporación Financiera, S.A. (represented by Mr. Victoriano Lopez-Pinto Fernández de Navarrete), a graduate in Economic and Business Sciences from the Pontificia de Comillas (ICADE) university. He joined Ahorro Corporación Financiera, a securities company, of which he is currently Assistant General Manager and Corporate Finance Manager, with responsibility in the following areas: mergers and acquisitions, Equity Capital Markets, investment vehicles, infrastructure fund certification.

He participated on various Boards of Directors, representing financial investors. He is currently a member of the Board of Europac-Papeles y Cartones de Europa, S.A, Transmonbus, Biocarburantes Castilla La Mancha and AC Desarrollo, among others.

He has acted as an advisor to both quoted and non-quoted companies. Previously, he was Director of Corporate Finance for Benito y Monjardín, S.V.B, (1995-1998), General Manager of Banesto Ventures, S.A (1992-1995), and Investment Analyst at Advent International (1990-1991).

Grupo de Empresas Cajasur, S.A. (represented by Mr. Angel Maria Cañadilla). This man is a graduate in Economic and Business Sciences from the University of Comillas. Course to be admitted to the ROAC(the Official Auditors' Register).Executive Master's Degree in Quantitative Finance from the School of Applied Finance. From April, 2008 to April, 2009 he was Director of Treasury and Markets for Cajasur. In April, 2009, he was appointed Director of Corporate Finance, the post that he currently holds.

Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Málaga and Antequera (represented by Mr.Manuel Azuaga Moreno). This gentleman is a Graduate in Philosophy and Letters of the University of Málaga. From 2004 to 2008 he held the post of Chairman-General Manager of National Airports and Aerial Navigation (AENA). He is currently Director of the Holdings Division of Unicaja.

Corporación Empresarial Cajasol, S.A.U (represented by Mr.Lázaro Cepas Martínez). This gentleman is a graduate in Economic and Business Sciences of Pontificia de Comillas University (ICADE), and a graduate in Law of the same university. He is a teacher in professional seminars given in collaboration with the Pablo de Olavide University (Sevilla), the School of Industrial Organization (EOI), and the Institute for Legal Studies Cajasol.

He is a collaborating lawyer with the public enterprises delegation General Intervention, Department of Economy and Treasury, Regional Government of Andalucía. He is a member of the Illustrious College of Lawyers of Sevilla, the Illustrious College of Economists of Sevilla, a member of the Register of Economist-Fiscal Advisors and a member of the Register of Forensic Economists. An advising lawyer (June, 2000-July,2006) with Arthur Andersen, now Garrigues Andersen, S.A., and for the State Administrative Consortium REAJ (Spanish Youth Hostels Association) from January,1996 until July, 2006, he worked for the Andalusian Public Enterprise for Installations and Youth Tourism. Later, from July, 2006 until May, 2007, he was General Secretary of the Monte de Piedad y Caja de Ahorros of Huelva and Sevilla. From May,2007 until April, 2008 he was General Secretary of Cajasol, and from April, 2008 up to the present time, he has been their Assistant General Manager.

Avanza Inversiones Empresariales, S.G.E.C.R., S.A (represented by Mr.Eduardo Castiñeiras Cenamor). This gentleman is a graduate in Law from the Complutense University of Madrid.

Investment Director in the Business Department of Grupo Caja Madrid, holder of the Extraordinary End-of-Studies Prize, he later obtained an Executive MBA at IESE and a Master's Degree in Financial Management at UCM. He also completed studies in Fiscal Advising at ICADE and a Senior Management Programme at IESE. He developed his professional career in the Grupo Caja Madrid, where he held several different posts – in the Commercial Bank, the Business Bank and the Financial Corporation. He is currently Investment Manager in the Business Department of the Group, which deals with the acquisition and management of industrial holdings.

Sociedad de Promoción y Participación Empresarial Caja de Madrid, S.A (represented by Mr. Angel Córdoba Díaz). This gentleman is a Bachelor of Science in Business Administration, Director of Company Business Development in the Grupo Caja Madrid and a Board Member of several Grupo Caja Madrid holdings.

BOARD SECRETARY

Mr. José Querol Sancho, a graduate in Law from the University of Valencia, has been a practising lawyer since 1978. He is a partner in the practice of Mas & Querol Legal

Advisors: Board Member and Board Secretary of Promoción de Infraestructuras, S.A. and their holdings.

Evaluation of the Board of Directors

For the purposes of the meeting to formulate the annual accounts, the Board of Directors duly evaluated and approved the management carried out during the financial year in question, and later asked for the approval of the Annual General Meeting of Shareholders.

During the financial year 2009, it is appropriate to highlight two periods that were differentiated by the composition of the Board: the period ending with the meetings held in May and June, and the subsequent period. In fact, in financial year 2009, twenty Board Meetings were held as a result of the intense activity in the areas dealt with, and in order to provide some stability in the same.

The Company arranged for the Board Members to receive the documentation relating to the subjects to be discussed in the Board Meetings as soon as it was prepared. During this financial year, the Board did not do a self-evaluation exercise because the financial year was rather atypical. There was an almost total renewal of the Board, together with new appointments in the Management Team, so the Board's approval of the Company's management is now subject to the annual approval of the Annual General Meeting of Shareholders.

It is the Company's intention to bring in a progressively greater number of independent Board Members, once its financial situation has stabilized, and also to review its standards in order to adapt them to the best practices of Corporate Governance.

Throughout the year, the level of attendance at Board Meetings was high for all the Board Members (more than 85 per cent of the total votes). However, there were occasions when, although the absent Member had given a power of representation to another Member, that power did not contain express, written voting instructions for every point on the agenda.

Remuneration of the Board of Directors

The Board of Directors, in financial year 2009, received the following sums for the items shown (in thousands of Euros):

a) In the Company which is the subject of the present Report

Item remunerated	Data in thousands of euros
Fixed remuneration	1,204
Variable remuneration	758
Expenses	688
Statutory duties	0
Options on shares and/or other financial instruments	0
Other	532
TOTAL	3,182

Other Benefits	Data in thousands of euros
Advances	0
Credits granted	0
Funds and Pension Plans: Contributions	0
Funds and Pension Plans: Bonds acquired	0
Life Assurance Premiums	5
Guarantees given by the Company in favour of the Members	0

- b) For the membership of the Company's Board Members of other Boards of Directors and/or of the senior management of other Group companies:

Item remunerated	Thousands of euros
Fixed remuneration	45
Variable remuneration	0
Expenses	7
Statutory duties	0
Options on shares and/or other financial instruments	0
Other	0
TOTAL	52

Other Benefits	Thousands of euros
Advances	0
Credits granted	0
Funds and Pension Plans: Contributions	0
Funds and Pension Plans: Bonds acquired	0
Life Assurance Premiums	0
Guarantees given by the Company in favour of the Members	0

- c) Total remuneration by Member type

Type of Member	Company	Group
Executive	2,092	52
External Proprietary	378	0
External Independent	84	0
Other External	633	0
TOTAL	3,187	52

Remuneration of the Company's Auditing firm

Deloitte, S.L. was appointed Auditor of the accounts of the parent company, Sos Corporación Alimentaria, S.A. for a period of three years, by agreement of the General Meeting of Shareholders held on 29th June, 2009. Deloitte were also entrusted with the auditing of the accounts of the Consolidated Group.

The total remuneration received by the Group's auditors in financial year 2009 was, in the case of Deloitte, 2,114 thousand Euros, which covered the auditing of the accounts and also other specific services, including fiscal advice, consultancy, risk mapping, etc. Also included is work completed by the outgoing auditors, KPMG.

The figures corresponding to both firms are given below:

AUDITING	OTHER EXPENSES	TOTAL	
1,230,000.00	884,025.18	2,114,025.18	DELOITTE
68,400.00	1,568,422.24	1,636,822.24	KPMG
1,298,400.00	2,452,447.42	3,750,847.42	

Senior Management

In 2009 the composition of the Senior Management of Sos Corporación Alimentaria, S.A. was as follows:

- INTERNATIONAL SALES DIRECTOR – Mr. Javier Moreno Arocena (left on 09-09-2009).
- GENERAL MANAGER Mr.. Endika Sánchez Aguirre (left on 15-09-2009).
- CORPORATE DIRECTOR, CAPITAL MARKET – Mr. Joaquín Ariza Castro.
- DIRECTOR with CORPORATE SOCIAL RESPONSIBILITY – Mr. Manuel Tejedor Crespo.
- INTERNAL AUDIT MANAGER – Mrs. Maria Luisa Jorda Castro.
- ADVISOR to MANAGING DIRECTOR – Mr. Sergio de Horna.
- GENERAL MANAGER, FINANCE – Mr. Carlos Redondo Sánchez de Ron.
- REGIONAL MANAGER SPAIN – Mr. Juan José Landázuri Palacios.
- REGIONAL MANAGER ITALY & SOUTHERN EUROPE Mr. Fabio Maccari.
- REGIONAL MANAGER NORTHERN EUROPE – Mr. Christian Hintzen
- REGIONAL MANAGER AMERICA –Mr. Vicente Sos Girbés.
- GENERAL MANAGER AMERICA – Mr. Marco de Ceglie.
- GENERAL MANAGER PORTUGAL - Mr. Mario Coelho da Silva

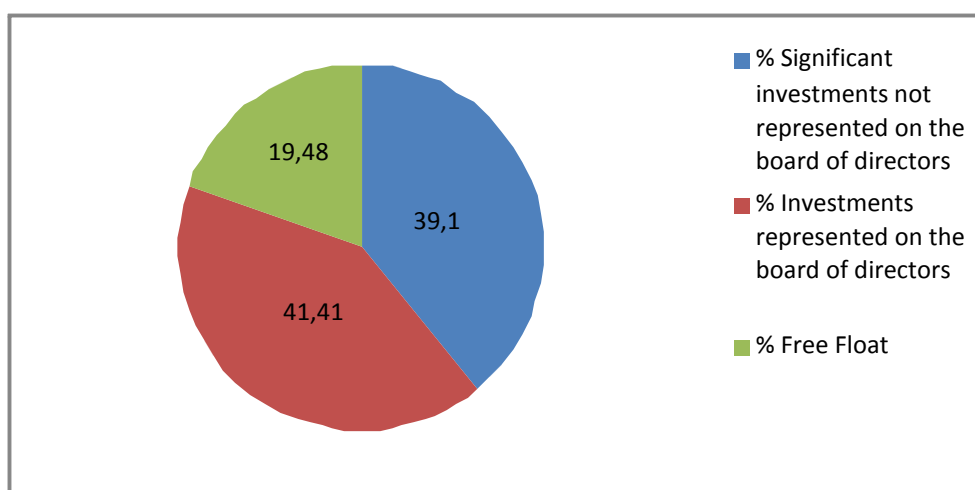
Remuneration of the Senior Management

The members of the Senior Management mentioned above received as remuneration the total sum of 2,676 thousand Euros, including 255 thousand Euros as leaving payments.

The governance of the Company in figures

At 31st December, 2009, the share capital of Sos Corporación Alimentaria, S.A. was distributed as follows:

According to the official CNMV records, the share structure was:



According to the various reports and analyses to which we had access, it is estimated that, of the Free Float, 32.74% is from foreign investors, as a result of the effort that has been made by the Company in the last few years in terms of internationalization.

THE GOVERNANCE OF THE COMPANY IN FIGURES

Number of shares	Nominal share value
153,568,527	1.5025 Euros/share
Share capital	Number of shareholders
230,736,711.82	9,325
Number of employees*	Board of Directors
2,827	15 members
Market capitalization**	
336,315,074.13 Euros	

* At consolidated group level at the close of 2009.

**At 30.12.2009 (2.19 closing share price)

9. RISK TO REPUTATION

The Plan *Feeding the Future* includes as a specific priority the management of risk to the Group's reputation and brands, and the setting up of mechanisms to prevent occurrences which could significantly disturb the Organization's activities and trigger adverse reactions among the interest groups which could, in turn, adversely affect the financial stability of the organization.

The management of both the financial and the non-financial risks to which the organization is exposed is dealt with. In the latter category are social, environmental, ethical or reputational risks and those associated with the Organization's value chain, brands and product life-cycles.

Analysis and management of risk

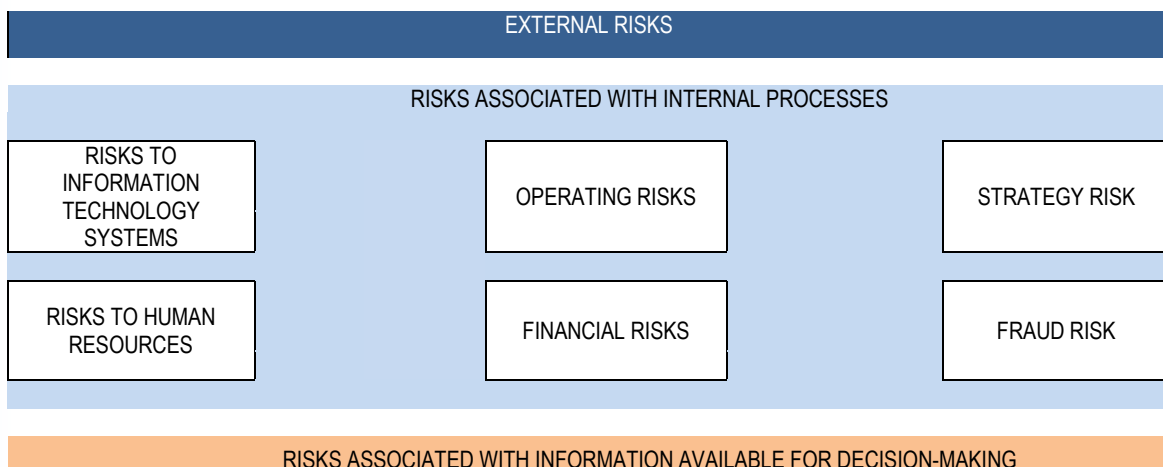
The business and activities of SOS Group are affected both by intrinsic factors that are peculiar to the Organization, and by certain exogenous factors that are common to all companies in the sector. Any of these risks can have a negative effect on the business, the results and the financial situation of SOS Group, as can future risks still unknown, or so far considered as irrelevant for the Company.

During 2009, SOS Group worked with the following objectives:

1. Preparation of a Risk Map

The risk map was drawn up by considering impact and vulnerability as the principal variables that determine the level of risk. The aim was to identify the Group's key processes and most significant risks.

The risks were classified in the following categories:



2. Design of the Internal Audit function

Methods of work have been established for the Internal Audit function, and will be applied in its development. The methodology is based on a detailed knowledge of the organization, obtained through an analysis of its processes, and conducted with the aim of evaluating how it is confronting its main risks. The model of the Internal Audit has been prepared, including a general description of the function, to whom it reports, its objectives, the functions to be developed by nature and type of work needed, the design of audit programs, the lines of work to be developed in the Internal Audit Plan, and the resources needed at the outset.

3. Detailed review of the processes affecting financial information, and design of the controls necessary in the different processes.
4. In the analysis of the processes affecting the financial information, the aims were:
 - Identification and documentation of the risks that could have a material effect on the Financial Statements.
 - Identification of the mitigating controls applicable to the detected risks.
 - Recommendations for improvement to the present control system.

Management of internal audit.

The Company has a recently-formed Internal Audit Department, whose Director joined in December, 2009.

The independence that she requires for the performance of her duties, in accordance with the recommendations of Good Corporate Governance, means that the Management of Internal Audit reports directly to the Chairman, and, functionally speaking, operates under the direct control of the Audit and Control Commission.

In this way, independence is encouraged and a full coverage of internal audit is guaranteed, both from the perspective of Corporate Governance and from that of Internal Audit.

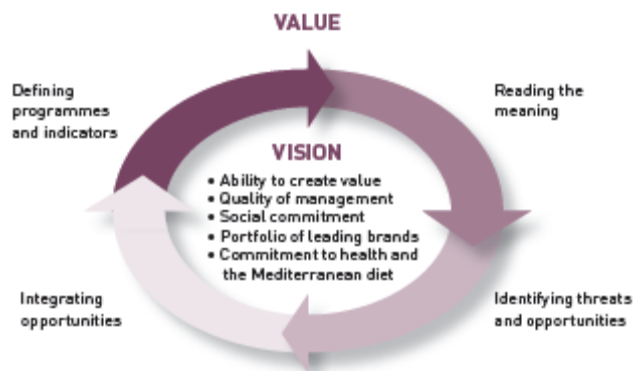
The Internal Audit Department is considered by the Organization as an internal function, in order to minimize the risks to the Company, and try to offer the Group Management a reasonable assurance that the Company is able to achieve its objectives, improving the effectiveness of its risk management, internal control and good governance procedures.

The overall principal purposes of the Internal Audit Department are to reach and assure the maintenance of appropriate levels of security and internal control in the following areas:

- a) Efficiency and effectiveness of operations
- b) Reliability of financial information
- c) Compliance with standards and norms.

Management of Non-financial risk

The model of risk management that was explained in the reports on sustainability and progress of 2008 (United Nations World Pact) is applied using the different stages shown in the following figure:



One starts with the identification and segmentation of the real and potential risks that one's organization is facing, and continues by analyzing and understanding them, keeping in mind at all times the mission, vision and values of that organization.

The process of diagnosis is based on two fundamental premises:

1. The adoption of internationally-accepted practices such as the Universal Declaration of Human Rights of the United Nations and the International Labor Organization and the U.N.O's Principles of Global Compact.
2. The analysis of the surroundings of the centers of production, the countries of origin of the raw materials (paying attention to the intrinsic characteristics of each one) and the areas of business influence.

When a situation is identified as being one that may be considered risky, it is analyzed and assigned a level of risk according to the possible impact that it may have, and the degree of probability of its occurrence inside the Organization. The levels, depending on the impact, can vary from level 1 (low) to level 4 (very high). Depending on the degree of probability of occurrence they can vary from level D (low) to level A (very high).

For each risk of level 3 or 4 (which may also be described as level B or A respectively), the Plan *Feeding the Future* lays down management programs which reduce the probability or prevent the occurrence. Opportunities that may arise to manage specific risks are also considered. For other risks, vigilance mechanisms are set up.

The model is cyclical, and its application is repeated periodically.

Details of the use of this model may be obtained by consulting the progress report of 2008, which gives details of the individual risks identified, and their characteristics.

(<http://www.pactomundial.org/index.asp?MP=3&MS=8&MN=2&accion=si&texto=sos§or=0&anyo=0&tipo=0&formato=&tipoinforme=0&textobusqueda=&pag=&id=792&anioDesp=2008>)

In the present report may be found specific sections about brand management, management of the code of conduct and climate change, and sections about work practices, human rights, the promotion of healthy eating habits, eco-efficiency and innovation.

In this chapter, special attention is given to the model of evaluation and monitoring of the supply chain, and of responsible advertising.

Evaluation and monitoring of the supply chain

The model for responsible supplying

A detailed model for responsible supplying is presented in the annual report of 2008.

The Plan *Feeding the Future* lays down a specific program for the design, development and implementation of a system for managing the supply chain. This program consists of the following phases:

1. Initial assessment of the risk. Analysis of activities, volumes, exposure, and countries where the suppliers are active, in order to classify and define the activities involving the highest risk and to identify the most relevant aspects.
2. Application of a self-evaluation system. Design and installation of a tool to evaluate suppliers, based on a questionnaire, which allows the organization to understand the situation and concentrate on the most relevant matters, facilitating overall improvement.
3. Drawing up of a risk map. Analysis of the information gathered from the previous phase, and preparation of the risk map. A review is displayed in the premises of the most risky suppliers.
4. A programme of action to stimulate responsible practices in critical areas.

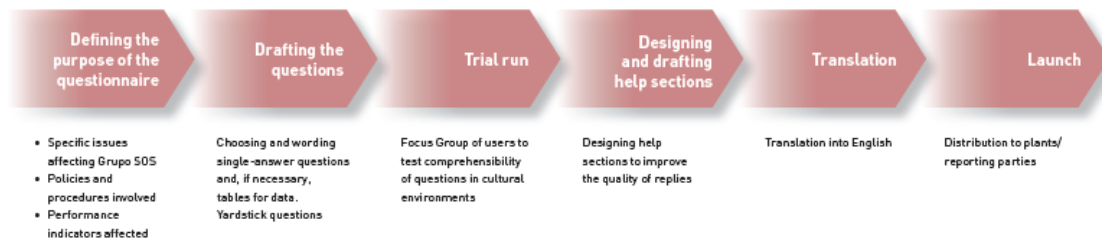


This program was affected by the Organization's situation, so that in 2009 it was not possible to finalize all the activities of the second phase.

Design of the system of self-evaluation

The Organization has finished the preparation of the two key elements in the model:

- The Suppliers' Code of Conduct, which includes those principles of ethics and transparency, of compliance with labor standards, of health and safety at work, and of protection of the environment with which those wishing to maintain business relations with the organization must comply.
- The information-gathering questionnaire, the replies to the most common questions asked after its completion, and the recommendations for improvement that must be put into practice in order to correct the deviations identified.



It had been intended to finish, during 2009, the development of the computerized tool used to complete the questionnaire and to consolidate and analyze the data ready for the next phase of the project. This was one of the projects that was suspended temporarily, in order to address other priorities in the systems area.

Responsible marketing

Responsible advertising

The Organization is committed to responsible advertising which complies with current standards and with the ethical criteria of loyalty, truthfulness and transparency.

SOS Group is a member of Autocontrol, the Association for Self-Regulation in Business Communication, which watches over ethics and loyalty in advertising for the benefit of consumers, and takes responsibility for managing the system of self-regulation in Spain. In its capacity of association, the organization undertakes to observe, in all its business communications, Autocontrol's Code of Advertising Conduct. It also undertakes to comply with the resolutions promulgated by the Advertising Committee as a result of any claim presented before that body, for the out-of-court settlement of disputes, whether they be on behalf of consumers, consumer associations, competitor companies, companies from other sectors, or Government bodies..

SOS Group has never been admonished for any non-compliance with the resolutions of the Advertising Committee of Autocontrol.

10. INTEGRITY AND TRANSPARENCY

During 2009 the corporate events resulting from the removal of the Chairman and the dismissal of the Managing Director by the Board damaged the Organization's image. From the recognition of that situation sprang a firm intention to recover the public's trust in the organization, and strengthen its reputation and its attractiveness in the eyes of its interest groups. It therefore made the maximum effort to reinforce the practices of corporate governance, ethics, integrity and transparency.

SOS Group wishes to distinguish itself for its corporate governance practices, and for the inclusion in the same of its commitment to corporate responsibility and integrity, in accordance with the most advanced international recommendations. To that commitment is added the desire to provide transparent information about its performance in its various areas of activity.

Corporate integrity

Review of corporate principles and principles of conduct

The principles of the corporate governance of SOS Group are set out in the following documents, which are available to its employees and to its other interest groups through the following links:

- The Articles of Association, which contain, as well as compulsory legal provisions, the principles governing the management of the Company and the social bodies that shape it: the Annual General Meeting, the Board of Directors and the Executive Committee. Among their salient principles are: transparency, respect for the rights of the shareholder, duty of diligence and loyalty of Board Members, and the establishment of a functioning system among the social bodies which promotes, in all legality, the participation of shareholders in decision-making. (http://www.gruposos.com/web/es/accionistas/gen_estatutos.asp)
- The Regulations of the Annual General Meeting, set out in Chapter III of the first section of the Articles, and having as their purpose the promotion of shareholders' participation in the Annual General Meeting, by means of the creation of appropriate mechanisms to inform them and to encourage their contribution to the formation of a common social desire through the exercise of their rights of intervention in the deliberations and in voting. (http://www.gruposos.com/web/es/accionistas/gob_reglamento.asp)
- The Regulations of the Board of Directors, which regulate its organization and functioning in accordance with Chapter III of the second section of the Articles of Association. They are based on three general ideas: encouraging transparency in the actions of the Company's governing bodies, promoting an efficient management of the Company and the acceptance by the Board of Directors and top management of their responsibilities towards the Company's shareholders. (http://www.gruposos.com/web/es/accionistas/gob_reg_consejo.asp)

- The Norms of Corporate Integrity, consisting of the Code of Conduct for employees, the Code of Conduct for suppliers, the Code of Conduct in the Securities Market and the Code of Conduct in the Olive Oil Futures Market, which lay down the principles that have to govern the actions of these groups: ethical conduct, professionalism and confidentiality.
(http://www.gruposos.com/web/es/accionistas/gob_reg_interno.asp)

It is considered, nevertheless, that the practices of corporate governance, ethics, integrity and transparency are not sufficiently widespread. The required level of penetration has not been reached because of the profound changes in the Organization, caused by the sale of divisions, the incorporation of new companies and recent internal occurrences.

In order to correct this situation, a specific program has been devised, to be executed in 2010, and consisting of five parts:

1. Formalization of the commitments to corporate governance, within a policy aligned with the recommendations of the regulator and with the requirements of the most demanding institutional investors.
2. Review of the framework of integrity, bringing the code of conduct up-to-date to focus on matters such as the prevention of fraud, and setting up a safety mechanism (ethical channel), to be supervised by the Audit Commission.
3. Informing the employees of our commitments in the areas of ethics and integrity, and ensuring that they know them, understand them and comply with them.
4. Reformulation of the Report of Corporate Governance, without going against the regulator's recommendations, in order to give more importance to matters that concern the investors, and to the Organization's commitments.
5. Satisfying the most advanced institutional investors, who appreciate companies' practices in sustainability and corporate responsibility, and those Stock Market indicators, such as FTSE4Good or Carbon Disclosure Project, that are selective with regard to sustainability.

The fight against corruption

In its Code of Conduct, the Organization lays down principles, based on commitment to the fundamental values of integrity and transparency in its dealings with third parties, which do not tolerate corruption. And it maintains, as a policy, compliance with current legislation, and the restriction and control of payments.

As a general policy, in paragraph 5.5 of the Code of Conduct it is stated that no worker in SOS Group (nor any of their relatives) may accept gifts, invitations, payments or preferential treatment from persons or entities connected with the Group, whenever they could influence or spoil the professional relationship.

To perform the diagnosis it is necessary to decide whether there is any lack of conformity in the organization, in relation to corruption, from the point of view of employees and suppliers.

Although Mexico and Morocco are considered risky countries, being on the lists of *International Transparency* and of the World Bank, they are not considered risky in the organization's centers because the subject is guaranteed and watched over by the procedures of restriction and control of payments of internal audit and external accounting. The computerized management system is installed globally, and the data are controlled by the Central Department of Administrative Control.

The creation of the new Internal Audit Management reinforces the existing mechanisms to better control the risks from which all kinds of corrupt practices emanate.

The model of responsible supplying will correct two deficiencies in the current management model. On the one hand, it will extend the principles of the Code of Conduct, among which is that of zero tolerance of any corrupt act in the supply chain. On the other hand, it will make it possible to obtain information about suppliers and thereby set up a better system of control over the risks that are detected.

The programs of donations and sponsorships generally, and the Program of Food Aid in particular, have management and control procedures which guarantee transparency and compliance with legislation. The Management of Corporate Responsibility assumes responsibility for their implementation and for compliance with the norms that are established.

The Organization does not participate in or contribute towards the financing of any political party.

Favorable ruling annulling a penalty in a competition case.

In 2007, the Court of Competition Defense imposed a fine on SOS Cuétara and on a group including the principal Spanish distribution companies, following a complaint from the Organización de Consumidores y Usuarios (OCU) (Organization of Consumers and Users). The ruling of the Court of Competition Defense was based on the supposed existence of a practice prohibited by the law of Defense of Competition, consisting of a supposed agreement to fix a minimum price for sale to the public of their oil brands Carbonell y Koipesol.

The Organization lodged one contentious administrative appeal in the ordinary way, and another based on the protection of fundamental rights, this latter being based on the systematic refusal of the Department of Competition Defense, and of the Court of Competition Defense itself, to admit certain evidence requested by SOS Cuétara, and which was essential to their defense. Both appeals were refused by the *Audiencia Nacional*, so the Organization appealed to the High Court in both cases.

In December, 2009, the High Court ruled in favor of the Organization in the appeal based on the protection of fundamental rights, overturning and making ineffective the fine of two million Euros that had been imposed. In the said verdict, the High Court considered that the refused evidence was decisive in the Organization's defense because of its exonerating value. As the said evidence was pertinent, the Court considered that the Company had

proved that the final outcome of the trial could have been in its favor if the controversial evidence had been admitted and used, for which reason it overturned the prior ruling of the *Audiencia Nacional* and also the concurrence of the Court of Competition Defense that had imposed the fine, now ineffective.

Commitment to the principles of the Global Compact

In October, 2009, the Organization presented its fifth COP Report, which may be consulted on the website of the Spanish Network of the Global Compact. Said report is accompanied by a letter from the new chairman, reiterating the commitment to adhere to the ten principles subscribed to by the organization in December, 2004.

The Progress Reports are prepared in a way that gives more detailed information to complement that already included in the annual reports. We may add at this point that our third Progress Report was acknowledged as ‘notable’ by the United Nations.

The Organization is maintaining its seat on the Executive Committee of the Spanish Association of the Global Compact.

Commitment to progress and sustainable development

The Organization considers it very important to share experiences with other organizations that are committed to the principles of sustainable development, and values very highly the results obtained through this networking.

Social commitment

In 2009, SOS Group remained a member of the *Fundación Empresa y Sociedad* (Company and Society Foundation). Founded in 1995, its mission is to promote company actions of a strategic nature to help in the social integration of disadvantaged people. It is composed of companies and savings banks that are particularly interested in maximizing the creation of value by double-pronged action – company and social – and in influencing society as an agent of change.

Commitment to sustainable development

SOS Group is a member of the *Fundación Entorno* (Environment Foundation), a member of the Regional Network of the World Business Council for Sustainable Development in Spain, and together with the leaders in business, is committed to sustainable development. Together with 18 other Spanish companies, it forms part of the Working Group on Energy and Climate Change, which undertook to stop the emission of 18,904 tons of CO₂ through actions aimed at the reduction of ‘greenhouse’ gas emissions unconnected with production processes.

SOS Group is a member of Foretica, an association of companies and professional people in *Responsabilidad Social Empresarial en España* (Company Social Responsibility in Spain), whose mission is the promotion of the culture of ethical management and social

responsibility by giving organizations the knowledge and the tools necessary to develop successfully a model of business that is competitive and sustainable.

SOS Group is a member of the Industry and Environment Commission of the Madrid Business Confederation (CEIM).

Review procedures for analysts

The objectives attained by the plan *Feeding the Future* have been so much appreciated by analysts that they have recommended our inclusion in specific indicators.

An example is EIRIS who, in September, 2008, pronounced itself in favor of including the Company's securities, quoted on the Stock Exchange, in the sustainability indicator FTSE4Good Ibex, a reference indicator which identifies companies as being socially responsible investments.

The Organization has since then remained in that index, having passed the six-monthly reviews that are based on selection criteria aligned to the general standards of FTSE4Good –management of labor risks in the supply chain, fight against climate change and emissions, relations with interest groups, environmental sustainability, defense of universal human rights.

In December a reply was given to the analysts specializing in non-financial areas, who recognized the Group's efforts in the area of Corporate Responsibility.

Information was given to the analysts of SNS Asset, for the renewal of the title SRI (Socially Responsible Investment) that the Dutch investment bank Kempen & Co awards to those companies who demonstrate a marked social commitment in their policy of corporate responsibility. In 2004 the organization had obtained its provisional title of SRI, which was approved in 2006.

Information was also given to Ethifinance, an extra-financial analysis agency, who graded our organization on behalf of AGICAM.

Transparency

Direct information about the Organization

The Organization considers it very important to know the expectations and information needs of each of its interest groups, so as to be able to set up appropriate channels of communication and prepare and send the expected content. There is no such thing as a universal information medium that is able to satisfy the expectations of every group, so each communication is prepared with its recipient in mind.

In fulfillment of the commitment to transparency undertaken with the interest groups, work on choosing the contents of the present report and of the Progress Report was done so that they complement and contain the relevant subjects and fulfill their expectations.

Changes have also been made in the corporate website to facilitate access to relevant information about matters connected with corporate responsibility and sustainable development. One may consult the statement of the new Chairman, the strategy, the outline of the Management Plan and its progress, a specific section on environmental subjects (with special attention to climate change) and reports on sustainability.

A dedicated e-mail address continues to be used as the Group's principal means of receiving communications from small, non-profit-making organizations on the subject of corporate responsibility. In fact, this medium has also served to make contacts, as well as to formalize aid agreements, especially those involving donations

The table below shows the increase in the number of e-mails received in the current period through rsc@gruposos.com.

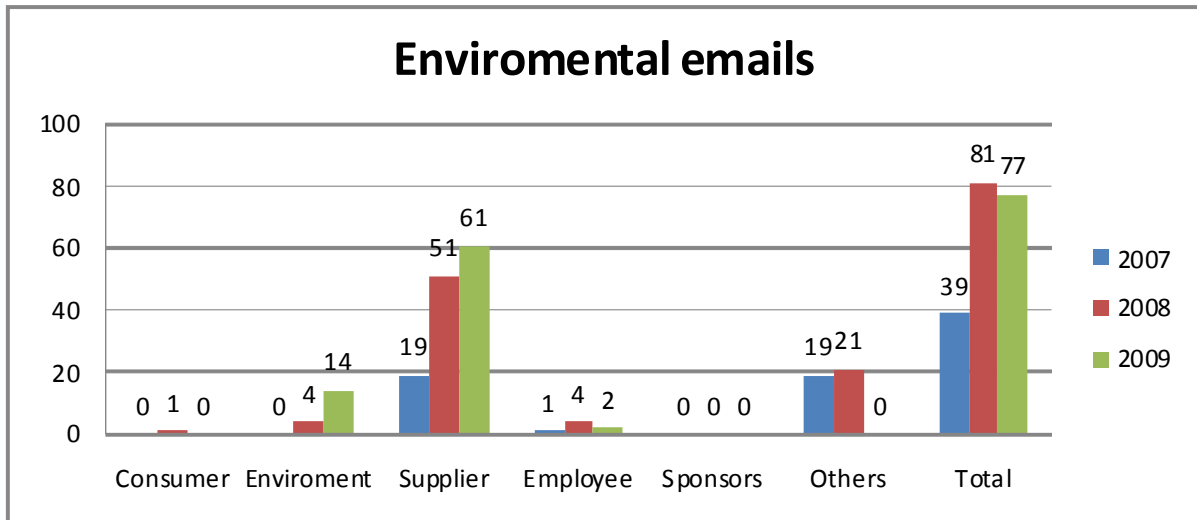
ENQUIRIES THROUGH RSC E-MAIL				
Classification by subject	2009		2008	
	Number of enquiries	% of total	Number of enquiries	% of total
<i>Social responsibility</i>	1,211	40.57%	990	51.56%
Requests for sponsorship/ information	130		280	
Specialized information	1,081		710	
<i>Business and employment</i>	1,555	52.09%	878	45.73%
Offers of services	1,540		836	
Curricula	15		42	
Sundry	219	7.34%	52	2.71%
Total	2,985		1,920	

Environmental management results in exchanges of information between factories and the public administrative offices, and there has been an increase in their number as a result of the duty to obtain the relevant authorizations and legalizations.

COMMUNICATIONS WITH ADMINISTRATIVE OFFICES(*)			
	RECEIVED	SENT	TOTAL
2009	73	121	194
2008	85	97	182
2007	56	58	114

* Note: Only relates to communications in Spain.

The number of e-mails received through the authorized address medioambiente@gruposos.com continued to increase in 2009. The majority of those communications were from suppliers, requesting information. However, this year a larger number of enquiries have been received concerning the Group's environmental management.



Communication and dissemination

The communication program has been kept active to make known the progress achieved through the strategies adopted and to help to disseminate information about good practices.

With regard to attention paid to the communication media, there were the usual collaborations with the Spanish publishers *Media Responsable*, specialized in responsibility and sustainability, with appearances in their periodical publications and in their thematic reports on health, the environment and human resources. There were other appearances in publications specialized in Corporate Social Responsibility, such as the publishing group *PRENNSA's Dinero* and *RRSC*.

Experts from the Organization collaborated with various observers:

- *La RSC ante la crisis*. 2009 Report *La Responsabilidad Social Corporativa en España* published by the *Fundación Alternativas*.
- *A Multisectoral Study on the State of Corporate Responsibility in the Large Company in Spain, 2009*, published by the Club of Excellence in Sustainability.

The Organization also made its knowledge available in studies related to Company Responsibility and Sustainability:

- SustainAbility & Globescan. 2009 survey of sustainability experts.
- SustainAbility & Globescan. The sustainability survey 2009: Pulse Poll on water.
- Centre for the Promotion of Imports. Study of requirements of suppliers in the rice sector.

-
- Department of Companies and Marketing of the University of Seville. Study of Environmental Sustainability.
 - Department of Company Administration of the University of Seville. **Study of the implantation in companies of the concept and values of CSR.**
 - Report Institute España. Study of the reputation of the ONG.
 - *Fundación para la Diversidad*. (Foundation for Diversity) Study of the level of implantation in Spanish companies of policies of diversity.
 - *Fundación Codespa* with support from the Boston Consulting Group. Study of programmes of Corporate Voluntary Work for development in the Spanish private sector.
 - IESE Business School and the NGO *Cooperación Internacional*, under the auspices of the *Observatorio de Voluntariado Corporativo* (Corporate Voluntary Work Observer Group). Study of corporate voluntary work in Spain in 2009.

Recognition and acknowledgement

Reputational rankings

In the Barometer of Confidence in Spanish Companies prepared by Futurebrand, SOS Group was in fourth position in 2009. It was also in fourth position in terms of functional indicators (quality of products and services, fulfilling promises, treatment of staff, consistency of action, listening to customers and shareholders) and in sixth place in terms of perceived sensitivity (concern for the environment, concern for society, a prestige company, “I identify with it”, “I should like to work for it”).

In the 2008 Global Reputation Pulse prepared by the consultancy Reputation Institute, SOS Group was shown as the company with the third best reputation among those operating in the food sector in Spain. In Citizenship, SOS Group was in first place, while in Leadership, it was in second place.

11. ATTITUDE ON EMERGING SUBJECTS

The Organization attaches importance to being prepared to analyze and understand new situations that arise in its surroundings – situations which may constitute threats, but which may also be converted into opportunities. In either case, an appropriate response must be found, which is included in the implementation of the programme.

In this context, an attempt has been made to encourage dialogue with the public administration and other managing agents, about subjects of concern to the organization's interest groups, and which are considered relevant to the organization's culture and management model.

In 2009 the program focused its attention on the drawing up of new legislation in Spain concerning subjects related to the social commitment, and on what was expected from the summit conference of the United Nations in Copenhagen, namely, a definite impact on the way to undertake sustainable development.

Social commitment

Immigration and Employment in the Business Sector

In 2009 the Spanish Administration considered drawing up a Fundamental Law to reform the Immigration Law.

The Company and Society Foundation, which includes a representative number of companies that are sensitive to this subject and have proven experience in managing these matters, prepared a report on immigration and employment in the business sector, and presented it in the Ministry of Work and Immigration.

SOS Group, at that time a member of that Foundation, shared its experience and knowledge of the subject, and collaborated in the preparation of the aforementioned report.

Corporate citizenship

SOS Group has always been strongly involved with the community in which its business project had its origins.

The Autonomous Community of Valencia (Spain), in the drawing-up of the Law of Corporate Citizenship of 20th November, wanted to know the opinions of the companies based in its territory. Being one of the most important, the organization did not miss the opportunity to record its comments during the preparation of a text that purported to provide a framework for the development of activities related to the responsibility of companies.

Corporate responsibility in the family firm

Family firms constitute a fundamental part of the productive fabric of any developed economy; and not only because of their number and the large percentage of Gross National Product that they represent, but also because, by definition, they are highly entrepreneurial and innovative companies, and therefore dynamos in the economy and in society.

The *Instituto de Empresa Familiar* (Family Firm Institute), of which SOS Group is a member, promoted the publication of the report *La RSE en la gran empresa familiar española* (CSR in the large Spanish family firm). The Organization participated in its preparation by sharing its knowledge, and the study was presented in January, 2010.

Sustainable Development

The Copenhagen Communiqué on Climate Change



The United Kingdom's Prince of Wales Group 'Business Leaders for Climate Change' and the University of Cambridge's Program for Industry sent another invitation to the Organization to take part in an initiative, similar to the one previously undertaken at the Poznan Conference, in connection with the United Nations' Conference on Climate Change that was to take place in December in Copenhagen, Denmark.

SOS Group joined the more than 950 international companies that signed the Copenhagen Communiqué on Climate Change, presented during the aforementioned United Nations summit conference on climate change, being convinced that the achievement of an appropriate international legal framework would greatly help all the economic agents, both public and private, to pool their resources to achieve the global reduction target with prospects of success and without having to overcome unnecessary obstacles.

12. APPENDICES

Summary of the history of SOS Group

1990

The brothers Jesús and Jaime Salazar, together with other institutional and private investors, acquired the company Arana Maderas S.A., giving birth to the Grupo Industrial Arana, S.A.

Shares began to be acquired in the companies Interván, S.A. (sweets) and Bernabé Biosca, S.A. (confectionery, dates and sweets).

1992

Acquisition of a majority percentage of the company Hijos de J. Sos Borrás S.A, owner of the SOS brand.

1994

Creation of Sos Arana Alimentación, S.A., fruit of the merger of Hijos de J. Sos Borrás, S.A. and Grupo Industrial Arana, S.A., and the beginning of the process of internationalization of the Group with the acquisition of Bernabé Biosca Tunisie, S.A.

1997

Acquisition of Arrocería del Trópico, S.A. de C.V, a Mexican rice-growing company which changed its corporate name to that of Arroz Sos de México, S.A. de C.V. in the financial year 2000.

1999

With the industrial assets acquired from Arrocerías Dársena, Arroz Sos Sevilla, S.A, was formed – a centre for buying from the farmers and co-operatives of Andalucía.

At the end of that year, and continuing with the process of internationalization, Grupo SIPA (currently Saludães Produtos Alimentares, S.A.) was acquired (with its SALUDAES brand, the leader in the Portuguese rice market).

2000

The acquisition of Cuétara, S.A. and of Bogal, Bolachas de Portugal, S.A. (today Sos Cuétara Portugal, S.A.) was completed, making CUÉTARA the brand leader in the Iberian biscuit market.

2001

Following the merger of Sos Arana Alimentación, S.A. and Cuétara, S.A., Sos Cuétara, S.A., was born, the chief company of SOS Group.

In December of the same year, Sos Cuétara, S.A., in a takeover bid, acquired 75.94% of the share capital of Koipe, S.A., the leading Spanish group in olive and sunflower oils.

2003

Merger of Sos Cuétara, S.A. and Koipe, S.A., keeping the same name of Sos Cuétara, S.A..

In September, the acquisition of a majority share in the capital of Aceica Refinería, S.L., was concluded. The company packs and sells mainly seed oils, has its headquarters in Las Palmas de Gran Canaria and owns the HAPPY DAY and RACSA brands, among others.

In the latter part of the year a 33.3% participation of Sos Cuétara, S.A. in the capital of ACYCO, Aceitunas y Conservas, S.A.L. was formalized.

2004

Between the end of 2003 and the beginning of 2004, American Rice, Inc. (ARI) was acquired. It is one of the largest rice companies in the United States, and the owner of leading brands both in several North American regional markets (COMET, ADOLPHUS, BLUE RIBBON and WONDER) and in other countries (CINTA AZUL in Puerto Rico and ABU BINT in Saudi Arabia).

2005

In March, SOS Group completed the purchase of the oils company Minerva Oli S.p.A., the purchase agreement having been signed the previous November. Minerva Oli S.p.A. is one of the four main Italian packers and distributors of olive oil, and owns, among others, the hundred-year-old brand SASSO.

In November, a group of assets was acquired from the Sara Lee Group, assets which constituted its rice business in Holland, consisting of brands (notably LASSIE), buildings, installations and inventory.

In December, SOS Group acquired 100% of the capital of Carapelli Firenze, S.p.A., owner of the CARAPELLI brand, the clear leader in the Italian extra virgin olive oil market.

2006

In December, SOS Group reported that agreement had been reached with the multinational Unilever for the Group's acquisition of FRIOL ITALIA, S.r.L, the owners of the FRIOL brand, which is the leading Italian brand in the sub-segment special seed oils for preparing fried food.

2007

In financial year 2007, the acquisitions undertaken in previous years were consolidated. The PROJECT EARTH stands out, following the acquisition of 50% of TODOOLIVO. Progress was also made in the construction of the biodiesel plant in Andújar (Jaén)

2008

In December, through the acquisition of Bertolli, SOS Group became the world leader in packaged olive oil, with a worldwide total of 22%, and decided to disinvest in its biscuit