



## 0. General Information

### 0.1. Business Model

#### 0.1.a. Brief description of the business model

##### Activities, Brands, Products and Services

Chocolates Lacasa was founded in 1852 in the Pyrenean town of Jaca. That year, Antonio Lacasa opened a small shop that sold cloth and pulses, as well as the chocolate that he made himself. José Lacasa, the second generation of the business, and José María Lacasa, the third, successfully carried on Antonio's work. After the death of José María, his widow, Carmen, took over the reins of the business. Through her great effort, sacrifice and courage, she succeeded in growing the company. Then came the fourth and fifth generations, which are today fully involved in the company's management, preserving its legacy as a family-owned business and its passion for excellence.

Over the years, Grupo Chocolates Lacasa has grown through the acquisition of several companies, turning it into one of the companies in the sector that manufactures the widest range of cocoa derivatives: nougats, truffles, chocolate blocks, chocolate-covered confectionery (nuts, fruit and cereal), coloured sugar-coated chocolate, cocoa powder, wafers, chocolate spreads, filled chocolates, snack bars, sweets, chocolate umbrella pops and chocolate bars.

##### An Extensive History

1852	The company opens in Jaca (Huesca)
1939	The factory relocates to Zaragoza
1943	Launch of the first LACASA Chocolate and Almond Nougat
1982	Launch of LACASITOS
1987	Acquisition of Fedimar-CONGUITOS (Zaragoza)
1988	Creation of Lacasa Portugal
1992	Acquisition of P. Mauri (Barcelona)
1994	Acquisition of Bombonera Vallisoletana UÑA (Valladolid)
1995	Acquisition of Chocolates La Cibeles (Meres-Siero, Asturias)
2010	Acquisition of Hosta Dulcinea IBERCACHO (Quintanar de la Orden, Toledo)
2018	Acquisition of Chocolaterie Cacao de Bourgogne (Dijon, France)
2020	Acquisition of Lucar Distribución (Morocco)

##### Our Brands

Our brands are extremely valuable assets through which we connect with our consumers and grow with them throughout their lives: Lacasa, Lacasitos, Conguitos, Mentolin, Lacasa Nature, Bombón Sport, La Cibeles, Uña, Dulcinea, Darlet, Prestige de Bourgogne, Kranch, Nolena, Cratch and Nice.

##### LACASA

From the start, the Lacasa family has been passionate about making delicious chocolates using the best recipes and carefully selected ingredients.

And as a family business, Chocolates Lacasa has managed to pass down from generation to generation the best-kept secret of its chocolates: to fill your days and those of your loved ones with joy.

##### LACASITOS

Lacasitos means fun! Fun in everything we do, from our coloured sugar-coated chocolate to our different brand formats to the way we work. This also means family fun, reflected in brand initiatives like LacasitosChef, board games, Lacasitos recipe games, and collaborations with other brands.

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## CONQUITOS

Packed with authenticity and flavour, Conguitos has been a part of our lives since 1961. Conguitos has always preserved its essence of quality and flavour, coupled with its easily recognisable package design and, of course, its famous jingle. The brand has developed its values, which are always associated with joy, fun and optimism, through the worlds of culture, art and sports.

## LACASA NATURE

Consumer lifestyles are shifting towards an increasingly healthier and more balanced diet. The importance given to nutrition is reflected in the snack market, where Lacasa Nature offers its new cereal snack bars, now with vitamins B6 and B12 and an irresistible chocolate base – made without palm oil, colourants or genetically modified organisms – that are suitable for vegetarians.

## MENTOLIN

The Mentolin brand was created in 1933, and over the years it has become a leading brand in the mint and natural confectionery sector.

The sweets are made from peppermint, the most popular and refreshing variety of mint.

## DULCINEA

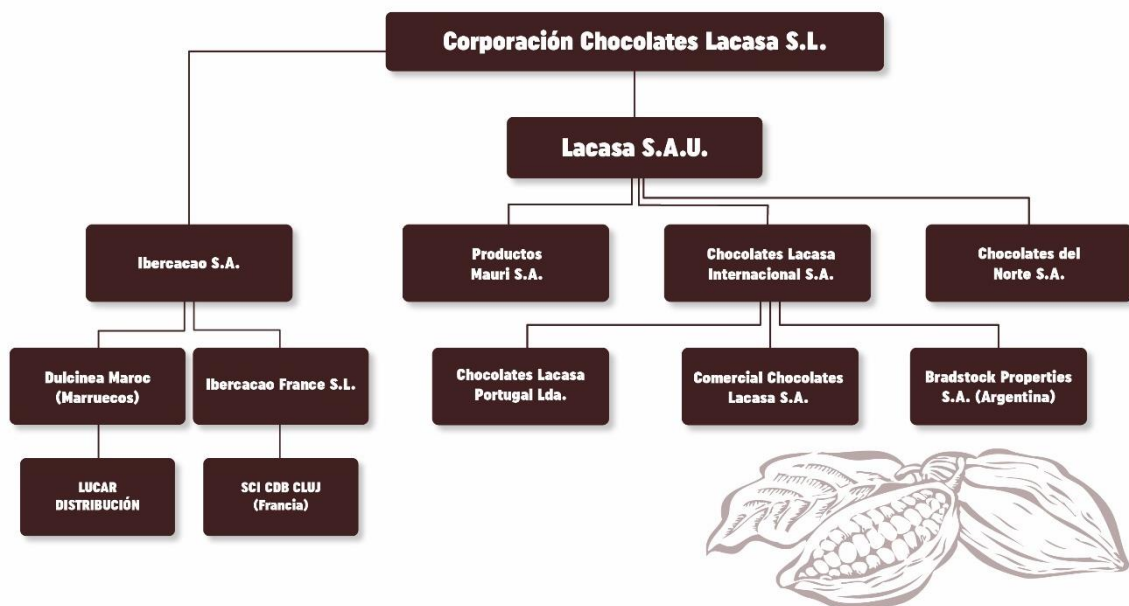
With its variety of chocolate products, Dulcinea is unquestionably the group's most international brand. The brand boasts an extensive product range for children and adults alike: blocks, spreadable creams, powders, chocolates and biscuits.

## Organisation Size

We operate with a surface area of more than 120,000 m<sup>2</sup> distributed across six facilities: two in Utebo (Zaragoza), one in Meres-Siero (Asturias), one in Quintanar de la Orden (Toledo), one in Tangier (Morocco) and a building in Dijon (France), reaching a production capacity of 175,000 tonnes, with an average of 722 employees.

Our modern facilities are capable of responding to high production demands, ensuring efficiency and quality of service in all our market segments. We also carry out the complete production process, starting with the processing of cocoa beans. This is how we ensure full quality control of all our products from beginning to end.

## Corporate Structure



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## Sustainable Development Goals

The UN Global Compact is the world's largest corporate sustainability initiative. Backed by the United Nations, it is singularly positioned to engage and enhance organisations' efforts to address global challenges.

The Global Compact is also a call to companies and organisations to align their strategies and operations with ten universal principles on human rights, labour, environment and anti-corruption, taking actions that advance societal goals and the implementation of the SDGs.

Grupo Chocolates Lacasa is aligned with the SDGs in an aim to multiply their impact while raising awareness of and advancing the 2030 Agenda. Corporate management based on the SDGs creates new business opportunities, strengthens relationships with stakeholders and promotes innovation.

## 0.1.b. Footprint

### Company Locations

#### Company

Corporación Chocolates Lacasa, S.L.

Lacasa, S.A.U.

Productos Mauri, S.A.

Chocolates Lacasa Internacional, S.A.

Chocolates del Norte, S.A.

Chocolates Lacasa Portugal, Lda.

Comercial Chocolates Lacasa, S.A.

Bradstock Properties S.A.

Ibercacao, S.A.

Dulcinea Maroc S.A.R.L.

Ibercacao France, S.L.U.

Lucar produccion y distribution SARL

SCI CDB Cluj

#### Address

Ctra. Logroño, Km 14, Utebo (Zaragoza)

Ctra. Logroño, Km 14, Utebo (Zaragoza)

Ctra. Logroño, Km 14, Utebo (Zaragoza)

Ctra. Logroño, Km 14, Utebo (Zaragoza)

Ctra. Tiñana, Km 1, Meres-Siero (Asturias)

Alameda Fernão Lopes, 16-A, 11º andar, Lisbon (Portugal)

Ctra. Logroño, Km 14, Utebo (Zaragoza)

Prilidiano Pueyrredón 984, Buenos Aires (Argentina)

Calle Valencia, nº 69, Quintanar de la Orden (Toledo)

Avenue Prince Moulay Abdellah RDC, Tangier (Morocco)

Calle Valencia, nº 69, Quintanar de la Orden (Toledo)

Lot 222 Zone Industrielle Gzenaya (Morocco)

8, rue Marcel Dassault – Dijon (France)

## Our Locations and Markets Served

Exports play a vital role, evidenced by the presence of our brands in 66 major and diverse countries, including: Great Britain, Israel, Morocco, Italy, Belgium, Germany, USA, China, The Netherlands, France, Portugal, Czech Republic, Canada, Ireland, South Africa, Japan, Andorra, Poland, United Arab Emirates, Algeria and Guatemala.

	Countries	Exports
2018-2019	62	€24.10M
2019-2020	64	€30.20M
2020-2021	66	€34.60M

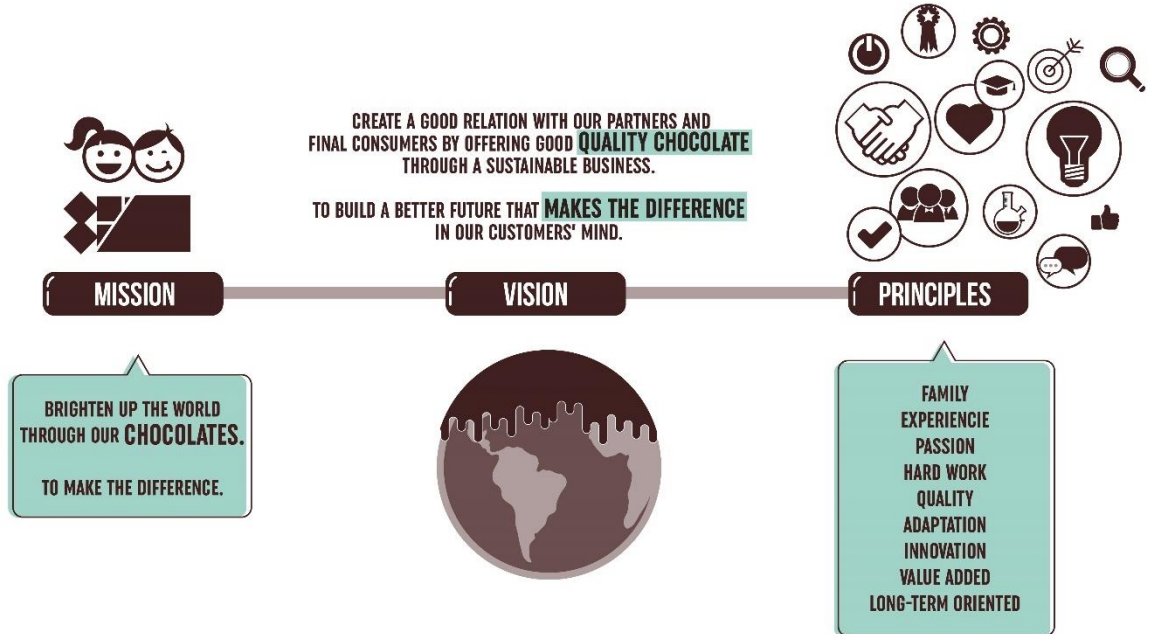
## International Trade Fairs

There were no in-person trade fairs this year because of the pandemic, but we did participate in the ECRM and Stamegna Retail Management virtual trade fairs, as well as in-house networking programmes with colleagues from other food sectors.

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## 0.1.c. Objectives and strategies



## Key Developments

- **Crealdeas Lacasa ("Lacasa CreateIdeas")**

This competition, designed for bachelor's or master's degree students enrolled in universities in the autonomous community of Aragon, is an experience that aims to bring universities and the company closer together. By seeking out and showcasing young talent, Lacasa gives the winner the opportunity to collaborate and train in the company through an internship that will enable them to develop their idea.

The goal of the competition is to encourage the development of creative and innovative product ideas that can be incorporated into the range of products that we sell. The theme of the 2020 competition was sugar-coated chocolate, and the winner received a €600 cash prize and the opportunity to complete a 6-month internship to develop the idea and support the R&D department in other projects.

- **Carrefour Innovation Awards 2020**

Carrefour customers chose Lacasitos and Conguitos milkshakes made with Central Lechera Asturiana milk as the most innovative product in the non-alcoholic drinks category in the 6th edition of these awards.

- **Recognition from the Zaragoza Food Bank**

The Zaragoza Food Bank recognised us as a "Partner" with the presentation of a commemorative plaque from the Taller Escuela Cerámica de Muel ("Muel Ceramics School Workshop").

- **COVID-19 Safe Area Badge**

On 17 June 2020, MAS Prevención awarded Chocolates Lacasa's brick-and-mortar stores the Safe Area Badge for the health and safety protocols implemented in response to COVID-19.

## Strategic Plan 2020-2021

Grupo Chocolates Lacasa has a Strategic Plan that provides the basic guidelines for action as established by the management team, which is responsible for monitoring, compliance and communication.

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The health crisis made it necessary to revise our objectives and adapt them to the new situation, taking all present and future scenarios into consideration without losing sight of the fact that we must continue to be rigorous in our purpose, vision and mission in order to uphold our family business model.

## 0.1.d. Main factors and trends which could impact future developments

### Business Model and Risk Management

At Grupo Chocolates Lacasa we are harnessing innovation to transform our family business model rooted in excellence and sustainability, and we believe that the successful integration of ethical, social and environmental standards into our business is fundamental.

### Industry Trends

Today's consumers are looking for healthier and more environmentally friendly products. Adapting to the demands of both national and international consumers is a clear course of action in our company, which is why we continuously conduct research to ensure that we implement the necessary requirements in terms of sustainability and nutrition. That is why we strive to offer products that are palm oil and gluten free, sugar free, organic, allergen free, "clean label" (a nutritional trend that seeks to promote healthy foods with no synthetic or artificial additives), vegan and products with high percentages of cocoa, among others.

The current situation has driven the growth of channels like online sales. Consequently, our own store's online sales have increased significantly in recent months and we expanded our presence in key marketplaces like AliExpress and Amazon.

Moreover, the second quarter of 2020 has highlighted the need to adapt to global changes. For this reason, companies need to constantly monitor the environment in order to respond to society's demands in the most agile way possible. Sustainability, along with other trends, represent the set of issues that need to be taken into consideration when it comes to present and future developments.

Today's consumer cares about sustainability and how the materials in the product are used. Our sustainability objective for the Lacasa and Chocolates del Norte production plants is for 50% of the raw material purchased for compact cardboard packaging will be FSC (Forest Stewardship Council) certified by 2022.

In addition, the number of kilos of cocoa purchased under sustainable programmes (UTZ and Fairtrade), which are focused on improving the living conditions of farmers, their families and communities and on preserving the environment, has increased by more than 25% compared to 2019.

Partnership between Human Resources and Marketing (employer branding and employee experience): The collaboration between teams from both departments needs to promote, through the application of standard marketing strategies, a shared and engaging corporate culture for all current and potential future employees. The shared goal should be to make employees proud to be ambassadors for the company they work for, in turn creating a positive image of the company as an employer and as a consumer brand, aspects that are becoming increasingly more connected.

Adapting to the flexibility of corporate structures to suit business needs: Organisational flexibility based on adapting to internal and environmental changes in terms of both opportunities and challenges translates into the ability to leverage the company's available resources in a prompt, flexible, affordable and relevant way to effectively respond to these changes.

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## Expected Development

Our strategy is based on three core objectives underpinned by a fourth technological component:

### Improving the customer and consumer experience

Our vision for the future is to build long-term relationships with our customers. To that end, we are committed to sustainability as a key factor in our cultural transformation and business growth. Our goal is to offer our customers an experience.

### Improving the employee experience

We strive to improve the lives of the people who work in our offices and factories on a daily basis by making our internal processes more agile and efficient. For this purpose, we have an excellent team of professionals working on a range of projects to optimise our operations, build new tools and platforms, and achieve our sustainability goals.

### Improving operational efficiency

We strive to improve our operational efficiency, optimise our resources and ensure the quality of our results. We have worked to secure operational processes during the pandemic so that we can continue to serve our customers and employees remotely.

### Technical evolution

We are undergoing a technological transformation to respond to the needs of our stakeholders and to serve them in an agile, fast and secure way. To that end, we are evolving the technological foundations that underpin our projects and promoting digital transformation.

## Main Non-Financial Risks That May Impact the Achievement of the Business Objectives

Successfully identifying and assessing the risks assumed is a cornerstone of risk strategy that makes it possible to adequately determine the nature of these risks. Risk management is cross-cutting and involves all the departments in the organisation.

### Types of Non-Financial Risks

Strategic. This refers to the possibility of an alteration in the course of the company's business that might affect its sustainability, whether due to internal factors (inefficient strategy design, inadequate assignment of benefits, misguided goal setting, excessive regulation, etc.) or external factors (changes in the economic climate or competitive landscape). The model's viability and sustainability is assessed to analyse and evaluate the strategic and business risk.

Operational. These risks are the result of inadequate or failed internal processes, people and systems, or even of external events.

Technological. Risks related to information and communication technologies.

Legal compliance. Risk of non-compliance with legal provisions, regulations, standards adopted by the organisation and codes of conduct applicable to its operations.

Reputational. This risk corresponds to a negative perception by customers, consumers, employees, society in general or regulators that could negatively impact our work as a company.

Proactive management to mitigate any situation that could lead to exposure to this risk is a top priority.

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## Non-Financial Risk Management Approach

Our management approach is based on monitoring and controlling risks with the aim of reducing them to a minimum.

### Compliance and conduct risk

One of the cornerstones of Grupo Chocolates Lacasa's policy, and the basis of its organisational culture, is strict compliance with all legal provisions. Business objectives must always be achieved in a way that is consistent with compliance with the law and by applying best practices.

### Operational and technological risks

Framework for the management and control of risks based on fundamental points: process maps, business availability and continuity, information quality and reliability, technological security, the proper management of technological and process changes, and the control of outsourced operations.

### Reputational risks

Proactive mitigation management for any situation that could result in exposure to reputational risk. Robust regulatory framework with clearly defined lines of responsibility for identifying, measuring, controlling and monitoring reputational risk.

## Risk Management 2020-2021

These risks are inherent to the performance of all our activities, and therefore require ongoing and systematic identification, establishing the procedures required to centrally manage these risks as well as analysing and reviewing internal processes. Defining the risk management and control framework is based on three core components: operational risk, the business continuity plan and information quality and security.

The Executive Committee holds regular meetings to discuss the various risks to which we are exposed and establishes strategies to minimise them.. One of the potential risks that all companies face is the possibility of cyber-attacks that render servers inaccessible (by encrypting files) or involve data leaks. To this end, we have implemented strong security systems, including network segmentation, use of stronger passwords, two-factor authentication, RADIUS systems, etc. Moreover, we raise employee awareness by providing ongoing guidance and information.

The pandemic has made it necessary for us to adapt to potential new scenarios. New waves of COVID-19 that could lead to production disruptions might result in an increase in stock volume and the consequent risk of running out of temperature-controlled storage space needed to ensure reliable service to customers. Furthermore, rising fuel prices lead to an increase in transport costs, which could have an impact on the price of our products.

Exports to the UK were threatened by Brexit. Aside from the red tape, we managed to cope with the problem relatively easily, anticipating the shipment of more goods than usual to our customers during the final months of 2020. This situation was exacerbated by the pandemic-related road transport blockade and we were unable to supply customers for several weeks. Everything has been running smoothly since then.

Our customers and consumers are extremely active and require us to be constantly alert to both changes in the environment and to improvements, which implies adjusting technological processes like the implementation of a new labelling (Nutriscore), packaging and ingredients system. We work tirelessly to offer the highest quality products every day and we conduct rigorous controls in our raw materials selection and production systems in order to comply with current food safety legislation.



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## Corporate Governance

Corporate governance has become tremendously important for all family businesses in recent years, turning into a management cornerstone of businesses' strategic plans. For us, the corporate governance system is an integral part of sustainability and is therefore inspired and underpinned by sound, transparent management based on the ethical principles of good corporate governance, incorporating the major recommendations from regulators while focusing on safeguarding social interests, excellence and reinforcing the trust of our stakeholders.

Grupo Chocolates Lacasa is a family-owned business with share capital that is 100% Spanish. Members of the family's fourth and fifth generations sit on the company's several Boards of Directors, which set the company policies. One of the objectives of corporate governance is to identify the main risks and opportunities our industry and our organisation face.

### • Governing Bodies

After more than 50 years with the company, Mariano Lacasa Echeverría retired from his position as CEO on 1 May 2021. This led to a change in the company's governing bodies:

**Lucas Lacasa Horno** was appointed CEO, taking on the highest executive role in the group in order to lead and guide its diverse range of activities.

**Mariano Lacasa Echeverría** continues to serve as the group's Chairman through Corporación Chocolates Lacasa.

The governing hierarchy is thus structured as follows:

- A **Corporación Chocolates Lacasa, S.L. Board of Directors** formed by Carmen Lacasa Echeverría, Fernando Lacasa Echeverría, María Lacasa Mateo and Lucas Lacasa Horno. The board meets four to six times a year.
- Another **Lacasa S.A. Board of Directors**, formed by José Luis Santacruz, María Lacasa Mateo, Beatriz Lacasa Mateo, Carla Lacasa Mateo, Lucas Lacasa Horno, Pablo Lacasa Horno, Tatiana Lacasa Belsué, Macarena Lacasa Belsué and Fernando Lacasa Echeverría. The board meets four to six times a year.
- And finally, a **more operational committee** that meets every month and handles all group matters that fall within its scope of responsibility, both in the Lacasa division and in Ibercacao and its respective subsidiaries. This committee is comprised of Lucas Lacasa Horno, María Lacasa Mateo, Pablo Lacasa Horno, Tatiana Lacasa Belsué, Macarena Lacasa Belsué and Fernando Lacasa Echeverría.

### Chocolates Lacasa Executive Committee

**Fernando Renta:** General Manager, **Alfonso Marco:** Logistics Director, **Ana Herrero:** Quality Director, **Asun Martín:** R&D Director, **Carlos Encinar:** Commercial Director, **Daniel Lacambra:** Systems Director, **David Longás:** Financial Director, **Javier Pascual:** Industrial Director of Grupo Lacasa and Ibercacao, **José Antonio Callejas:** Commercial Director, **Luis Román:** Marketing Director, **María Gutiérrez:** Executive Secretary, **Marina Molina:** Export Director, **Norberto Izuel:** Human Resources Director, **Tomás Lara:** Procurement Director.

### Ibercacao Executive Committee

**Joan Romagosa:** General Director, **Angel Gajino:** Operations Director, **Antonio Pujante:** Quality and R&D Director, **Carlos Encinar:** Commercial Director, **Javier Pascual:** Industrial Director of Grupo Lacasa and Ibercacao, **Joaquín Patiño:** Financial Director, **José María Ruiz:** Human Resources Director, **José Miguel Cañada:** Procurement Director, **Paco Martínez:** Commercial Director, **Paula Moncayo:** Procurement Director, **M<sup>a</sup> Carmen García:** Executive Committee Secretary.



# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



## 0.2. General

### 0.2.1. On the preparation of this Non-Financial Information Statement

This is our third Annual Sustainability and Corporate Governance Report (Non-Financial Information and Diversity Statement) which, like previous reports, provides a comprehensive overview of our social, environmental and corporate governance performance in 2020/21.

It was prepared as required by Spanish Law 11/2018 of 28 December which amends the Commercial Code, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Spanish Law 22/2015 of 20 July on the Auditing of Accounts with regard to non-financial information and diversity.

This report is published in a digital format and is available on our website. It is our public commitment to measure, disclose and be accountable to our internal and external stakeholders in terms of the United Nation's Sustainable Development Goals (SDGs). Specifically, Grupo Chocolates Lacasa is committed to helping meet the following SDGs:



The indicators provided result from the information management systems of Grupo Chocolates Lacasa's various departments. These systems are rigorously managed and subjected to a series of verification processes as well as internal and external audits. We continue to advance in our efforts to ensure that the information contained in this report takes into account the GRI principles of balance, comparability, accuracy, timeliness, clarity and reliability. Likewise, we have worked on the report guidelines in terms of the content of the document and the principles relating to materiality, stakeholder engagement, sustainability and comprehensiveness.

Our report compiles the most significant actions and results during 2020/21 and is structured according to our stakeholders: customers, shareholders, employees, people, society, partnerships and suppliers. The report covers all workplaces, as well as existing partnerships in those cases where information can be provided on a consolidated basis. There are no limitations on scope or coverage. There have been no modifications to the information provided in the previous CSR Report (2019/20) or any change in the reporting methodology.

This NFIS was prepared and approved by Grupo Chocolates Lacasa's Board of Directors and verified externally.

### 0.2.2. Reporting Framework

The preparation of this NFIS has taken into account:

GRI (Global Reporting Initiative) standards, based on the group's commitments, strategy and management approach. Grupo Chocolates Lacasa has taken into account the principles relating to the definition of the content and quality of our CSR Report according to the GRI sustainability reporting guidelines, in its GRI Standards version.

The European Commission Communication of 5 July 2017 on guidelines on non-financial reporting (2017/C 215/01) which includes, among other issues:

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- Disclosure of relevant information.
- Concise, accurate, balanced and understandable information.
- Stakeholder oriented.

We analysed the materiality of the different aspects required by Spanish Law 11/2018 to prepare this report, taking into account their relevance for both the business activity and our range of stakeholders.

## Materiality Analysis

A description of the calculation methods used, as well as the judgements and procedures applied to determine the materiality analysis, will be provided in each section of subsequent reports. Should any of the requirements not be material, it will be clearly stated and justified in a way that is consistent with the materiality analysis.

## Scale and Scope

The scale of the NFIS is defined by the different sections, while ensuring that the scope of all the indicators reported is the same. The following types of scope are established:

- Time period: 2020/21
- Geographical: Global
- Organisational: Grupo Chocolates Lacasa
- Operational: Quality, Commercial, Procurement, Export, Finance, R&D, Industrial, IT and Systems, Logistics, Marketing, Human Resources, Trade Marketing, Chocolates del Norte and IBERCACAÓ.

## Material Issues

Grupo Chocolates Lacasa analyses the social, environmental and corporate governance topics that are most relevant to its stakeholders throughout its value chain.

Dialogue with its stakeholders is vital for decision-making and is carried out at every level following leading methods, either through partnerships with academic (universities and business schools) or business institutions or by implementing best practices (health, quality, digitalisation, human resources, etc.).

Grupo Chocolates Lacasa's main material and cross-cutting issues in terms of non-financial information and diversity are:

### Environment

Alignment with the Sustainable Development Goals (SDGs).

Energy use.

Water use.

Circular economy and waste management.

### Workforce

Total number and breakdown of employees according to diversity standards (gender, age, country, etc.).

Total number and breakdown of work contracts, annual average by contract type (permanent, temporary and part-time) and by gender, age and job classification.

Number of redundancies by sex, age and job classification.

Average remuneration and its evolution, broken down by sex, age and job classification or equal value.

Pay gap, remuneration for equal or equivalent jobs in the company.

Average compensation of directors and executives, including variable remuneration, expense allowances, compensation paid to long-term savings schemes and any other item broken down by gender.

Employees with disabilities.

Total number of training hours by job category.



## 1. Environmental Issues

### 1.1. General Information

#### 1.1.a. Main environmental risks that Grupo Chocolates Lacasa faces

Environmental protection, sustainability and the pursuit of eco-efficiency are priorities for our corporate group. To minimise the impact of our work, we have implemented an environmental policy that includes responsible behaviour in terms of protecting the environment and optimising how we manage the waste we generate. We are also committed to promoting awareness-raising and training our employees in good environmental practices.

**Potential emergency issues:** We have identified environmental issues and impacts at the different stages of the applicable life cycle: procurement, design, production, delivery, use and end-of-life.

**Procurement of raw materials and services:** Assessment criteria will be included for several procurement processes associated with the work equipment life cycle in 2021, prioritising closeness to our facilities in order to reduce our products' carbon footprint, among other aspects.

**Hazardous waste management:** Hazardous waste is properly sorted and managed at all our factories in compliance with the law. Only 0.4% of the waste we generate is considered hazardous. There was an increase in the amount of this type of waste we generated last year, primarily because we replaced the old light fixtures with more efficient ones and because of an increase in preventive maintenance work, which led to a rise in the amount of used oil managed as waste.

**Discharge:** We regularly analyse wastewater, both internally and through accredited organisations, to ensure that it is adequately treated and complies with the applicable legal parameters. The waste from our purification and treatment processes is correctly managed.

**Preventive maintenance:** We control the temperature and chlorine for both cold and hot water at several points along the supply network.

**Legionella disinfection and analysis programme at each facility:** Regular monitoring and disinfection programmes are performed and supervised by the competent authority.

#### 1.1.b. Policies and commitments

Our environmental policy is founded on a number of basic principles:

- To comply with all environmental provisions, laws and other applicable requirements.
- To continuously improve in everything we do.

To this end, we have established the following commitments:

**To develop and encourage** the use of environmentally friendly materials in production processes and the rest of our activities. Such environmentally friendly criteria must encompass the effective, sustainable use of renewable resources, reducing environmental impact and waste production, as well as reusing materials and safely disposing of waste materials.

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**To demonstrate** that all activities are carried out in compliance with legislation and other company environmental standards.

**To prevent** pollution and assess potential risks.

**To promote** energy saving, encouraging rational use of different energy sources and efficient production projects.

**To encourage** environmental awareness, participation, communication and learning among all employees, and to extend this to customers, suppliers and subcontractors, in order to achieve a deeper environmental commitment by all, encouraging active integration and teamwork.

## 1.1.c. Outcomes of the implementation of policies and indicators

We are aligned with the SDGs and have therefore developed an environmental policy that measures the current and expected impact our activities have on the environment.

The resources dedicated to environmental risk prevention, as well as the number of people and/or the investment in euros, are not quantified individually since this is an activity that cuts across all group companies. One of our priorities is to identify and evaluate environmental factors to determine to what degree they impact our companies. We group these environmental factors into:

- Resource consumption
- Waste
- Waste discharged into water
- Atmospheric emissions
- Noise

One of our objectives is to reduce the resources we consume in terms of both raw and other materials. To achieve this, we strictly monitor our processes in order to optimise them and thus also help to reduce the use of raw materials and their corresponding packaging.

## 1.2. Detailed Information

### 1.2.1. Detailed General Information

#### 1.2.1.1. Number of provisions and guarantees for environmental risks

As detailed in the Financial Report, there are no environment-related liabilities, expenses, assets, provisions or contingencies that could be significant in relation to the group's equity, financial position and results, given the business activity of Grupo Chocolates Lacasa. Therefore, no specific disclosures on specific environmental provisions or safeguards are included in this report.

### 1.2.2. Pollution

#### 1.2.2.1. Measures to prevent, reduce or correct emissions that substantially impact the environment

Taking into account any form of activity-specific air pollution, including noise and light pollution, no risks of emissions that would seriously impact the environment have been detected. CO<sub>2</sub> emissions are reported in the Climate Change section.

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We perform annual self-monitoring and mandatory measurements in our different sources of atmospheric emissions, both of gases and particles, and have detected levels that are below those established by law.

We are implementing initiatives to minimise the acoustic impact of our plants. We completed three of these initiatives last year and continue to implement a reduction plan in which we are heavily involved.

### **1.2.3. Circular Economy and Waste Prevention and Management**

We have implemented prevention, recycling and reuse measures, as well as other forms of waste recovery and disposal.

We are working to minimise paper consumption by digitising documents and cutting down on printing, which enabled us to considerably reduce toner and paper consumption in all our factories.

We partnered with Ecoembes in 2020 with a donation of €678,121 from the Utebo, Meres-Siero and Quintanar de la Orden plants.

In 2021, the number of products packaged with FSC-certified paper and cardboard, which means that the raw material used to make them comes from sustainably and responsibly managed forests, will be considerably increased.

We have expanded the use of certified raw ingredients from sustainable and fair trade sources by 13.5%.

We are implementing several projects to replace plastic reels with paper ones, as well as replacing materials with compostable, more recyclable materials or reducing the amount of plastic they contain.

Approximately 70% of the waste that the group's factories produce is recovered. This is evidence of our commitment to recycling and energy recovery as opposed to dumping in landfills. We are committed to achieving a zero waste policy.

We implement policies to reuse intermediate packaging for the storage of our products, monitoring the number of uses and thereby reducing the amount of materials we consume.

We manage part of our waste as by-products for composting, biogas or for consumption as raw materials in other types of industries, thus contributing to the circular economy.

We have plans in place to reduce manufacturing waste in our processes and increase their efficiency, with positive results in the previous financial year. These efforts have led to a decline in the amount of product used as by-products.

### **1.2.4. Sustainable Use of Resources**

#### **1.2.4.1. Water consumption and supply according to local constraints**

We monitor consumption across all our processes to minimise use and detect possible leaks by increasing the frequency of regular checks. We are also working to raise awareness among all group employees about responsible and efficient water use.

# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



We managed to significantly reduce water consumption by 14% through the consumption reduction policies implemented over the past year.

2019/20 83,499 m<sup>3</sup> 0.01625 m<sup>3</sup>/kg

2020/21 71,865 m<sup>3</sup> 0.01397 m<sup>3</sup>/kg

## 1.2.4.3. Direct and indirect energy consumption

2020-2021 Electricity 33,418,244 kWh 0.6497 kWh/kg

## 1.2.4.4. Measures adopted to improve energy efficiency

### Energy use

Our renewable energy consumption increased by 1.8% in the last year.

#### RENEWABLE ENERGY vs. TOTAL ENERGY

% 2019-2020 1,9%

%2020-2021 3,7%

We continue to work on replacing our air conditioning and refrigeration equipment with more efficient models, switching out the fuels in our boilers for natural gas, and investing in renewable energies in several of our factories. We conduct energy audits to identify potential areas for improvement and we prioritise energy efficiency when launching new projects and purchasing new equipment.

Renewable energy consumption 2019-2020 1,194,652 kWh

Renewable energy consumption 2020-2021 12,240,104 kWh

Total energy consumption 2019-2020 63,914,724 kWh

Total energy consumption 2020-2021 60,558,342 kWh

### Energy efficiency policies

The lighting system in the factories and offices was updated with energy-saving lamps to replace the old fixtures.

## 1.2.5. Climate Change

We comply with the current legislation on climate change. However, we are well aware of how important this issue is and, because it is part of our sustainability policy, we are intensifying our focus on this issue.

We significantly reduced the amount of CO<sub>2</sub> emitted at all our production sites in the past financial year. By implementing projects to increase the efficiency of our equipment and converting and testing our chocolate manufacturing processes towards more energy-efficient ones, we managed to reduce scope 1 emissions by 20% and scope 2 emissions by 30%.

Over the past several years we have made efforts to replace our diesel commercial fleet with hybrid vehicles. We currently have 64 electric vehicles and have managed to not only reduce the amount of CO<sub>2</sub> emitted by almost 10%, but also to reduce the amount of fuel we use in transportation by the same percentage.

## 1.2.6. Protection of Biodiversity

Biodiversity protection is not a material aspect of our business. No impacts caused by our work or operations in protected areas have been detected.

In line with our commitment to environmental protection and conservation in the areas where our factories are located, we are currently working on a project to bury an electrical cable within the perimeter of our facilities.

# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



## INDICATORS

	FY 2020 (kWh/kg)	FY 2021 (kWh/kg)	difference
<b>ELECTRICITY CONSUMPTION</b>	0,693	0,650	-6,3%

Utebo (including logistics), Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

	FY 2020 (kWh/kg)	FY 2021 (kWh/kg)	difference
<b>THERMAL ENERGY CONSUMPTION</b>	0,550	0,528	-4,1%

Utebo, Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

	FT 2020 (m <sup>3</sup> /kg)	FT 2021 (m <sup>3</sup> /kg)	difference
<b>WATER CONSUMPTION</b>	0,0016	0,0014	-14,0%

Utebo, Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

	FT 2020 (l/kg)	FT 2021 (l/kg)	difference
<b>FUEL CONSUMPTION OF VEHICLES ASSOCIATED WITH THE GROUP</b>	0,0037	0,0034	-8,0%

Utebo, Meres, Quintanar de la Orden and France plants (up to and including 02/2021). Transport between our logistic warehouse (Zaragoza) and factory (Utebo) is also included.

	FY 2020 (kg/kg)	FY 2020 (kg/kg)	difference
<b>RAW MATERIAL CONSUMPTION</b>	1,067	1,055	-1,1%

Utebo, Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

	FY 2020 (kg/kg)	FY 2020 (kg/kg)	difference
<b>PAPER CONSUMPTION IN OFFICES AND SIGNAGE</b>	0,000098	0,000076	-22,2%

Utebo, Meres and Quintanar de la Orden plants.

	FY 2020 (kg/kg)	FY 2020 (kg/kg)	difference
<b>NON-HAZARDOUS WASTE GENERATION</b>	0,036	0,037	5,2%

Utebo, Meres and Quintanar de la Orden plants.

	FY 2020 (kg/kg)	FY 2020 (kg/kg)	difference
<b>HAZARDOUS WASTE GENERATION</b>	0,000138	0,000162	17,7%

Utebo, Meres and Quintanar de la Orden plants.

	FY 2020 (kg/kg)	FY 2020 (kg/kg)	difference
<b>SUBPRODUCT GENERATION</b>	0,029	0,023	-22,4%

Utebo, Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

	FY 2020 (tonne CO <sub>2</sub> /kg)	FY 2021FY (tonne CO <sub>2</sub> /kg)	difference
<b>ATMOSPHERIC EMISSIONS (SCOPES 1 + 2)<sup>(1)</sup></b>	0,000356	0,000267	-24,9%
Greenhouse gas emissions from direct energy consumption (scope 1) (tonne CO <sub>2</sub> equivalent/kg)		0,000129	
Greenhouse gas emissions from energy generation (scope 2) (tonne CO <sub>2</sub> equivalent/kg)		0,000138	

Utebo (including logistics), Meres, Quintanar de la Orden and France plants (up to and including 02/2021).

(1) MITECO online calculator

*Scope 1. This includes transport using the organisation's own fleet of vehicles and the external fleet over which the organisation has control and, therefore, can have an indirect impact on the reduction of its emissions. As with most organisations, at Lacasa this calculation refers to the consumption of those vehicles whose fuel costs are paid by the organisation. This includes cars that are owned, leased, rented, etc. Emissions have been calculated based on fuel consumption on the MITECO website.*

*Scope 2. Indirect emissions generated by the electricity consumed.*





## 2. Social and Personnel Issues

### 2.1. General Information

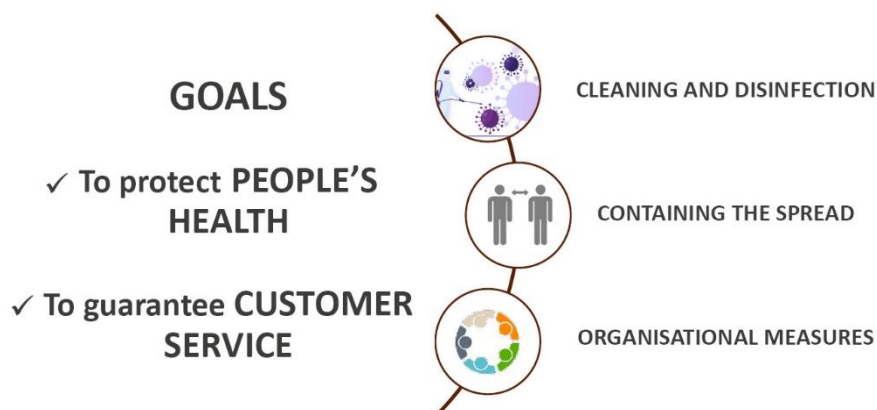
#### 2.1.a. Main risks that Grupo Chocolates Lacasa faces in terms of employment, gender equality and opportunities, the discrimination and inclusion of people with disabilities, and universal accessibility for people with disabilities

The Human Resources department aims to make a decisive contribution to the mutual growth of our stakeholders, with policies designed to realise the full potential of Grupo Chocolates Lacasa as an organisation focused on excellence and underpinned by ethical values of professionalism, competence, meritocracy and sustainability. This requires a team of outstanding professionals who are flexible and proactive in an environment that demands credibility, agility and responsiveness, offering excellent service to our stakeholders to meet their needs and protect the health of their employees.

One of the challenges for Human Resources in 2020 was managing the pandemic. Two primary objectives were established at the outbreak of the crisis which set the guidelines for management:

- Safeguarding the health of our employees and their environment.
- Ensuring business continuity as part of the food supply chain and an essential sector of the economy.

To that end, new work-life balance measures were provided to meet the new needs and preventive actions were enhanced in all our facilities: disinfection treatments to ensure the elimination of the virus in production areas, offices and indoor and outdoor common areas; extra cleaning services for all shifts and at weekends; progressive introduction of personal protective equipment for all employees of both production facilities and across the sales network, as well as reinforced social distancing measures to avoid contact; installation of protective screens at work stations; and the opening of communication channels with employees through posters, displays and the creation of a WhatsApp group to keep employees informed of new developments and measures.



# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



## 2.1.b. Policies and commitments

Our employees are our company's most valuable resource. With technology and information within reach of all companies today, the only competitive advantage that can set one company apart from another is the skill of its people.

### Values

**We treat** individuals with trust, dignity and respect.

**We create** a working environment where individuals with diverse cultures and beliefs can work together effectively.

**We make** every effort to attract, identify, hire and retain the ideal individual for each job.

**We create** safe and healthy working conditions in which individuals can do their jobs and we aim to instil safe and healthy practices in our day-to-day work.

**We actively collaborate** in order to improve on a daily basis.

**We strive** for excellence in our daily work.

**We work for** and encourage our staff because this is the best way to achieve our common goals.

**We promote** employee training to achieve both personal and professional development within the company.

### Commitment

Beyond ensuring employee safety and the quality of each product, we are committed to our policies on equality, work-life balance, the environment, road safety and healthy lifestyles. We also offer a series of in-house and external training plans.

The various policies and measures that we implement are based on a strategy that responds to the following priorities:

**To offer** a motivating work environment in which professionals can feel proud of their work and of being part of the organisation.

**To facilitate** and promote professional and personal development, equal opportunities and work-life balance.

**To strengthen** our performance in the area of occupational health.

## 2.1.c. Outcomes of the implementation of policies and indicators

We continue to work towards implementing policies and practices that are in line with the group companies' mission and objectives in terms of people management.

## 2.2. Detailed Information

### 2.2.1. Jobs

#### 2.2.1.1. Total number and breakdown of employees according to representative diversity criteria (gender, age, country, etc.), contract type and number of redundancies

Our average workforce for the 2019/20 fiscal year was 721 people, 51% of which were women (365) and 49% men (356).

The number of employees as of 31 March 2020: 358 women and 301 men.

We will close the current 2020/21 financial year with an average workforce of 722 people, 49% of which are women (355) and 51% men (367).

The number of employees as of 31 March 2021: 360 women and 360 men.

The figures provided do not include France, Portugal and Morocco.

## NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



The average is calculated based on the type of contract, given that there is a significant number of temporary contracts and the group companies' work is seasonal.

In terms of redundancies, both objective redundancies and disciplinary dismissals are included.

Breakdown by sex	Women	Men	Total
Permanent	237	321	558
Permanent seasonal	68	17	85
Temporary	50	29	79
<b>Total</b>	<b>355</b>	<b>367</b>	<b>722</b>
Number of redundancies	4	5	9

Breakdown by age	<25	26-40	>40
Permanent	9	173	377
Permanent seasonal	3	27	56
Temporary	13	40	24
<b>Total</b>	<b>25</b>	<b>240</b>	<b>457</b>
Number of redundancies	0	1	8

Breakdown by job category	Women	Men	Total
Management	6	35	41
Technicians	94	142	236
Others	255	190	445
<b>Total</b>	<b>355</b>	<b>367</b>	<b>722</b>
Number of redundancies	4	5	9

Redundancies by category	
Management	0
Technicians	0
Others	9

Breakdown by age	Women	Men	Total
<25	9	16	25
26-40	116	124	240
>40	230	227	457
<b>Total</b>	<b>355</b>	<b>367</b>	<b>722</b>

### 2.2.1.2. Remuneration

Our remuneration model ensures internal equity. The average remuneration at Grupo Chocolates Lacasa is summarised below.

Average remuneration by age	2020/21
<25	€14,687
26-40	€18,688
>40	€22,510

# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



Average remuneration by job category	2019/20	2020/21
Management	€65,762	€81,139
Technicians	€26,563	€27,220
Others	€15,339	€15,796

The table includes both variable and fixed remuneration, which are described below, as well as the date of the figures shown:

**Variable remuneration:** As of 2019, this is understood as incentives collected in one year that were accrued in the previous year. That is, the incentives collected in 2020 and accrued in 2019 are reported in 2020.

**Fixed remuneration:** Includes notional salary, remuneration in kind and insurance premium.

Figures reported for active staff as of 31 December. Does not include possible redundancy payments for staff who are no longer on the payroll as of 31 December 2020.

Management does not include senior management.

Remuneration is supplemented by a range of social benefits.

## Staff discounts:

We currently have signed agreements with Vincci Hotels and enjoy exclusive advantages through the **Vincci&You Programme**. We also offer employees the opportunity to take out private medical insurance with **Sanitas** and enjoy special conditions. And with the education of our families in mind, we have an agreement with **EAE Business School** that provides scholarships for employees and their families.

Our goal for next year is to expand these initiatives with a view to providing a range of benefits for our staff.

## 2.2.1.3. Pay gap by job category

Management: 0.08

Technicians: 0.23

Other: 0.14

## 2.2.1.5 Implementation of “right to disconnect” policies

### “Daily Work Log” model

Bearing in mind the industry's specific characteristics, our work log systems are for both in-person and remote work. Both include all the security elements required to guarantee the objectivity, reliability, traceability and accessibility of the log and to ensure that it cannot be tampered with. The daily log system protects employees' right to privacy. The implementation of the work log system during the months that employees were required to work remotely was supplemented by a user guide provided to employees.

The following measures are taken to improve time management at work:

Scheduling training sessions, meetings, videoconferences, presentations, information, etc., outside employees' ordinary workday is **avoided**.

The sessions indicated above are **scheduled** far enough in advance so that employees can plan their workday. Session notifications **include** start and end times as well as all the documents involved so that they can be reviewed and analysed in advance, ensuring that the meetings stick to the established time.

# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



To ensure an effective “right to disconnect”, we guarantee that those employees who exercise this right will not be sanctioned or penalised in their performance evaluations or in their promotion opportunities.

## 2.2.1.6. Employees with disabilities

We have a twofold objective in relation to disability: to increase the employability and visibility of people with disabilities and to increase our responsible procurement.

Thus, people with disabilities accounted for 2.08% of the workforce this year and we continue to promote the procurement of goods and services from special employment centres.

We are committed to including people with disabilities in the workplace and we believe that employment is a cornerstone when it comes to promoting equal opportunities. As a result of this commitment, we have signed several collaboration agreements with social organisations to promote the social and occupational integration and employment of people with disabilities. We improve diversity management in our group of companies through initiatives such as this one, creating an environment of equality and non-discrimination that encourages the attraction and retention of people with disabilities. We have worked with special employment centres for years: Stylepack and Atades in Zaragoza and Asprodiq in Quintanar de la Orden (Toledo). These centres are responsible for processing many of our standard products, as well as for assembling packs and displays.

As of March 2021, our workforce includes 15 people with disabilities.

## 2.2.2. How Work is Organised

For us, the efficient use of work time, digital disconnection and work-life balance are crucial issues that have become particularly relevant during the pandemic, impacting how our work is organised. This translated into the development of in-office shifts, a series of new work-life balance and remote work measures, etc., which are described in detail throughout this document.

Moreover, there is a culture of work time organisation (shifts, flexible working hours, etc.) that includes measures designed to make it easier to achieve a work-life balance.

### 2.2.2.1. Organisation of working hours

One of our priorities is effective time management and work-life balance. To this end, we take current legislation as a foundation and supplement it with additional voluntary measures aimed at enhancing our efforts in this area.

With the goal of making the time our employees spend more efficient, one of the strategic priorities of the digitalisation plan is the transformation of internal tools. The aim is to reduce employees' administrative work so that they can spend their time on tasks that add value to their job.

### 2.2.2.2. Absenteeism in hours

Absenteeism is defined as when an employee misses work when he/she was scheduled to be there. Authorised absences like holidays, maternity/paternity leave and personal days are not included. Both non-work related and work-related sick leaves are taken into account.

Due to our management system, only disaggregated figures can be provided.

Zaragoza and Oviedo	Total	Men	Women
Number of hours of absenteeism	36,828	14,731	22,097
Number of hours of absenteeism due to COVID-19	8,144		
Percentage of total hours of absenteeism due to COVID-19	0.88% of total theoretical working hours		

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Toledo	Total	Men	Women
Number of hours of absenteeism	12,960	6,416	6,544
Number of hours of absenteeism due to COVID-19	4,184		
Percentage of total hours of absenteeism due to COVID-19	1.36% of total theoretical working hours		

### 2.2.2.3. Measures to facilitate work-life balance and encourage shared parental responsibility

We comply with current legislation and plan to promote better quality of life and more flexible working hours.

#### Work-life balance and COVID-19

Special measures like flexible working hours and shifts were implemented in light of the exceptional situation the pandemic created. These measures aim to facilitate the support and care of children and family members, as well as any other personal circumstances that may arise.

### 2.2.3 Health and Safety

#### 2.2.3.1. Health and safety conditions at work

We believe that one of our basic principles and fundamental objectives is to promote the continual improvement of health and safety conditions for our employees. To that end, we comply with the obligations set out in Spanish Law 31/1995 of 8 November 1995 on the Prevention of Occupational Risks and its implementing regulations, which we believe to be the minimum level of action required in this regard. This commitment to prevention and the resulting responsibilities involve all levels of the company.

The company's prevention policy affects 100% of the workforce and is implemented in the following ways:

- Assessing the risk factors that affect employee health and safety.
- Designing, applying and coordinating preventive action plans and programmes.
- Setting priorities for the adoption of suitable preventive measures and monitoring their effectiveness.
- Providing information and training on prevention and protection.
- Defining and implementing emergency instructions adapted to each workplace.
- Proposing preventive actions to manage ergonomic risks, as well as measures to improve working conditions in those jobs that require it.
- Monitoring employee health in relation to work-related risks.

#### Health and Safety

Our employees are regularly informed of different safety guidelines that help to improve personal habits and working conditions.

##### Health

Ergonomic tips.

Promotion of healthy habits.

Daily medical service at our Utebo facilities.

Annual medical examination for all employees.

Flu vaccination campaign.

"Healthy Company" information campaign.

Provision of defibrillators in certain areas and training in their use, as well as first aid and resuscitation courses.

Information campaigns on heat and skin cancer.

Agreements with health care centres to provide COVID-19 tests.

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## Safety

Studies to improve the evacuation system.

Zero accident policy.

Fire extinction training provided by professional firefighters.

Improved training and special training in the use of fork-lifts and overhead cranes, working at heights and/or in confined spaces, platform lifts, etc.

Information campaigns on PPE use and procedures, entrapment, safety, prevention of traffic accidents, handling loads, first aid, etc.

## Orientation plan

The aim of this training course is to provide basic training in occupational health and food safety to all new employees.

- Safety

This training session introduces the company and facilities and informs employees of the general risks in the company, educating them on the specific regulations regarding safety for certain jobs.

- Food safety

Employees are made familiar with the basic rules of hygiene and good practices of food production and are shown the correct way to handle food at our facilities.

### 2.2.3.2. Occupational accidents, in particular their frequency and severity, including occupational diseases, broken down by gender

Due to our management system, only disaggregated figures can be provided.

Number of accidents	Total	Men	Women
Chocolates del Norte	6	2	4
Ibercacao	2	1	1
Chocolates Lacasa	10	5	5

Sick leave due to COVID-19 is not included in the accident rate indicators.

Accident frequency rate	Total	Men	Women
Chocolates del Norte	4.860	4.440	5.100
Ibercacao	6.540	3.270	3.270
Chocolates Lacasa	12.400	13.240	11.660

Frequency rate for women = (no. of accidents with sick leave excluding accidents occurring on the way to or from work/no. of actual hours worked by women) x 1,000,000

Frequency rate for men = (no. of accidents with sick leave excluding accidents occurring on the way to or from work/no. of actual hours worked by men) x 1,000,000

Severity rate	Total	Men	Women
Chocolates del Norte	0.088	0.164	0.045
Ibercacao	0.140	0.040	0.100
Chocolates Lacasa	0.783	1.139	0.486

Severity rate for men = (no. of days lost due to accidents with sick leave excluding accidents occurring on the way to or from work/no. of actual hours worked by men) x 1,000

Severity rate for women = (no. of days lost due to accidents with sick leave excluding accidents occurring on the way to or from work/no. of actual hours worked by women) x 1,000

The total number of absences from work due to work-related illness was ZERO.

In relation to the number of hours worked, Temporary Redundancy Plans and sick leave (due to accident, COVID-19 or common illness) are not included.





## 2.2.4. Social Relations

### 2.2.4.1. Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees

Grupo Chocolates Lacasa promotes a culture of values and outstanding performance based on the approachability of its managers, open and transparent communication, trust and the personal approach of a family business with 169 years of history.

Internal communication is seen as a tool for change and transformation, making it possible for employees to help achieve objectives while also reinforcing a sense of unity within the company. The company uses several communication channels to transmit messages and foster a culture of transparency, the most popular of which are the intranet, suggestion box, email, WhatsApp and meetings.

#### Team-building days

At Christmas time, we traditionally organise a series of activities designed to generate a sense of camaraderie and of belonging to the company. This year, we planned activities that adapted to the circumstances imposed by the pandemic while still allowing us to preserve these bonds: a mass in memory of sick and deceased employees and family members, a virtual escape room, our 1st Literary Competition, a Jerusalema dance making-of, a campaign to boost local businesses, and providing lorry drivers with sanitary resources and food during the pandemic.

### 2.2.4.2. Percentage of employees covered by collective bargaining agreements, by country

100% of the employees in Spain are covered by their own collective bargaining agreement.

### 2.2.4.3. Balance of the collective bargaining agreements, particularly in the field of occupational health and safety

Employee representatives are elected every 4 years by a personal and secret ballot. Regular meetings are held with all the trade union groups represented, which are informed of relevant changes under the terms set out in applicable legislation.

No. of people belonging to the committees at each plants: 25 people

No. of committees: 5 (Chocolates del Norte, Ibercacao, Lacasa, Mauri and Oviedo)

Frequency of work council meetings: As often as needed.

#### **COVID-19 Crisis Committee**

Two Crisis Committees have been formed since the start of the health crisis in Spain in order to establish the protocol to follow in the event of a potential COVID-19 infection at any of our facilities. Regular meetings are held to address the measures that need to be implemented at any given time. These measures cover both technical and organisational aspects, with the core objective being to ensure individuals' health and safety and guarantee our service to customers.

#### Composition of the COVID-19 Committees

IBERCACAO: CEO, Operations Director of Grupo Chocolates Lacasa, Human Resources Director and Factory Manager, Quality Director, Procurement Director, Occupational Risk Prevention Manager and the Production Coordinator.

CHOCOLATES LACASA: Management, Human Resources Director and the person in charge of the affected department at the plant or the Department Director.

The company's own medical service and the Human Resources department will monitor the cases as necessary.

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Likewise, the following email account was set up where employees can send any questions they have about this issue: [dudascoronavirus@lacasa.es](mailto:dudascoronavirus@lacasa.es). This email address is managed by the medical service, Human Resources and Occupational Risk Prevention.

## 2.2.5. Training

### 2.2.5.1. Training policies implemented

Our training policy meets the needs of the business and is targeted both at improving employees' performance in their current jobs and at preparing them for internal promotion and for future responsibilities in other positions within the organisation.

All employees have access to training as a way to ensure motivation, professional and personal development and the achievement of objectives. We also have cross-cutting in-house training programmes designed to help create the right corporate culture. Training was conducted online this year because of the pandemic.

### 2.2.5.2. Total number of training hours by job category

Hours of training by category	
Management	740
Technicians	6,653
Others	3,166
<b>Total</b>	<b>10,559</b>

## 2.2.6. Accessibility

Architectural barriers are those elements that hinder or impede the mobility, communication and integration of people, whether in an outdoor public area or inside buildings.

We guarantee compliance with the Spanish General Law on the Rights of Persons with Disabilities and their Social Inclusion and we are committed to universal accessibility and the removal of barriers that prevent or hinder full social normalisation.

## 2.2.7. Equality

### 2.2.7.1. Measures taken to promote equal treatment and opportunities for women and men

Each of the group's companies has an Equal Opportunity Plan that promotes equal treatment and opportunities for women and men, ensuring a workplace free of discrimination. In order to fulfil this fundamental goal, the Equality Plan aims to ensure the absence of direct or indirect discrimination in procedures, tools and actions regarding selection, hiring, career advancement and professional development, communication, remuneration and occupational health, in keeping with the company's principles and policies.

These proposed **goals** will be accomplished when employees understand the need for equal treatment, which will be achieved through continuous training and awareness-raising:

- Guaranteeing equal opportunities in selection processes.
- Promoting equal opportunities in the process of developing skills for all employees.

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- Guaranteeing equal opportunities for and non-discrimination between men and women in terms of career advancement.
- Guaranteeing the effective implementation of the principle of equal pay for work of equal value and the absence of gender pay gaps in particular.
- Dissemination of the measures established to ensure a work-life balance.
- Notification of the implementation of the Equality Plan.
- Avoiding any situation of sexual or gender-based harassment in the company and knowing how to act should harassment occur.
- Guaranteeing effective prevention of occupational risks in the workplace for both men and women.

## **2.2.7.2. Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, and the integration and universal accessibility of people with disabilities**

### **Equality Plan**

We have an Equality Plan through which we commit to providing a non-discriminatory workplace environment, where all workers are treated with fairness and respect; their development is encouraged and rewarded according to their performance and without discrimination of any kind. We are also committed to employees' work-life balance and offer flexibility and leave measures that help employees in special situations. To that end, we have implemented the work-life balance measures explained in section 2.

The Equality Plan is available to all employees and can be accessed on the intranet.

## **2.2.7.3. Policy against all forms of discrimination and, where appropriate, diversity management**

No cases of harassment or bullying, including sexist bullying, have been reported.

Nonetheless, we have implemented a protocol for action in order to prevent sexual and gender-based harassment, which consists of a code of good practices for the prevention, detection and resolution of any type of gender-based harassment as a requisite to guarantee the dignity, integrity, and equal treatment and opportunities of all employees. Grupo Chocolates Lacasa is committed to:

- Informing the entire workforce of the content of the harassment protocol and to raising awareness of the values of respect for dignity on which it is based.
- Incorporating actions for the prevention and resolution of situations of bullying and harassment into human resources management.
- Investigating with full confidentiality any situations where harassment may take place and to processing any complaints that may be lodged with due consideration and in a serious and timely manner.
- Establishing channels by which any individual who may suffer from bullying or harassment in the workplace will be able to report such behaviour and to providing suitable procedures for dealing with problems, should they occur, and preventing them from occurring again, while guaranteeing the right to resort to such procedures.
- Protecting individuals from possible retaliation for having lodged a complaint against bullying or harassment or having served as a witness.
- Providing the necessary assistance for the victim.
- Adopting disciplinary measures against the instigator of the bullying or harassment, those who carry out this practice and against any individual who brings false allegations.



## 3. Human Rights

### 3.1. General Information

#### 3.1.a. Main risks that Grupo Chocolates Lacasa faces in terms of human rights

Human rights are a concern that is shared by our stakeholders, from our customers to our employees. In keeping with our corporate culture, we are committed to the respect and promotion of human rights wherever we operate, and to prevent or mitigate, as the case may be, any violation directly caused by our activity.

Among the risks to which our organisation is prone are reputational risks resulting from cases in which the mechanisms of due diligence in human rights may fail, or in cases where an adequate and timely response is not provided to the growing demand for action from our stakeholders.

#### 3.1.b. Policies and commitments

Respect for the dignity of individuals and their rights is an essential part of the conduct of our companies. Our commitment aims for the conduct of all our employees to be respectful of human, social and occupational rights according to international standards, which include the Universal Declaration of Human Rights, the United Nations Global Compact and the principles of action and guidelines for conducting business activities published by the United Nations, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO).

To safeguard corporate values, not only are employees personally responsible for their individual actions, but they must also be committed to using proper communication channels to report any situations which, even though they might not be related to the employee's actions or area of responsibility, the employee believes are ethically questionable. For example, bullying or sexual harassment in the workplace.

The identity of the person reporting the ethically questionable situation, as well as the situation reported, will be treated with absolute and strict confidentiality, both in the communication process and in the eventual investigation.

No retaliation of any kind will be taken against any employee for the mere fact of having reported, in good faith, the situations described above.

The person who reports an ethically questionable situation will be informed of the outcome of the case in question.

#### 3.1.c. Outcomes of the implementation of policies and indicators

No cases of discrimination in the field of human rights have been detected, and therefore no corrective actions have been taken.

No operations or suppliers have been detected whose right to freedom of association and collective bargaining may be at risk.

No operations or suppliers have been detected where there is a significant risk of child labour.

No operations or suppliers have been detected where there is a significant risk of forced or compulsory labour.

### 3.2. Detailed Information

No complaints have been brought against us regarding the freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour, or the effective abolition of child labour.



## 4. The Fight Against Corruption and Bribery

### 4.1. General Information

#### 4.1.a. Main risks that Grupo Chocolates Lacasa faces in terms of corruption and bribery

Preventing corruption is one of the issues that requires particular attention from all Grupo Chocolates Lacasa employees.

##### Preventing conflicts of interest

We have established a series of guidelines and procedures to prevent conflicts of interest that could arise in the different areas of our work.

To this end, employees, senior managers and members of the different Boards of Directors are bound by the basic principles of ethics, professionalism, impartiality and confidentiality.

### 4.2. Detailed Information

#### 4.2.1. Measures taken to prevent corruption and bribery

The individuals who work in our group of companies will conduct themselves honestly in their relationships with others and will not use positions of power to gain advantages of which they are aware as a result of their work. They will apply objective criteria in decision-making and avoid relationships that could interfere in the management of the company's own interests.

#### 4.2.3. Contributions to foundations and not-for-profit organisations

**Total monetary value of contributions (financial or in-kind) that the organisation has directly or indirectly made to parties and/or political representatives by country and recipient/beneficiary.**

There is no record of any contributions to political parties and/or political representatives.

Donations made between 1 June 2020 and 31 March 2021 to charities and charitable organisations amounted to 7,000 kg of product and were valued at a transfer price (\*) of €42,000.

*(\*) Price at which the group's manufacturers invoice the products manufactured to the group's distributors, understood as the cost of production (including indirect plant expenses) plus a % of structure and profit on said manufacturing cost.*

Because they were included in the previous report, 2020 donations prior to 1 June 2020 are not included in this document.



## 5. Society

### 5.1. General Information

#### 5.1.a. Main risks that Grupo Chocolates Lacasa faces in terms of society

Following the health alert caused by the pandemic, we took measures to help us face a major challenge resulting from the diverse implications of the pandemic:

**To ensure** the food supply to our customers and consumers in a challenging working environment with an unusual demand.

**To ensure** the food safety of our products. To uphold food safety standards to at least the same level as usual and to prevent COVID-19 from coming into contact with food, despite the fact that there is no evidence that food is a vehicle for transmission.

#### 5.1.b. Policies and commitments

We believe that it is vital to correctly integrate ethical, social and environmental criteria into our work. Therefore, one of our top priorities is to promote excellent, sustainable and respectful conduct towards people and the environment.

We encourage participation in charitable initiatives as well as the contribution of ideas for social measures related to the support of the most disadvantaged, the integration of people with disabilities and environmental protection.

### 5.2 Detailed Information

#### 5.2.1 The company's commitments to sustainable development

We have a solid corporate governance structure in place in which the Boards of Directors are considered the highest decision-making bodies and approve, on a non-delegable basis, the general policies and strategies of Grupo Chocolates Lacasa companies, including those relating to sustainability.

##### 5.2.1.1. Our impact on employment and local development

###### Spending on suppliers and spending on local suppliers

We help create jobs and support local development by procuring goods and services from local suppliers. This contributes to the creation of jobs in the community.

###### Breakdown of raw and auxiliary material purchases by country of origin:

Spain	61.476.727 €
European Union	29.561.404 €
Rest of the world	4.715.726 €
<b>Total</b>	<b><u>95.753.857 €</u></b>

# NON-FINANCIAL INFORMATION AND DIVERSITY STATEMENT 2020-2021



## **Operations with local community participation, impact assessments and development programmes**

We are committed to self-improvement and equal opportunities. Despite being a challenging year for implementing our initiatives, on 18 September Lucas Lacasa delivered a master class to students with intellectual disabilities in the Plena Inclusión Aragón ("Association of Organisations for People with Intellectual or Developmental Disabilities and their Families in Aragón") office assistant course. <http://www.plenainclusionaragon.com/>

### **5.2.1.2 Impact of company activity on local communities and the region**

Dialogue with local communities is part of what we do and who we are, helping us to achieve a deep and sustainable social impact.

#### **Social impact**

Our companies have a direct impact on the communities in which they are located, since most of our employees, whether permanent or on seasonal or temporary contracts, live near the facilities in Utebo, Quintanar de la Orden, Meres and Dijon.

Although we were unable to do it this year, we make our facilities in Utebo available to the *Donantes de Sangre de Zaragoza* (Brotherhood of Blood Donors of Zaragoza) so that our employees can donate blood. We do our small part for hospitals through this initiative.

We regularly get involved with the community by donating products to organisations that perform charitable works as well as to charitable associations that help the most disadvantaged and vulnerable groups. We also participate by donating products to sporting activities in our communities. This year we donated approximately seven tonnes of product, almost 50% of which went to the *Banco de Alimentos* (Food Bank) in Zaragoza and Huesca.

Fully aware that this year has been particularly challenging for many people in our communities who are going through extremely difficult situations, and in response to calls for support by organisations like Caritas and the Red Cross, we launched in-house charity drives to collect non-perishable food items.

Next year we hope to be able to resume the most popular and requested activity: school visits to the Chocolates del Norte factory (Meres, Oviedo) and the Chocolates Lacasa factory (Utebo, Zaragoza). These visits give primary school children the opportunity to learn about the different manufacturing processes of our chocolates, blocks, Lacasitos and Conguitos. This activity, which is free of charge, uses different educational resources to immerse our visitors in the world of chocolate.

#### **Fundación Alcoraz & Chocolates Lacasa**

In October we teamed up with Fundación Alcoraz to launch *Tus botas aún tienen juego* (Your Boots Still Have Game), an initiative that managed to collect more than 120 pairs of boots, football boots and safety boots. Today we can confirm that half of the shoes have been delivered to the "Jeunesse sportive de Morondava" football school in Madagascar, which educates and trains children and young people between the ages of nine and twenty-one. The rest were sent to the refugee camp in Lesbos (Greece) and donated to the "Yoga and Sport with Refugees" association. This NGO was created to spread hope and leadership to refugees through sport. The beneficiaries are men and women who, forced to flee their countries because of war, persecution and other reasons, sought a safe place to live in Europe and ended up trapped in refugee camps. <https://yogasportwithrefugees.org>

#### **Consejo de Juventud de Zaragoza (Zaragoza Youth Council)**

We donated unused laptops to the Youth Council in November; the council loans out the laptops to social organisations in Zaragoza through its free loan service. The Lending Centre has been used by 1,744 organisations in Zaragoza ever since it was created and has received around 20,000 loan requests from a variety of associations, collectives, schools, churches, etc.



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## Ilumináfrica

Conguitos sponsored the 6th edition of the charity micro-story contest organised by the Ilumináfrica Foundation (<https://iluminafrica.com/>) in December 2020. Ilumináfrica is a not-for-profit foundation founded 13 years ago and composed mainly of ophthalmologists from Aragon who aim to combat 'avoidable blindness' (blindness caused by simple cataracts, for example) in Africa's poorest countries.

Contest participants had to write a short story with a maximum of 1,500 characters about blindness, cooperation or Africa, and one of the prizes was a Conguitos pack valued at 500 euros.

The awards ceremony was celebrated on 11 December at the assembly hall of the *Colegio Oficial de Médicos de Zaragoza* (Official Medical Association of Zaragoza). Several VIPs were in attendance, including José María Arnal Alonso, Manager of the Aragonese Health Service; José Antonio Jimenez, General Technical Secretary of the Department of Citizenship and Social Rights; Antonio Caballero Alemany, Vice-Chairman of the Medical Association; as well as the Chairman, Vice-Chairman and Secretary of the Ilumináfrica Foundation.

The winner opted to donate her prize to the Escuela Hogar Guillén Bote in Trujillo, a home school that aims to provide an education for girls and improve their academic performance.

### 5.2.1.3. Relationships maintained and forms of dialogue with local community stakeholders

We promote active listening to our major stakeholders along our entire value chain through a dialogue management system. This system helps us to identify the most significant economic, environmental and social issues in our relationship with our community.

Stakeholder	Stakeholder Dialogues
Customers	Corporate website
	Trade shows
	E-mail
	Listening directly
	Video calls
	Meetings
	Sales visits
	Sector forums
	CSR report
End consumer	Corporate website
	Social media
	Complaint management
	Tasting panel
Suppliers	Common procurement center
	Meetings
	Listening directly
	Trade shows
Universities	Forum
	Conferences

Grupos de Interés	Canales de diálogo
Employees	Sectoral Associations
	E-mail
	Notice board
	Suggestion box
	Meetings with trade unions
	Intranet
	Meetings and internal events
	Employee portal
	Meetings
Third sector	Meetings
Society	Corporate website
	Partnership agreements
	Alliances
	Sponsorship
	Social media
	E-mail
	Telephone
	Event attendance
	Associations
Regulatory authorities	Notices

## Dialogue on social media

We continue to build our presence on social media, generating content that supports our positions through Instagram, Facebook and Twitter.

April 2018: 1,529,041 followers / April 2019: 1,718,024 followers / April 2020: 1,832,529 followers

No. of followers from 1 April 2020 to 31 March 2021						
	Lacasitos	Conguitos	Lacasa	Mentolin	Dulcinea	Total
Facebook	942,532	450,023	90,659	42,456	25,586	1,551,256
Instagram	98,033	51,292	46,215	10,292	1,393	207,225
Twitter	38,365	19,889	10,986	4,808	-	74,048
1,832,529 followers						

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## We promote culture

### Christmas Literary Competition

Literature has always been a lifeline in troubled times. Writing can help you understand yourself better, while reading lets the imagination soar to places and experiences that lead to personal growth. Expressing your experiences or thoughts through the written word is an act of honesty and courage.

With this in mind, in 2020 we teamed up with the “El Común de la Mancha” Writers Association to launch the 1st Literary Competition in an effort to promote and introduce culture into our homes.

### Christmas Card Competition

Now a tradition, we hold our Christmas Card Competition every year during the holidays. This year, the winning cards were selected through a draw so that little ones could have a chance to win. Furthermore, all the cards submitted were used to make the traditional Christmas greetings video that we share with our partners, customers, suppliers and friends during this special time of the year.

## 5.2.1.4. Partnership or sponsorship activities

Aware of our social impact, we have always understood the collaborative economy to be one of the strategic cornerstones of sustainable business. To that end, we forge alliances with companies, associations, NGOs and academic institutions, working together to overcome challenges and open up new business opportunities. At Grupo Chocolates Lacasa, we aim to build a networking system that will allow us to share our expertise and reputation for the benefit of our stakeholders, creating an ecosystem that contributes to promoting corporate social responsibility policies in Spain.

These are some of the strategic alliances that help us to access new markets and incorporate new technologies:

**ADEA:** ADEA, the Association of Directors and Executives of Aragon, was founded by a group of entrepreneurs and executives with the long-term goal of reporting on and debating present and future issues. **AECOC:** With over 30,000 associated companies, AECOC is one of the country's largest business associations and the only one to bring together all players in the value chain, from producers and manufacturers to logistics operators and distributors. **AEFA:** AEFA is an independent, not-for-profit association created on the initiative of family-owned businesses in the region to represent their interests in Aragon. **AIAA:** Business association that represents companies in the food industry in Aragon. The AIAA comprises 160 food companies from all the agri-food subsectors, quality brands and protected designations of origin in Aragon. **AINIA:** AINIA is a technological research centre founded in 1987 as a private, not-for-profit association that works to enhance business competitiveness through innovation. **APD:** APD has the goal of building up the common good through the professional and personal development of executives and entrepreneurs, together with companies and their employees who believe in the need for a society that is stronger, more dynamic and better prepared to face present and future challenges. **CALIDALIA:** Calidalia was founded in 2000 as a platform for the main food, beverage and consumer product companies in Spain. **CHAMBER OF COMMERCE:** The Chamber of Commerce, Industry and Services of Zaragoza is a statutory corporation whose mission is to represent, promote and defend the general interests of commerce, industry and services. **CRE100DO:** CRE100DO (a play on the Spanish word *creciendo* – ‘growing’) contribute to the development of a Spanish productive model based on businesses that bring greater added value and that are more innovative and competitive, with a greater international presence. **ECOEMBALAJES:** This not-for-profit organisation cares for the environment by recycling and through the environmentally friendly design of packaging in Spain. This organisation gives plastic packaging, tins and paper cardboard composite packaging a second life. **EDEM:** EDEM is a business school with more than 15 years' experience in training executives and entrepreneurs with the same goal: to strengthen the enterprising spirit and the culture of effort and leadership in society. **FORO DE MARCAS RENOMBRADAS:** The Foro de Marcas Renombradas (Leading Brands of Spain Forum) is a public-private partnership that was founded to defend the importance of brands and internationalisation for companies and the Spanish economy. **LA CHAMBRE:** La Chambre, the French-Spanish Chamber of Commerce and Industry, is the most influential Franco-Spanish business association in Spain. **LES SPAIN-PORTUGAL:** The Licensing Executives Society of Spain and Portugal is an association that promotes high professional standards in business and includes among its members executives, scientists, engineers, academics, lawyers, patent and trademark attorneys, civil servants and other professionals from large, medium and small enterprises, both public and private. **PRODULCE:** The Spanish Association of Sweet Products was founded with the specific mission of representing and defending the interests of a sector comprising the categories of confectionery and chewing gum, chocolate and cocoa derivatives, biscuits, turrón and marzipan, and baked goods.

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We also work with several organisations that arrange job placements with our company through employment programmes. These include: **INAEM**: staff search and selection. **FUNDACIÓN EMPRESA UNIVERSIDAD DE ZARAGOZA (FEUZ)**: link between companies, universities and institutions. **FUNDACIÓN REY ARDID**: connects companies with candidates. **TIEBEL**: social and solidarity initiative cooperative. **FUNDACIÓN EL TRANVÍA**: connects companies with candidates. **FUNDACIÓN FEDERICO OZANAM**: helps job seekers participate in selection processes. **FUNDACIÓN SAN VALERO**: employment website **YMCA**: helps the unemployed to join the labour market.

Because of the pandemic, our work with universities and vocational training centres for internships in different departments has been significantly reduced this year. However, some of the most significant partnerships are with: University of San Jorge (Zaragoza), University of Castilla–La Mancha, University of Zaragoza, University of Oviedo, Alonso Quijano Secondary School and Vocational College (Quintanar de la Orden, Toledo), Fray Luis de León Secondary School and Vocational College (Las Pedroñeras, Cuenca), Leonardo Da Vinci Secondary School and Vocational College (Puertollano, Ciudad Real), Río Gallego Secondary School and Vocational College (Zaragoza), Miguel Catalán Secondary School and Vocational College (Zaragoza) and EDEM University Centre (Valencia).

## 5.2.2. Subcontractors and Suppliers

The cocoa we buy to make our products comes from Africa: Ivory Coast, Nigeria, Ghana, Guinea, Cameroon, Togo, Madagascar. South America: Colombia, São Tomé and Príncipe, Ecuador, Venezuela, Peru and Dominican Republic. Oceania: Papua New Guinea.

In terms of traceability, our suppliers and/or distributors are monitored following Grupo Chocolates Lacasa's supplier approval prerequisites, which establish a series of requirements that include traceability, food safety, service and quality attributes. These requirements are audited by our customers and GFSI food safety standards. *(The Global Food Safety Initiative was established in 2000 in response to a request from nearly 30 CEOs of international retailers to ensure confidence in the delivery of safe food to consumers worldwide. This initiative was launched in response to a number of food safety crises).*

In 2019, we worked together with Calidalia to establish a supplier approval and management platform, which was launched in the first quarter of 2020. This document is applicable to the following companies: LACASA, S.A.U., CORPORACIÓN CHOCOLATES LACASA, S.L., COMERCIAL CHOCOLATES LACASA S.A., PRODUCTOS MAURI and CHOCOLATES DEL NORTE S.A.

It will also apply to IBERCACAO as of May 2021.

## RULES GOVERNING CONTRACTING AND RELATIONSHIPS WITH SUPPLIERS

### 1.1. The Ten Principles of the UN Global Compact

We subscribe to the principles of the UN Global Compact, which include respect for human and labour rights, the elimination of discrimination in respect of employment and occupation, the fight against corruption, and environmental protection.

Suppliers, as part of their production operations, are bound to set up mechanisms with which to regularly verify the absence of practices that do not uphold any of the ten principles of the Global Compact. This also covers subcontractors, particularly when such companies are located in parts of the world where the risk of non-compliance with social responsibility criteria is high.

### 1.2. Continuous improvement

Suppliers must promote work based on the industry's best practices at their facilities in order to be efficient and offer quality service to our customers and all our stakeholders. Likewise, suppliers must cooperate in improving the supplies delivered or services provided, based on the transfer of knowledge that allows the improvement of production processes, formulations, services, etc.

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## 1.3. Product quality and safety

Supplies and services must be delivered or provided in full compliance with the specified and contracted characteristics and always in compliance with the applicable laws.

## 1.4. Animal welfare

Suppliers of agricultural and livestock products must agree to be subjected to an evaluation process of the aspects related to animal welfare and implement the improvements arising from this process. Support will be made available to help suppliers accomplish these goals.

## 1.5. Verification of agreements and contracts

Upon prior agreement of the parties, suppliers must allow evaluators (or subcontractor companies hired for this purpose) to access their installations in order to conduct audits and/or take samples of the supplied products, as well as quality inspections. They must also provide any documentary evidence (certificates, analytical reports, product and process inspection records, etc.) that may be required. Should any irregularities be found, suppliers will be required to implement corrective measures.

## 1.6. Environment

Grupo Chocolates Lacasa suppliers will work towards continuous environmental improvement, for which they must agree to comply with the proper management of environmental aspects and the applicable legal requirements.

**We reserve the right to terminate the contract or supply agreement in the event of any breach of the rules governing the contracting and relationships with suppliers.**

## QUALITY POLICY

Grupo Chocolates Lacasa is aware of the need to meet the needs and expectations of our customers and consumers. We manufacture our products and fulfil the services we offer in accordance with their specific requirements. Our Quality Policy is based on:

### Core principles:

- Compliance with food safety standards throughout the entire process.
- Environmental protection, conserving resources and energy, as set out in our Environmental Policy.
- Compliance with legal requirements, the implementation of a food defence plan (set of rules and measures for the protection of food and products for human consumption against deliberate contamination) and protection against the risks of food fraud.

### Commitments:

- Continuous improvement to processes and products in order to increase the competitiveness and quality of existing processes, products and/or services by monitoring the production indicators that affect product quality.
- Continuous improvement of employees and their motivation by providing them with the training they need at all levels.
- Food safety is one of Grupo Chocolates Lacasa's core principles, leading us to bring in one of the strictest management systems in the sector and to take on the commitment to comply with all legal and regulatory requirements applicable to our products and processes.
- Upholding honest relationships with our customers and altruistically collaborating with organisations and NGOs.
- Manufacturing products using approved suppliers according to purchasing requirements and food fraud. (According to the EU, "Food fraud is any suspected intentional action by businesses or individuals for the purpose of deceiving purchasers and gaining undue advantage therefrom, in violation of EU agri-food chain legislation. *These intentional infringements may constitute a risk to human, animal or plant health, to animal welfare or to the environment as regards GMOs and plant protection products*").

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- Reducing waste generation, particularly packaging and emissions.
- Not using ingredients and/or additives containing or made from genetically modified organisms (GMOs) and managing allergens in a transparent manner.

## Aim:

To achieve customer satisfaction through continuous improvements in product quality, innovation and service, while offering competitive prices.

## CERTIFICATIONS

Chocolates Lacasa has a quality and food safety management system based on the strictest international standards – IFS Food Standard, BRC Global Standard for Food Safety and ISO 9001:2015. These systems have been endorsed by recognised certification agencies and by customers who conduct unannounced audits of the company. We also boast specific certifications for our products: organic, kosher, halal, gluten-free, Fair Trade, RSPO and UTZ-certified. We are also members of Sedex.



We monitor raw materials from the place of origin in order to guarantee food safety and the quality of our products. In this sense, we have robust approval and assessment systems to analyse whether our suppliers are suitable for a specific product or not. Likewise, we require them to be registered with the Sedex platform and to observe our Code of Supplier Conduct, which contains criteria regarding human rights, labour rights, quality and environment, anti-corruption and ethical management. As of 1 April, over 90% of our suppliers' production plants are GFSI-certified. This means we achieved our target and will continue to work on ongoing improvements with our suppliers.

We conduct inspections and testing of raw materials, semi-finished products and finished products according to the established quality and schedule plans. We also constantly monitors the manufacturing process and continuously control, test and monitor all processes through the hazard analysis and critical control points (HACCP) system. We provide continuous training to our production and maintenance teams in quality, hygiene and food safety.

Moreover, we are continuing to work on a paperless system for traceability and control, and a project for controlling traceability and the variables of the manufacturing process that ensures and improves product quality.

**Religious certifications:** Halal, kosher. **Management system certifications:** ISO 9001. **Food safety certifications:** IFS Food Safety Certification, BRC food safety standards, ELS (gluten-free), FDA. **Other certifications:** UTZ, USDA Organic, Fairtrade, Rainforest Alliance-certified, Non-GMO, Sedex, EU Organic Farming, Vegan Products.





### 5.2.2.2. Consideration of social and environmental responsibility in our relationships with suppliers and subcontractors

We have a Code of Ethics for supplier relationships that aims to strengthen the sustainability and competitiveness of the company's value chain by inviting suppliers to guarantee equal opportunities and to show their commitment to a number of basic ethics and professional conduct principles. Specifically, we ask our suppliers to adhere to the following principles:

#### **Integrity - Quality - Respect - Professionalism - Relationship**

##### Integrity

Integrity implies acting in good faith and establishing professional relationships based on transparency and ethics. Among other attitudes, this involves:

- Acting with respect for and in compliance with the applicable laws and regulations in force in countries where the business activity takes place.
- Not taking part in any activity with the intention of restricting trade.
- Not taking part in bribes to authorities and/or civil servants, or offering or giving benefits or advantages of any nature not considered legitimate market practices to them or the executives, employees or collaborators of any organisation.
- Always providing true and faithful information and maintaining clear communication and loyal, respectful, diligent and honest conduct.
- Endeavouring to avoid all contact with dishonest individuals who intend to, or may potentially, harm companies.

##### Quality

Quality and sanitary conditions are particularly important variables when creating value for our stakeholders. This implies:

- Strict compliance with the quality parameters contained in the technical specification or bid specifications.
- Actively collaborating to improve the services provided or supplies delivered in terms of quality and sanitary conditions.
- Promoting the continuous improvement of the products or services that impact our value chain.
- Sharing best existing practices with regard to the products or services provided.

##### Professionalism

Professionalism is understood to be a proactive attitude aimed at attaining excellence in performance and implies fully meeting the highest quality standards while taking into consideration the interest of our company in all transactions, and acting based on and in accordance with our established policies.

- No confidential information regarding our processes, methods, strategies, plans, projects, technical information, market information or information of any kind will be disclosed.
- Gifts must not be accepted.

##### Respect

Respect entails an attitude that recognises the value of individuals and of their work, in addition to that of the local communities and environment. This means:

- Treating employees fairly, respecting and constantly promoting the principles of equal opportunities, diversity, respect for people and non-discrimination, whether based on race, gender, language, religion, disability, sexual orientation, opinion, origin, economic status, birth, trade union membership or any other personal or social circumstance.



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- Caring for the environment and identifying, dealing with and mitigating the environmental impact of any activity.
- Protecting health, preventing occupational risks and ensuring the welfare of employees in all activities.
- Protecting and maintaining the tangible and intangible assets of our company and using them efficiently in order to contribute to achieving the aims of the business, not for personal benefit.

## Relationship

- In order to form part of our supplier portfolio, consideration will only be given to those who demonstrably share our ethical values and possess a solid reputation for fairness and integrity in their dealings. In this respect, priority will be given to suppliers whose management processes have been certified.
- When negotiating the acquisition of goods and services, we offer to and require of suppliers fair and honest treatment in each transaction while always seeking to serve the best interests of the company.
- We do not disclose the problems or weaknesses observed in a supplier to another supplier or any persons unassociated with the company.
- When considering the advantages of an ongoing relationship with suppliers, any agreement that hinders competitive management must be avoided.
- If any of the parties detects any infringement of the code, it must be brought to our attention through one of the habitual mechanisms of communication with the company.

## 5.2.3. Customers and Consumers

### 5.2.3.2. Systems for complaints received and their resolution

Customer service and complaint management are priorities for us. For this reason, we have different communication channels that make it easy for our customers and consumers to notify us of incidents while guaranteeing privacy in compliance with the Spanish Data Protection Act. We treat all incidents reported by our customers, distributors and consumers as complaints.

With regard to customers and distributors, the complaints are reported through the commercial network. For end consumers and to facilitate communication, we provide a free telephone number on our packaging that consumers can use to ask any questions or report an incident.

**Do you have any questions? Please call: +34 900 107 385**

Calls are answered from Monday to Friday by our own staff who have the knowledge to provide an effective response to different questions.

Other means of contact are by email at [atencionalcliente@lacasa.es](mailto:atencionalcliente@lacasa.es) or through the contact form found on our website, [www.grupo.lacasa.es](http://www.grupo.lacasa.es)

### **Incident management process**

All complaints received through any channel are recorded in a computer system. This system allows for effective follow-up and helps us achieve a prompt resolution.

- Receipt and registration of the complaint
- Rapid analysis of the situation
- Proposal for resolution
- Reply to consumer/customer
- Analysis and proposal of improvement opportunities



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	Number of incidents	Ratio % complaints/kg*
2018/19	256	0.00240
2019/20	216	0.00186
2020/21	251	0.00257

\* Rate for kg manufactured at Chocolates del Norte, Mauri and Lacasa

We have not detected any non-compliance with regulations or voluntary codes relating to product and service information.

We have not detected substantiated complaints regarding breaches of customer privacy or from third parties that have been corroborated by Lacasa or regulatory authorities.

We are not aware of any cases of non-compliance with voluntary codes relating to product or service information that would have resulted in fines, sanctions or warnings.

We are not aware of any identified cases of customer data leaks, theft or loss.

We have not identified any cases of non-compliance with regulations or voluntary codes relating to marketing communications such as advertising, promotion and sponsorship.

We have not incurred significant fines or non-monetary penalties for non-compliance with laws or regulations in terms of social or economic issues related to the following.

## 5.2.4. Tax Information

### 5.2.4.1. Profits earned and income tax paid by country

Grupo Lacasa has several sources of tax burden related to corporate income tax, with certain companies subject to tax consolidation and other companies that are independent in terms of corporate income taxation. These sources are as follows:

- Lacasa subgroup: this tax consolidation group includes the following companies: Lacasa S.A., Comercial Chocolates Lacasa S.A., Chocolates del Norte S.A., Productos Mauri S.A., Corporación Chocolates Lacasa S.A., Chocolates Lacasa Internacional S.A. All these companies have a fiscal year that runs from 1 April to 31 March.
- Individual taxation: the following companies are taxed individually in Spain: Ibercacao S.A. and Ibercacao France S.A. Both companies have a fiscal year that runs from 1 January to 31 December.

As of 1 April 2021, all the aforementioned companies will have a fiscal year that runs from 1 April to 31 March. They will also belong to a single consolidated tax group.

Moreover, there are companies with operations at the end of the financial year in other territories, all of which are taxed individually in their corresponding country, as detailed below:

- Bradstock Properties S.A. (Argentina)
- Chocolates Lacasa Portugal Lda. (Portugal)
- Dulcinea Maroc S.A.R.L. (Morocco)
- Lucar Distribución S.A.R.L. (Morocco)
- SCI CDB Cluj (France)

All these companies are taxed according to and respecting the regulations in force in each country and have obtained any advisory services needed from expert and independent third parties. We work together with tax experts in order to stay fully updated on the latest regulatory developments. To meet market standards, Spanish companies share a transfer pricing dossier to ensure the correct application of criteria and prices between companies.

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### 5.2.4.2. Grants

Grupo Lacasa currently has a series of grants that were awarded in previous years, which currently represent part of the group's net worth. According to accounting and tax regulations, these grants are recognised annually as a gain in the consolidated profit and loss statement. The total amount of grants reported in the 2020/21 profit and loss statement is €61,558, and the entities that awarded these grants are as follows:

Entity	Scope
Regional Government of Aragon	Autonomous Community
Spanish Ministry of Industry, Tourism and Trade	State
Institute of Economic Development of the Principado de Asturias	Local
European Union (CDTI)	International
National Centre for Energy Saving (France)	State

To date, all companies that receive Grupo Lacasa grants have complied with all the necessary requirements for their concession and have committed to cooperating with any actions that the relevant inspection and auditing bodies may conduct.