

# THE SPANISH CIVIL CODE HAS CHANGED AT LAST!

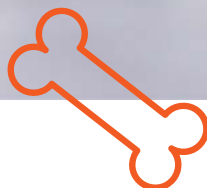
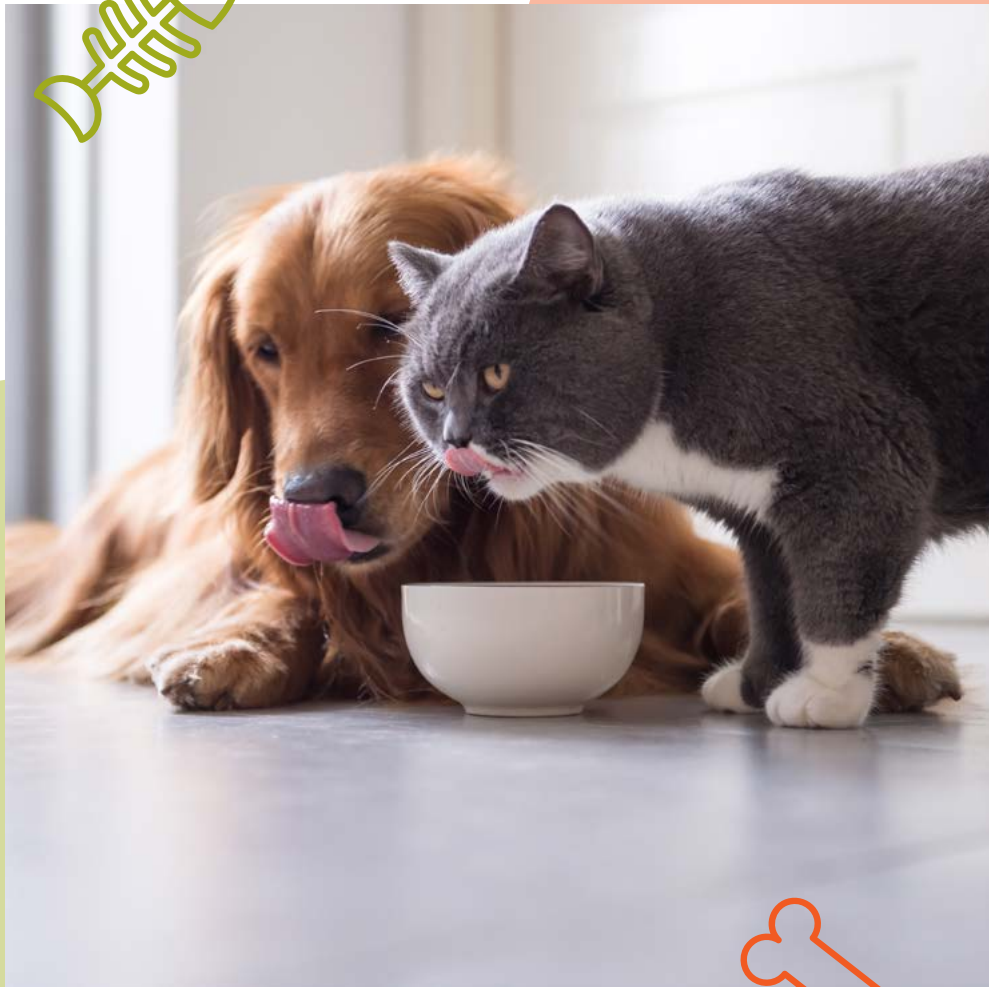
Non-financial information for financial year 2021



**#AnimalsAreNotThings**



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# 1. Business model

## 1.1. Value creation model

### Committed to the well-being of cats and dogs

Our company is much more than an expert in animal nutrition. We are an animal-loving company fully committed to the welfare of cats and dogs and the people who care for them.

We love pets; they are our passion and the reason for everything we do. We strive to assist petparents and to improve their relationship with their pets by strengthening the bond between them and helping to improve their and their pets' physical and emotional health.

An example of our commitment and philosophy is our Foundation, a non-profit organisation which is the first corporate foundation in Spain dedicated to promoting this bond between people, cats and dogs.

The Affinity Foundation has been working for animals and people for 35 years in three areas: research, awareness-raising and social action. Three areas of action with a single objective: to spread the philosophy that a society that respects animals is a better society.

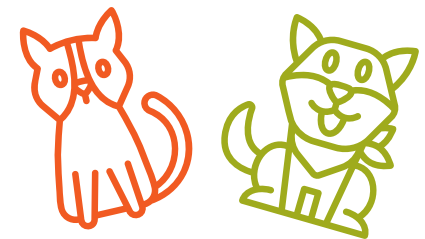
## The Spanish Civil Code has changed at last!

In the framework of raising awareness and creating indestructible bonds between people, cats and dogs, #AnimalsAreNotThings is one of the causes that the Affinity Foundation has defended for years, together with other organisations and people. The ultimate objective is that animals are no longer considered as "things" by the Spanish Civil Code, but rather as living, sentient beings.

After a five-year fight, on 2 December 2021 the Spanish Congress passed a bill to amend the Civil Code and other laws so that animals would no longer be considered as mere things and recognised as living beings full of sensitivity.

The Law now at last acknowledges the ability of animals to feel, so the amendment to the Civil Code safeguards their rights and supports their well-being.

Affinity will continue to work alongside its Foundation to stand up for animal well-being by backing proposals that improve and defend the rights of dogs and cats.



### #AnimalsAreNotThings





## Leaders in dog and cat food

Affinity is a company with more than 50 years of experience in the production of quality animal nutrition and is part of the PetFood business of the Agrolimen Group<sup>1</sup>. The Group is a leader in the dog and cat food industry in Spain, fifth in Europe and sixth in the world.

We know how important nutrition is to the health of cats and dogs. Through our brands, we have developed an extensive range of products using select ingredients of the highest quality and nutritional value that contribute to pet development and quality of life.

A balance between research, technology, specialised professionals and a careful selection of ingredients allows our products to satisfy the nutritional needs of cats and dogs, from the most generic to the most specific.

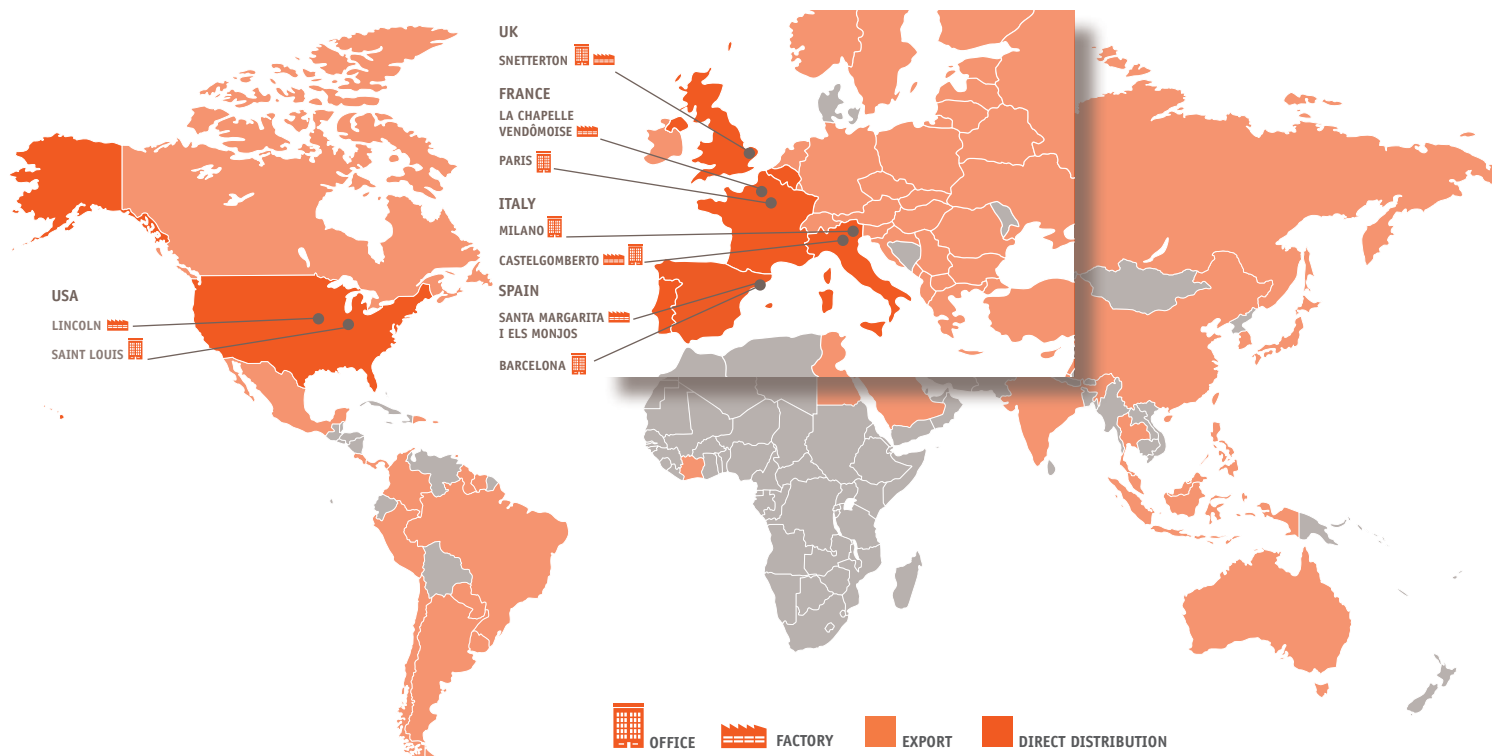


<sup>1</sup> In addition to Affinity Petcare, the Agrolimen Group's scope of consolidation also takes in the companies Natures Menu and Natures Variety. On 1 September 2021, the Group sold its shareholding in its Brazilian businesses.

## A market- and customer-oriented organisation

More than 1,390 employees<sup>2</sup> work in the pet food division of the Agrolimen Group at our headquarters in Hospitalet de Llobregat (Barcelona) and other locations around the world.

We also have 5 production centres<sup>3</sup> to supply the more than 70 countries where we do business.



Of the five abovementioned production centres, the ones in Spain, Italy and France belong to the Affinity Petcare subgroup, the one on the UK to Natures Menu and the one in the US to Nature's Variety.

With regard to the companies controlled by the Affinity Petcare subgroup, there are two business divisions, one focused on mass distribution and the other on specialised distribution, each one supported by corporate areas, which allow us to innovate and respond better and faster to the needs of our customers, consumers and their cats and dogs.

<sup>2</sup> There were 1,800 employees in 2020.

<sup>3</sup> There were 7 in 2020.

## 1.2. Sustainable business strategy

### Market environment

It is estimated<sup>4</sup> that the turnover in the worldwide dog and cat food industry was 92.1 billion euros in 2021 (8.3 billion in 2020), with annual growth of 7.6%, Agrolimen being the sixth largest group in the world.

In Western Europe, the main geographical area where Affinity operates and that accounts for 22% of the sector's global turnover, with growth of 2.6%, Affinity is the fourth largest company.

The companies in the Affinity Group mainly make dry feed, which represents 41% of the European market. In this technology, Affinity is the third largest European manufacturer and our share is growing year on year.

Europeans are increasingly inclined to own a pet, with 22% of households owning at least one cat in 2021 and 20% a dog. The value of the cat and dog food category has evolved positively thanks to both population growth and the growth of quality products adapted to the specific needs of pets.

#### PILLARS OF OUR STRATEGY

The pillars of our growth strategy are:

- 🐾 Continuous innovation
- 🐾 Advanced research
- 🐾 Food quality and safety
- 🐾 Sustainable growth
- 🐾 Building leading brands



<sup>4</sup> Source: latest available data from Euromonitor (2021)

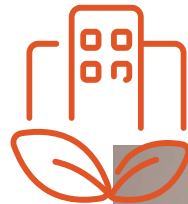
## Sustainability management at Affinity

Affinity implements its strategy in line with a resolve and values to which all of the companies and people who form part of the Group are committed, and whose common denominator is the sustainable creation of value.

We engage in initiatives in the fields of product sustainability, looking after the environment, contributing to society and good corporate governance, for which we strive to meet the requirements of the present without compromising the ability of future generations to satisfy their needs.

In order to achieve the sustainable management of these matters, we have a Sustainable Development Department, which reports to the Sustainability

Committee, whose aim is to ensure the roll-out of the sustainability strategy and make it an integral part of the company's operational and administrative processes, promote dialogue and be aware of our stakeholders' expectations, in addition to encouraging good environmental, social governance and communications practices.



## Lines of actions in light of the pandemic

Both in 2020 and 2021, it was clearly demonstrated that in difficult situations the emotional bonds between humans, cats and dogs become stronger. Living with our pets made the lockdowns and social distancing more bearable.

At Affinity we made every endeavour to discharge our responsibilities by ensuring the uninterrupted supply of the quality food they love so much, and by providing continual information to all cat and dog

lovers from our Foundation and brands, as well as giving more support to pet shelters.

Last but not least, we took decisive action in looking after the health and well-being of everybody who forms part of Affinity.







## 2. Materiality

At Affinity, we strive to identify and understand our stakeholders' expectations on sustainability issues in a proactive, systematic way. Based on our materiality analyses, we identify the matters that are of greatest concern to our stakeholders. These matters become part of our internal decision-making processes, thus stepping up the creation of financial, social and environmental values.

In conducting this analysis, the recommendations set out in the standards of the Global Reporting Initiative were taken into consideration and, more specifically standard GRI 101: Foundation 2016, which establishes materiality as one of the four principles to be followed for defining sustainability report content and that were adhered to in drawing up this report.

Our materiality analysis forms an integral part of the company's procedures and involves all departments that interact with our stakeholders. Affinity has identified the social, environmental and ethical aspects that are most relevant to its stakeholders. Internally they are divided into the fields of Products, Planet, Society and Good Governance.

The results of the analysis are endorsed by the Executive Committee and the Sustainability Committee, and are then added to our Business Strategy.



**Identify Internal and External Stakeholders**

**Material topics assessment**

**Prioritization**

**Build up rankings according to materiality**

**Results validation and integration within Company strategy**

Furthermore, this report was drafted in compliance with Act 11/2018, depending on the relevance of the aspects identified in the materiality analysis.



## 3. PRODUCTS: nutritional, natural and innovative solutions

### 3.1. Nutritional well-being

#### Quality and food safety



Affinity Petcare, in keeping with its quality and food safety policy:

- 🐾 **Implements management systems based on efficient processes focused on achieving:**
  - Customer and consumer satisfaction.
  - The production and distribution of products that are safe for cats and dogs.
- 🐾 **Sets goals and objectives that continuously challenge us to improve results for customers, consumers, shareholders and suppliers.**
- 🐾 **Regularly reviews the effectiveness of the procedures implemented and their associated goals and objectives.**

For **quality assurance** purposes we have identified the following stakeholders:

- 🐾 **Suppliers:** who are first in our product value chain and, therefore, the selection and approval of suppliers is key to providing premium products.
- 🐾 **Customers:** who distribute and sell Affinity products to consumers.
- 🐾 **Customers:** who are the owners of the cats and dogs who buy any of our brands products.
- 🐾 **Cats and dogs:** that are the end consumers of Affinity products.







These processes take into account the evolution of the sector and help the company adapt to its changes and transformations. These practices, implemented in partnership with suppliers and distributors, in addition to strict compliance with the law and respect for the environment are the best endorsement for delivering quality services and products.

Regarding **food safety**, we consider that **a food risk** is anything that could affect a pet's health and whose effects have either been proven or considered could occur.

All products marketed by Affinity Petcare are designed, manufactured and distributed under controlled conditions that are subject to hazard analyses and critical control points (HACCP).

For products manufactured by third parties, Affinity ensures that the same principles are applied.

The HACCP system implemented by Affinity is based on:

- 🐾 **The FEDIAF Code of Good Practice for the manufacture of safe cat and dog food.**
- 🐾 **The FAO/WHO Codex Alimentarius "Recommended International Code of Practice - General Principles of Food Hygiene"**
- 🐾 **ISO 22000 "Food safety management systems – Requirements"**

Food quality and safety is certified through the implementation of ISO 9001 and ISO 22.000 in our factories in France, Italy and Spain. The factory in Spain is also certified according to ISO 14001 for its environmental management.



## Nutritional research and innovation

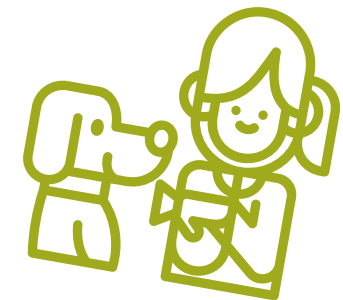
We work continuously with the aim of ensuring that cats and dogs enjoy the best possible health throughout their lives. Our team of nutritionists, ethologists, vets and other specialists are continuously innovating in order to secure their future care and well-being.

Our team is supported by the Affinity Nutrition Center (ANC) that has acted as a knowledge generation centre for over 40 years, whose results and innovation nourish the company's research and innovation platforms.

The ANC is part of a network of research centres with which we work and share know-how that goes from public and private universities, veterinary laboratories and, naturally, clinics and vets that take

part in studies for improving cat and dog welfare and nutrition and their bonds with their petparents.

With the scientific publications that we publish on the digital leading channel **Vets&Clinics**, we contribute to training professionals in the sector.



## Transparency with consumers

We recognise the importance of telling consumers the ingredients in the products that they purchase. We therefore strive to provide accurate nutritional information that clearly lists the functional benefits that our recipes deliver.

We share the objectives of the advertising industry of endeavouring to only have responsible advertising: fair, true, honest and legal. As advertisers, this commitment translates as compliance with certain ethical principles and standards that are set out in the codes of conduct of the advertising industry, as well as being subject to an independent third party for the resolution of any potential claims that could arise in the event of a breach of these standards, namely Spain's Advertising Standards Board.

We encourage satisfactory relations with our consumers through ongoing dialogue that enables us to find out what they want and improve accordingly. We make a number of communications channels available to them for each brand for this purpose, through which we also give updates on all new products. Constant communications with our customers is fundamental for our business model that is based on putting the consumer first, in order to deliver an excellent experience and build lasting relationships with them.

The customer service department dealt with 11,200 enquiries in 2021 (13,200 in 2020), of which 2,100 (19%) were complaints in comparison with 2,500 in 2020. These figures are mainly due to the transformation of one of our most well-established brands

that had a wide range of products into another one. This change was made to better adapt its product ranges to the needs of most of our customers. However, this meant discontinuing certain product ranges and changing the formulation of others, which did not necessarily live up to the preferences of certain groups of consumers. Another factor to be taken into account in 2021 were a number of complaints about (temporary) technical problems due to our promotional activity.



**We therefore strive to provide accurate nutritional information that clearly lists the functional benefits that our recipes deliver**

Insofar as the channels used by consumers is concerned, 8,200 (73%) of enquiries were received on digital media (9,200 in 2020) and 3,000 (27%) by phone (3,400 in 2020) that were related to a wide range of matters, such as where a product could be found, its characteristics, incidents and questions about new products. A total of 99.1% (11,100) had been resolved on the date of the release of this report (12,900 in 2020 amount, i.e., 98%). Affinity's customer service is free and the open channels allow consumers to hear opinions and clarify doubts about all matters as quickly and accurately as possible. Affinity has channels for all of its brands, in order to provide a customised service adapted to the profile of its consumers.



The average score given to the freephone service from January to December 2021 was 9.5 out of 10 and the digital service 7.7 out of 10 (9.4 for the freephone service and 7 for the digital service in 2020). The free customer service telephone numbers and the contact forms and e-mail addresses are listed on our website. These contact details also appear on all of our packaging.

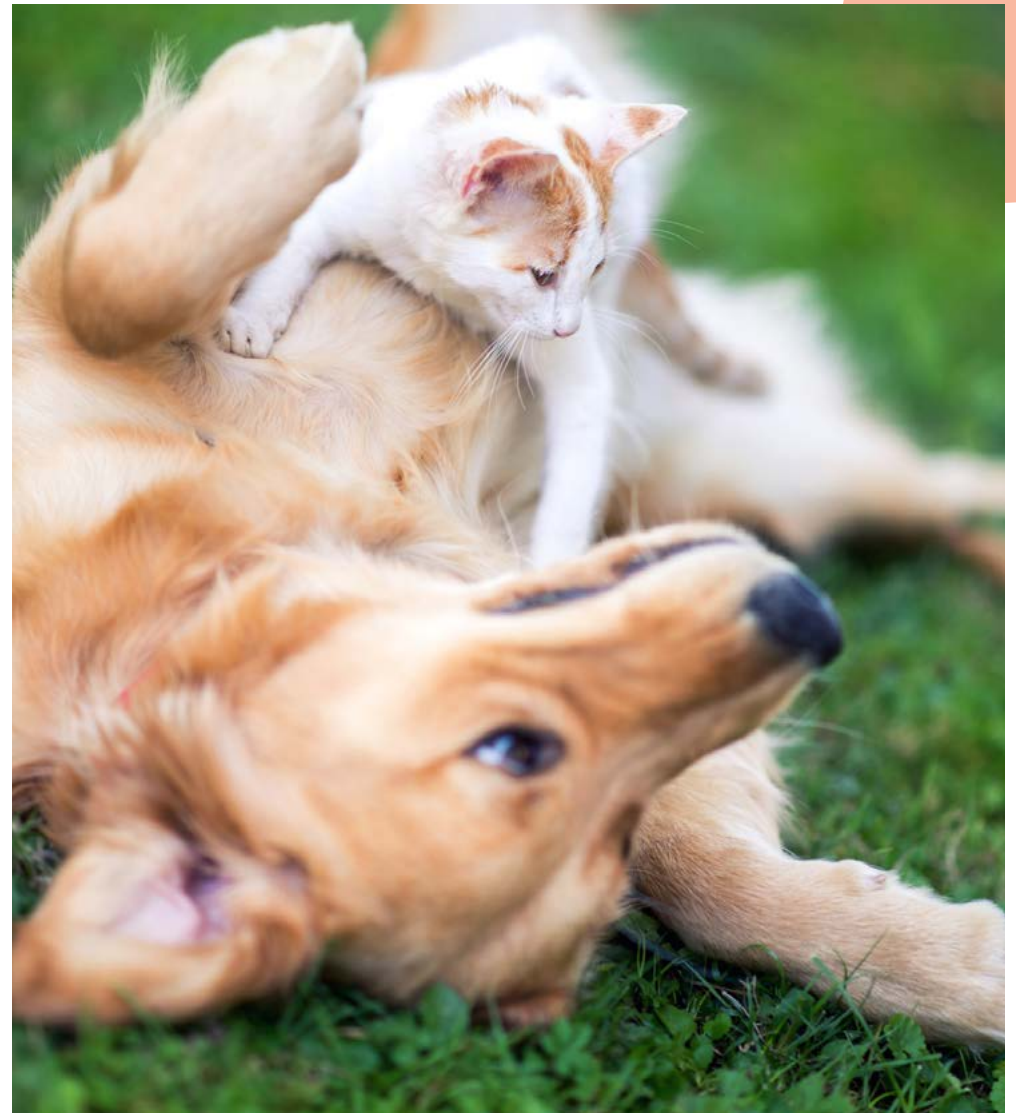


## 3.2. Sustainable supply chain



### Traceability and sustainability of raw materials

- 🐾 **We engage in proximity policies**, so most of our raw materials are obtained in the European Union and all of our production plants source a significant amount of their supplies for ingredients (more than 50% on average) from the country in which they are based, with the goal of minimising – to the extent possible – the impact associated with the transport of these raw materials.
- 🐾 **Affinity does not use any transgenic ingredients in its formulations.** In the specific case of soy and corn these raw materials are subject to non-GMO traceability.
- 🐾 **In line with our commitment to sustainability and responsible sourcing**, we are fast-tracking our focus on the traceability of our main ingredients and we work alongside our various suppliers in order to deliver consumers maximum safeguards in relation to the characteristics and/or origin of these ingredients.





## Supply chain sustainability

Because Affinity's supply operations are carried out on a European scale, our supplier base operates in a guaranteed regulatory framework that affords uniform levels of protection and security in all our commercial relations.

Aware that the value chain of our products starts with our suppliers, Affinity seeks to establish long-lasting relationships based on mutual trust with them wherever we do business and in the different categories of products and services provided. The mutual success of this business relationship is based on respect for the following principles contained in the Code of Ethics on good practice, to which our suppliers adhere:

### Ethics and legality

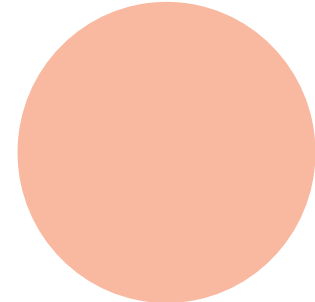
Suppliers ensure that they comply with the laws in force in the countries where they operate and make a commitment to uphold the strictest standards of ethical and moral conduct by avoiding any type of corrupt practices, conflicts of interest, providing truthful information in their communications with Affinity and ensuring the exercise of free competition.

### Labour practices, health and safety

Suppliers undertake to respect the protection of internationally recognised fundamental human and workers' rights within their sphere of influence, and to provide a safe working environment by guaranteeing equal opportunities and complying with all established occupational risk requirements.

### The environment and animal welfare

Suppliers must comply with all legal requirements related to environmental protection and are in possession of the required operating permits by taking a preventive approach and properly managing any substance or material that is a hazard when released into the environment. Suppliers must likewise comply with any legal requirements related to animal welfare if applicable to them.





## Product quality and safety

Suppliers must guarantee that all products supplied to Affinity comply with all food quality and food safety regulations and laws in force. Suppliers undertake to immediately inform Affinity about any matter or suspicion related to food safety.

## Confidentiality and intellectual property

Suppliers undertake to respect intellectual property rights and to treat any information disclosed by Affinity in the business relationship between them as confidential by refraining from disclosing it to third parties without Affinity's prior written consent.

## Subcontracting

Suppliers are responsible for ensuring that their employees and subcontractors abide by these principles.

In line with its Quality Assurance Policy and in the way it conducts its operations, Affinity uses a standard Supplier Certification Process that, based on the critical nature of the products purchased, conducts supplier audits that cover aspects related both to quality and environment. Affinity continually monitors its suppliers in order to guarantee the level of quality and safety of the raw materials purchased.



These standardisation and assessment processes for suppliers were recently reviewed based on the changes and transformations in the sector, with greater emphasis placed on food safety and sustainability.

In an environment that is still very much affected by the Covid-19 pandemic, specifically, by the restrictions on travel, Affinity kept all requirements on its suppliers unchanged and monitored them to the same level as it has always done. To do so, some on-site audits were substituted for online assessments and some audits were outsourced to specialised firms whenever travel was not possible.

Specifically, in 2021 Affinity conducted a total of 10 on-site audits on its suppliers

of ingredients with satisfactory results in 9 cases. In 2020, as a result of the situation caused by the pandemic, Affinity conducted a total of 9 on-site audits and a total of 11 online assessments on its suppliers of ingredients, with satisfactory results in 95% of cases.

In line with its commitment to food safety, Affinity is extending its Central Laboratory located on the plant in Santa Margarita i els Monjos so that it will have the capacity to conduct microbiological tests. The goal is to internalise this service, the benefits of which will be reflected in reducing testing times and being able to take decisions immediately after results have been obtained.

## Animal well-being

The raw materials and ingredients of animal origin that Affinity uses in the formulation of its products are entirely from the continent of Europe. Working within the framework of the European Union is likewise a guarantee that all regulatory matters on animal well-being are followed. This regulatory framework establishes the conditions that must be respected in the breeding, raising and transport of all animal species to ensure the following five principles are upheld.

- 🐾 Providing ready access to fresh water and a healthy, nutritious diet.
- 🐾 Providing an appropriate environment, which includes shelter.
- 🐾 Providing a rapid diagnosis and treatment of diseases.
- 🐾 Providing conditions that avoid mental suffering.
- 🐾 Providing sufficient space, proper facilities and the company of an animal's own kind.







## 4. PLANET: caring for the environment and the planet

### 4.1. Environmental management

#### Environmental policy and management

Affinity is committed to environmental sustainability as embodied in our Environmental Policy, which is based on:

- 🐾 **Compliance with all legal and regulatory requirements applicable to our operations, as well as sector-specific codes and best practices to which we subscribe.**
- 🐾 **Preventing and minimising the environmental impacts that we generate.**
- 🐾 **The environmental management system we have implemented ensures correct environmental practices, as outlined below:**
  - 🌿 Diagnosing significant environmental aspects, minimising the consumption of resources and reducing or eliminating the environmental impact derived from our business and its effect on the environment in terms of emissions, discharges and waste generation.
  - 🌿 Establishing environmental management objectives and goals that allow for continuous improvements that benefit our customers, consumers, shareholders, suppliers, staff and subcontracted personnel, the community and the natural environment.
  - 🌿 Periodically reviewing the effectiveness of the implemented systems and the abovementioned goals and objectives.



🐾 Affinity is committed to proper environmental management by always taking the entire life cycle of a product into account, from the origin of raw materials to the consumption of the finished product.

🐾 The responsibility for preserving the environment lies with all members of the organisation, regardless of their position.

🐾 The Environmental Policy is available to anyone who wishes to see it as part of Affinity's Quality, Safety and Environment policy.

Affinity Petcare controls three production plants located in Spain, France and Italy. Each plant has an Environmental Management System in place (in Spain, it is ISO 14001 certified). Its development, revision and update allows a systematic approach to be taken to environmental management that provides information to managers in order to generate long-term success and create more options that contribute to sustainable development. The factory in France also has an energy management system certified by ISO 50001 on energy efficiency.



In addition to the environmental management systems described above and as an added precaution to prevent and minimise environmental impacts, the insurance policies taken out by Affinity include environmental risks, despite the fact that we are not obligated to provide a financial guarantee according to Act 26/2007 on Environmental Liability.

In order to determine the current and future effects of our operations on the environment, we have defined the stages in the life cycle of each product. To do so, each year we prepare an inventory of all the activities and processes that affect environmental aspects. Inputs (raw materials, resources, power and services), outputs (semi-finished and finished products, air emissions, discharges, spills and waste), legal requirements and

working conditions (normal, abnormal and emergency) are considered. Once the environmental aspects have been identified, they are evaluated according to a set of evaluation criteria.



The aspects are then classified in order to determine which ones are significant.

### SIGNIFICANT ENVIRONMENTAL ASPECTS



#### Atmospheric emissions:

Drying water  
Dust  
Noise and flue gases



#### Dumping:

Treated cleaning water



#### Waste:

Paper  
Plastic  
Non-hazardous waste  
Food and wood

The economic resources dedicated to preventing and minimising environmental impacts in 2021 were as follows:

### RESOURCES DEDICATED TO PREVENTING AND MINIMISING ENVIRONMENTAL IMPACTS (€)

Expenditure for the year 423,320  
526,458

Expenditure on staff assigned to EM 153,482  
598,000

Payments to integrated management systems 1,787,362  
2,813,763

Investment during the financial year 984,449  
1,608,741

**TOTAL** 3,348,613  
5,546,962

2020 2021

In 2021, these expenses increased by 64% compared to 2020, mainly due to the company's decision to engage in a more sustainable scenario, for which new staff has joined the company dedicated to environmental issues, but also due to the investments dedicated to accomplishing the environmental commitments established, as discussed below.



## 4.2. Sustainable resource use

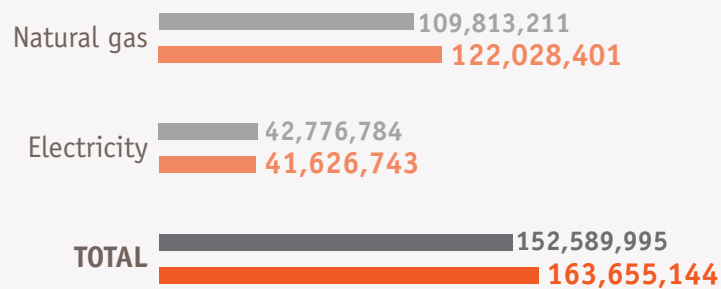
At Affinity we develop strategic lines that ensure that the growth of our business is respectful to the environment and local communities. Therefore, we strive to make sure that all of our operations have the lowest possible impact on the environment and we are committed to society.

### Energy consumption

Affinity consumes electricity and natural gas on all of its production plants.

Energy consumption for 2021 is set out below, whose figures are very similar to the previous year's.

#### DIRECT ENERGY CONSUMPTION (KWH)



2020 2021

In line with the company's philosophy and engagement in previous years for increasing the use of renewable energies in our factories and offices, in 2021 all of the electricity consumed in our factories and offices came from renewable sources. This is 33% more than in the previous year as a result of the factory in France joining this initiative.

There is an internal energy-efficiency management programme in place with a system that measures consumptions, as well as continuous improvement plans and regular energy audits on which we work every year in order to improve the energy efficiency of Affinity's machinery and facilities. This audit plan is also backed by an investment plan. In the factory in France, this work is certified according to ISO 50001.

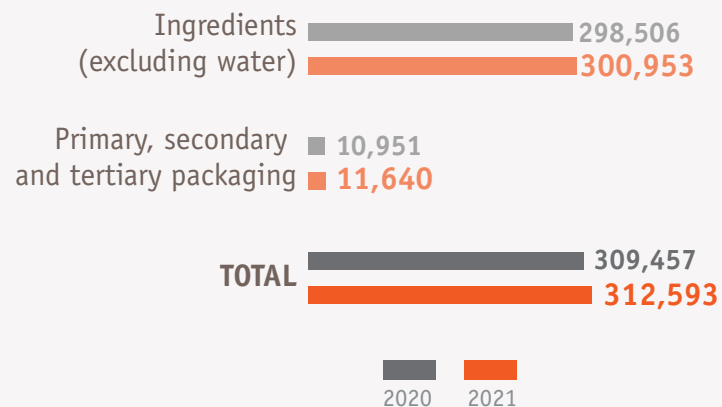


## Consumption of materials

The quality of our ingredients is a basic pillar of our commitment to the welfare of pets. We select top quality ingredients with high nutritional value that contribute to the development, health and quality of life of cats and dogs. Packaging materials likewise play an essential role in properly preserving products during their shelf-life.

In 2021, the consumption of ingredients and packaging materials was practically the same as in the previous year, as can be seen in the following table.

### CONSUMPTION OF RAW MATERIALS (TONS)



## Commitment to recyclable packaging

At Affinity we are constantly working to improve our packaging by optimising the amount of materials used for it without compromising on its preservation.



In line with the commitment for all the packaging materials used in our factories to be fully recyclable, in 2021 a total of 66% of packaging materials used in Affinity's production plants were recyclable, 3% more than in 2020.

**We select top quality ingredients with high nutritional value that contribute to the development, health and quality of life of cats and dogs**

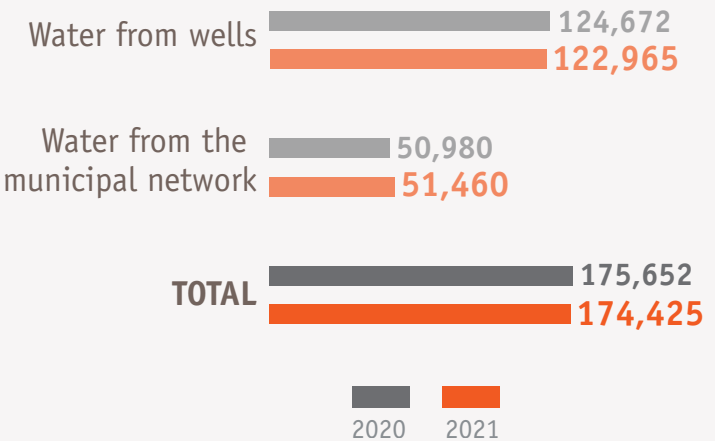




## Water usage and wastewater discharge

A total of 70% of the water used by Affinity in its production processes comes from wells authorised by the competent authorities in each country.

### DIRECT WATER CONSUMPTION (m³)



Most of the water we consume (90 to 93%) is used to cook food. During the production process, it completely evaporates and is returned to the atmosphere.

The rest of the water is used to clean the facilities and is subsequently treated in treatment plants located in each factory. All water heating and cooling circuits are closed circuits that do not generate any consumption.

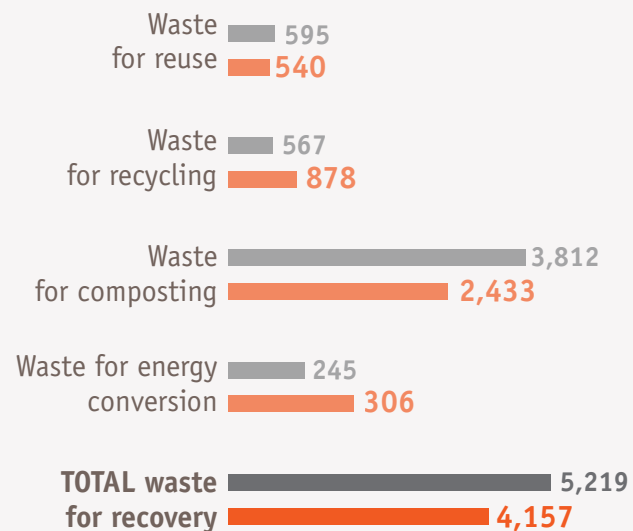


## 4.3. Sustainable management of the environmental impact

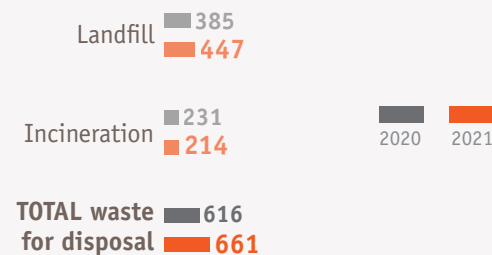
### Waste management and measures against food waste

In 2021, waste was reduced by 1,000 tons in comparison with the previous year thanks to improved waste recycling management (55% more was recycled than in 2020), with a commitment to continue improving the management and selection of waste in order to prioritise the reuse, recycling and recovery before its disposal.

#### WASTE FOR RECOVERY (tons)



#### WASTE FOR DISPOSAL (tons)



#### TOTAL WASTE



Furthermore, finished products in stock that have a shelf life of less than six months but are completely safe for consumption are not discarded as waste. Many of them are sent to cat and dog shelters near the production plants. Under this initiative against food waste, 455 tons of products were donated to animal charities and shelters in 2021 (530 tons in 2020) in all the countries in which Affinity has production sites (see section 6.1).

## Commitment to the reduction of greenhouse gases

As a result of Affinity's industrial activities, some emissions are direct, which are those directly generated at Affinity's facilities, whilst the rest are indirect, understood to be those that are generated at our suppliers' plants to meet Affinity's needs.

Direct emissions (classified as Scope 1) are those resulting from the consumption of natural gas, the main source of energy in our production processes, and the use of refrigerant gases. The indirect emissions that are specified in this report (Scope 2) are those that come from the production of the electricity that is consumed at our facilities.

In order to meet the commitment to reduce GHG emissions from this energy consumption, in 2001 all of the electricity consumed in the factories and offices

in Spain, Italy and France came from renewable sources that do not generate any GHGs, which means preventing the emission of 5,379 tons of CO<sub>2</sub> into the atmosphere. In terms of emissions into the atmosphere, emission points are inspected every three years by the competent authority and comply with the established requirements.

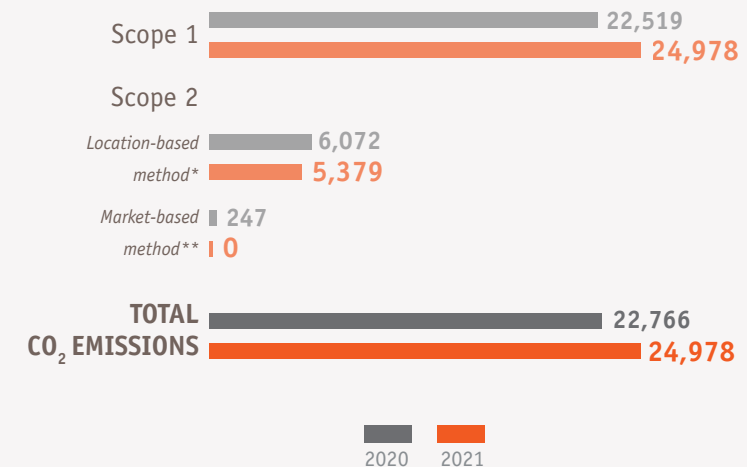
There are also various points at the plants where particles are released into the atmosphere. All emission points have filters and are electronically monitored to prevent accidental emissions. They are also inspected every two years by the competent authority and comply with the requirements established by this authority.

With regard to other commitments for reducing emissions from industrial plants, in 2021 Affinity Petcare joined the

European Lean & Green programme, which consists in the commitment of reducing its emissions from its logistics activities by 20% in the coming 5 years.



### GAS EMISSIONS INTO THE ATMOSPHERE (tons CO<sub>2</sub>)



\* Location-based method: a reporting method for calculating GHG emissions based on the emission factor of the domestic mix of the origin of energy.

\*\*Market –based method: a reporting method for calculating the GHG emissions based on the emission factor of the source of electricity chosen by Affinity. This factor is 0 in all countries due to the renewable source of the electricity used.



## Reduction of air, noise and light pollution

Insofar as noise pollution is concerned, Affinity's factories emit noise both at certain emission points and in the form of dispersed emissions. All sources of noise pollution have silencers or anti-noise panels to minimise the emissions. There is also a verification protocol that has been agreed on with the local authorities (location of the measurement points) and inspected by the competent authorities as part of the Integrated Environmental Inspection. The company does not cause any light pollution.

## Measures for mitigating climate change

In 2021, the activities carried out by Affinity and its plants were not affected by any consequences of the weather or of any other type related to climate change. Likewise, no potential risks associated with this matter are anticipated in the immediate future.



## 5. PEOPLE

### We contribute to the well-being of people and the development of diverse talent

Financial year 2021 was marked by the ongoing effects caused by the Covid-19 virus. Although the outbreak of the disease was a factor that disrupted the company's operations, in 2021 we had to adapt and improve the ways of working that had been introduced since March 2020.

After the first year of the outbreak of the virus in Europe, it was decided to set up a cross-cutting project involving all of the companies in the Group, for the purpose of reflecting on the needs and opportunities entailed in this new stage, which resulted in the roll-out of a new work paradigm in Spain, France and Italy. It is a far-reaching project whose core principle is the health and safety of our employees, whilst making it possible to maintain our high level of commitment to our customers.

The measures adopted to date have been characterised by their flexibility, so they have been adapted whenever central or local governments have made recommendations or enforced obligations.

Furthermore, we have continued to work on our strategic plan for Human Resources (approved in 2019) that is based on two pillars:

**PAW CULTURE:** Strengthening an international culture common to all of the places in which we operate that enables us to better respond to the requirements of our customers in all of our markets.

**PAW TALENT:** Attracting and retaining top level members of staff able to build up strong teams committed to the growth targets set in the 2018–2022 strategic plan.



**Equal opportunities and non-discrimination are basic principles of Affinity's corporate culture**

## 5.1. Health and well-being

### 5.1.1. Corporate culture and values

As a company, our mission is to assist petparents and to improve their relationship with their pets, thus strengthening the bond between them and helping to improve the physical and emotional health of their cats and dogs.

Our corporate values are the principles that set us apart. Our values of Solidarity, Consistency, Challenge and Humility were chosen by our employees as a whole and are a key feature of our culture that guide the behaviour and actions of our employees on a daily basis.

#### About our staff

At the 2021 year-end, Affinity had a workforce of 823, of whom 57% were men (472) and 43% were women (351). In 2020, the figures were 474 men and 329 women, so the proportion of female employees has gone up by two percentage points (in 2020 men accounted for 59% of the workforce versus 41% of women). Our main offices are located in Barcelona, Paris and Milan. We also have production centres in all three countries.



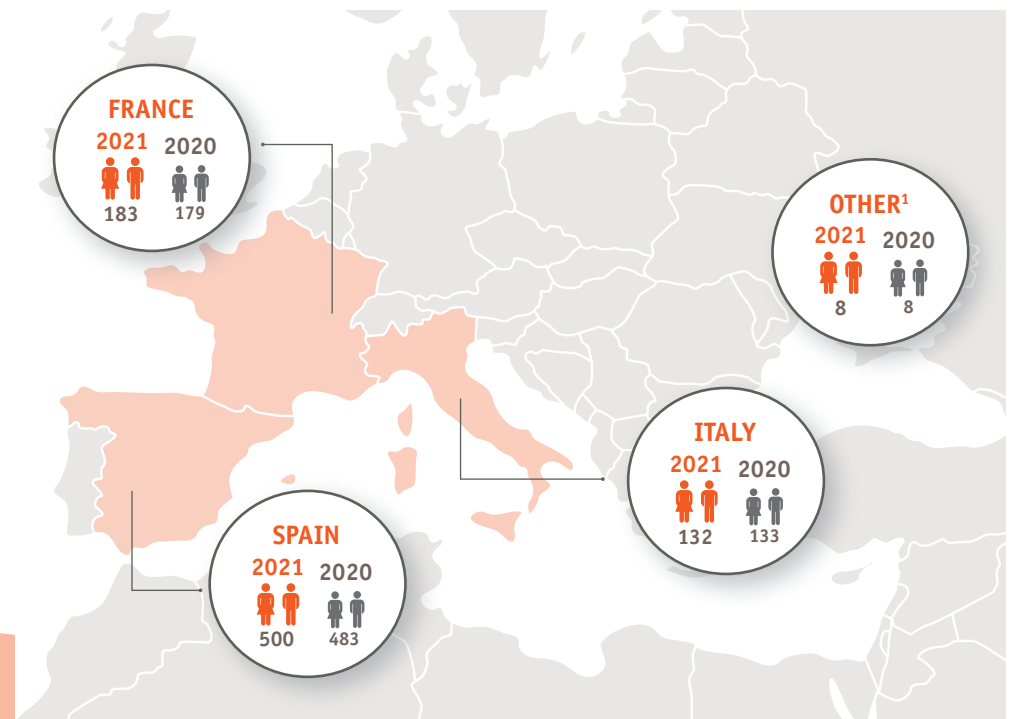
#### STAFF 2021

Total number of employees



#### STAFF 2020

Total number of employees



<sup>1</sup> Employees in Belgium, Germany, Greece, Poland and Portugal.



Due to the occupational segregation affecting the industrial sector, there is still a predominance of men at our factories, while the percentage of women working in our offices is 56% of the total, which is one point up on the 2020 records.

The breakdown of the workforce by professional category remains largely the same as in 2020, as shown in the following table:

## STAFF DISTRIBUTION BY PROFESSIONAL CATEGORY 2021

### PROFESSIONAL CATEGORY TOTAL

 **823** — in 2020 803

#### Executives

**79** —  — en 2020 78

#### Administrative/Technical

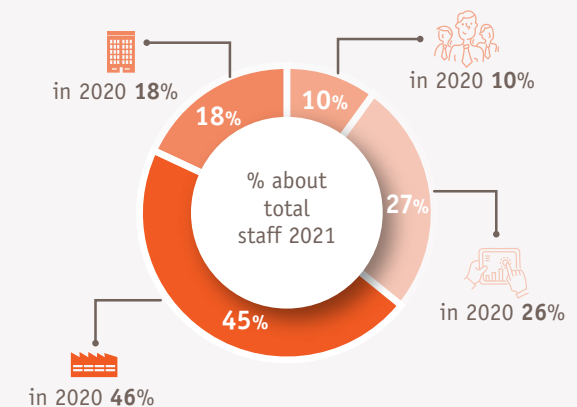
**227** —  — en 2020 212

#### Factory

**368** —  — en 2020 365

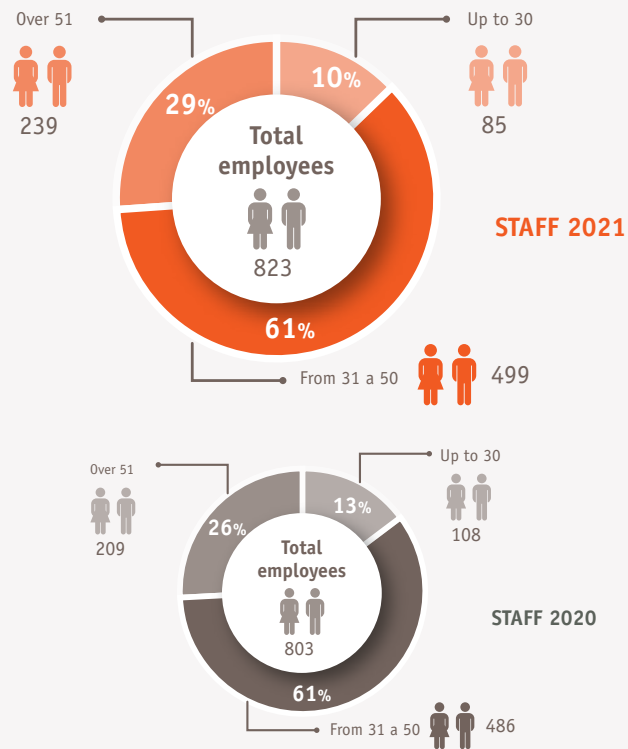
#### Sales

**149** —  — en 2020 148



However, some changes were observed in workforce distribution by age. In 2021, the age bracket up to 30 lost ground in comparison with the cluster made up of people over 51.

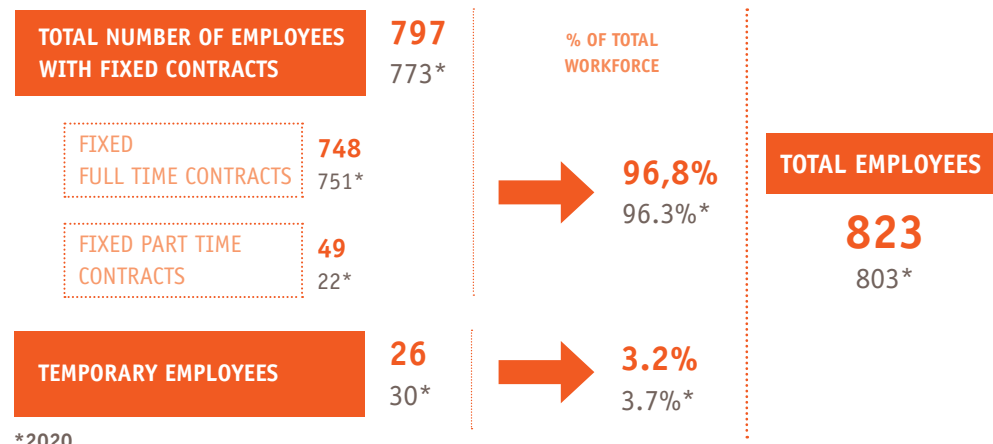
### THE DISTRIBUTION OF STAFF BY AGE BRACKETS 2021





## Total number of employment contracts and breakdown by type

Affinity sets offering stable, quality working conditions as a priority. Therefore, most of the company's current employment contracts are indefinite. Specifically, they accounted for 96.8% of all contracts at 31 December.



\*2020

## DISTRIBUTION OF EMPLOYMENT CONTRACTS BY GENDER 2021



<b>TOTAL NUMBER OF EMPLOYEES WITH FIXED CONTRACTS</b>	<b>461</b> 458*
FIXED FULL TIME CONTRACTS	448 451*
FIXED PART TIME CONTRACTS	13 7*
<b>% OF TOTAL WORKFORCE</b>	<b>97.7%</b> 96.6%*
<b>TEMPORARY EMPLOYEES</b>	<b>11</b> 16*
<b>% OF TOTAL WORKFORCE</b>	<b>2.3%</b> 3.4%*

**TOTAL EMPLOYEES 472** 474\*

\*2020



<b>TOTAL NUMBER OF EMPLOYEES WITH FIXED CONTRACTS</b>	<b>336</b> 315*
FIXED FULL TIME CONTRACTS	300 300*
FIXED PART TIME CONTRACTS	36 15*
<b>% OF TOTAL WORKFORCE</b>	<b>95.7%</b> 95.7%*
<b>TEMPORARY EMPLOYEES</b>	<b>15</b> 14*
<b>% OF TOTAL WORKFORCE</b>	<b>4.3%</b> 4.3%*

**TOTAL EMPLOYEES 351** 329\*

\*2020

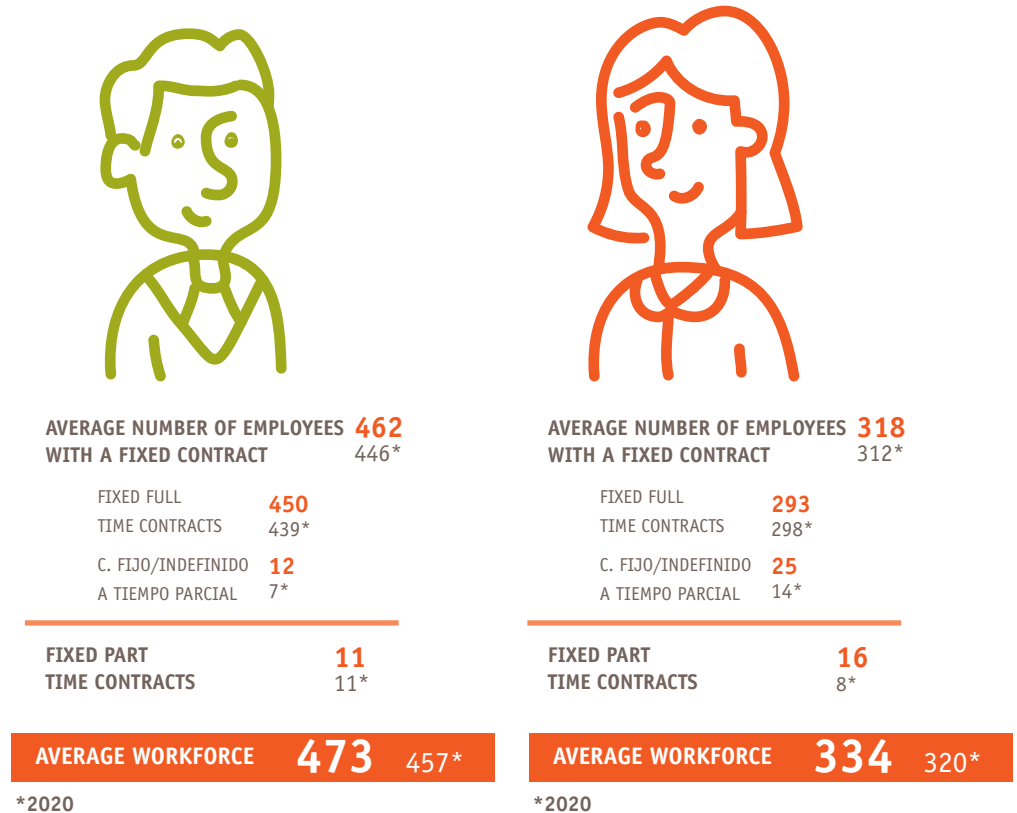
The average number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category for the year follow the same pattern as described in the previous point

## ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS 2021



\*2020

## ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY GENDER 2021



By age brackets, it can be observed that the average number of temporary contracts is higher in the under 30 age bracket.

### ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY AGE 2021

	Up to 30	From 31 to 50	Over 51
<b>AVERAGE NUMBER OF EMPLOYEES WITH A FIXED</b>	<b>71</b>	<b>472</b>	<b>237</b>
	86*	456*	216*
FIXED FULL TIME CONTRACTS	<b>70</b>	<b>443</b>	<b>230</b>
	86*	447*	205*
FIXED PART TIME CONTRACTS	<b>1</b>	<b>29</b>	<b>7</b>
	0*	9*	11*
<b>AVERAGE NUMBER OF TEMPORARY EMPLOYEES</b>	<b>18</b>	<b>8</b>	<b>1</b>
	10*	9*	0*
<b>AVERAGE WORKFORCE</b>	<b>89</b>	<b>480</b>	<b>238</b>
	96*	465*	216*

\*2020

### ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY PROFESSIONAL CATEGORY 2021

	Executives	Administrative/ Technical	Factory	Sales
<b>FIXED FULL TIME CONTRACTS</b>	<b>80</b>	<b>192</b>	<b>331</b>	<b>140</b>
	78*	196*	326*	137*
<b>FIXED PART TIME CONTRACTS</b>	<b>0</b>	<b>15</b>	<b>19</b>	<b>3</b>
	0*	7*	14*	0*
<b>TEMPORARY CONTRACTS</b>	<b>0</b>	<b>10</b>	<b>12</b>	<b>5</b>
	0*	5*	12*	2*
<b>AVERAGE WORKFORCE</b>	<b>80</b>	<b>217</b>	<b>362</b>	<b>148</b>
	78*	208*	352*	139*

\*2020

## 5.1.2. Employee health and safety

### Health and safety conditions at the workplace

The aim of the company's occupational risk prevention policy is to identify and mitigate the risks employees are exposed to in doing their jobs.

Factories are the worksites with a potentially higher risk due to the type of work done there. On these worksites, risks are identified by sections. For each section, the characteristics of each worksite and the different action plans implemented on them were assessed.



- PAW AT THE FACTORY IN ELS MONJOS**, the different sections are updated between two and four times per year, especially when there are significant changes at the facility. In line with regulations, it must be ensured that all risk assessments are updated at least once every 5 years. Moreover, we use an external risk prevention service to help us prepare the different assessments and to detect the areas where improvements or staff training are required. There is a Health and Safety Committee with company and employee representatives that meets on a regular basis. An Annual Safety Report is drafted at the end of the year summarising the aspects of workplace health and safety addressed during the year.
- PAW AT THE FACTORY IN LA CHAPELLE**, regular reviews are carried out in compliance with the regulations. Each of the five identified sections has its own indicators and measures. The Health and Safety Committee holds a meeting every quarter to specifically deal with workplace health and safety matters. All findings are recorded in a shared document that is updated at least once a year. This document covers all current and potential risks identified, as well as a plan of action to correct and limit risks.
- PAW AT THE FACTORY IN CASTELGOMBERTO**, occupational risks are assessed by an external team. Risk assessments are updated whenever there are significant changes at the facilities. The external prevention service is responsible for providing worker training. In line with the standard, there is a Health and Safety Officer who represents the interests of employees in health and safety matters. In 2021, courses were run on this subject matter to the extent that the pandemic allowed this.



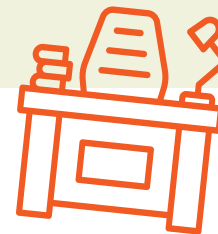
The company's offices are divided into different sections for risk assessment purposes.

🐾 In Spain, regulations impose a full risk assessment every 5 years unless a significant change is introduced before that. In the **BARCELONA OFFICES**, the Risk Assessment was updated in 2017 so it did not need to be reviewed in 2021. Support is given by an external risk prevention service that draws and reviews all risk assessments. There is also a Prevention Activity Plan that contains the risks and improvement actions to be carried out. In 2021, the

employees at the Barcelona offices took a course on occupational risk prevention related to telework as a result of the roll-out of the new work paradigm.

🐾 **IN THE PARIS OFFICES**, which moved from Rungis to Issy-les-Molineaux (both on the outskirts of Paris) courses on occupational hazard prevention were run and placed special emphasis on Covid prevention measures.

🐾 **AT THE OFFICES IN MILAN** the risk assessment service is outsourced. Risk assessments are regularly updated in compliance with the laws on Health and Safety at the Workplace. It was possible to run the mandatory courses on health and safety online.



## Number of workplace accidents by gender: Frequency rate by gender, Severity rate by gender

In 2021, there was a total of 29 workplace accidents, which was a similar number to those reported in 2019 but higher than those reported in 2020.

The following table shows the total number of accidents, and their rates of frequency and severity broken down by type. There were no occupational illnesses in 2021 or in 2020.

WORKPLACE ACCIDENTS	29 17*		24 12*		5 5*	*2020
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ACCIDENT FREQUENCY RATE	20.34
(# accidents * 10 <sup>6</sup> /# planned hours)	12.34*



28.37  
14.59\*



8.63  
9.01\*

\*2020

SEVERITY RATE	0.64
(# days lost * 10 <sup>3</sup> /# scheduled working hours)	0.17*



0.82  
0.22\*



0.37  
0.10\*

\*2020



## Anti-Covid measures

IWe started 2021 having already experienced the first year of the pandemic. We therefore had a number of measures and protocols that were adapted over the year in line with the vaccination and infection rates in the countries in which we operate.

These measures were designed to be flexible and could be adapted as the main indicators improved.

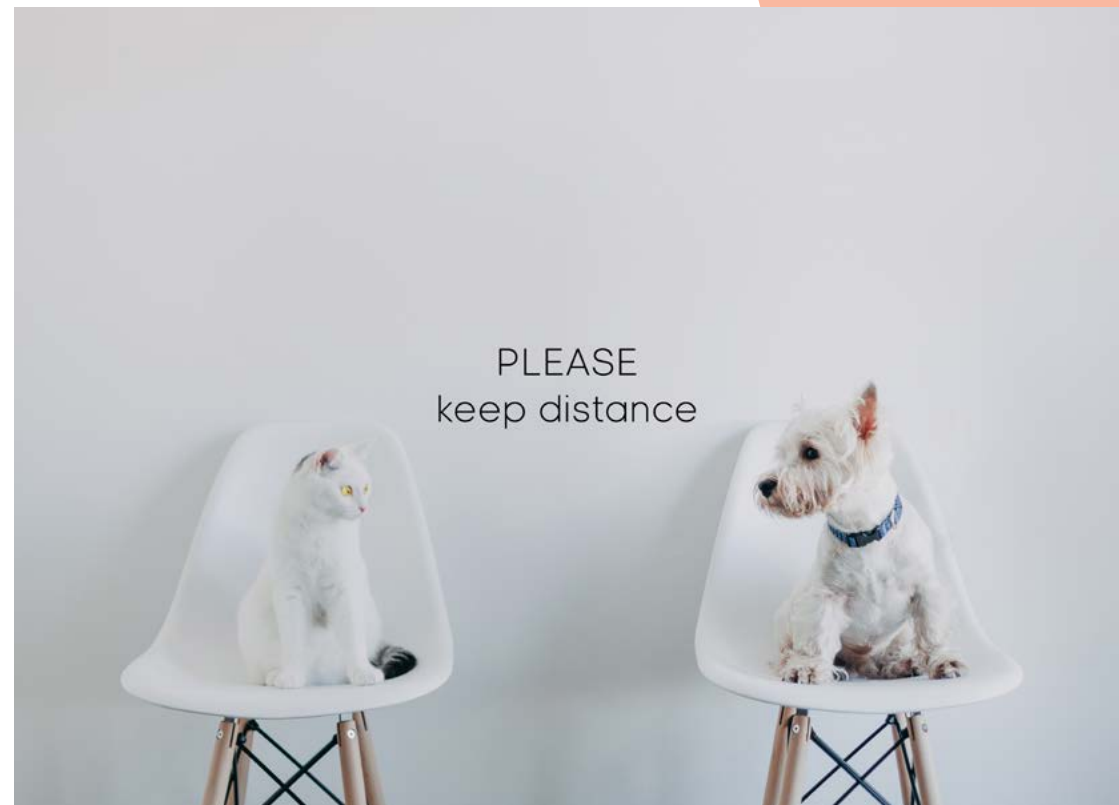
Main measures adopted:



**🐾 Global and local contingency plans to ensure the continuity of the business, whilst ensuring the health and safety of our employees at all times.**

**🐾 Detailed action plans in the event of contact or contagion, designed following the recommendations of the health authorities and our risk prevention service.**

- 🐾 Close monitoring of weekly absenteeism.
- 🐾 Personalised follow-up of people affected.
- 🐾 Risk prevention course focused on coronavirus (employees in Spain).





**Implementation of the measures recommended by the health authorities in our production plants to ensure the continuity of the supply of essential goods, whilst ensuring the health and safety of our employees at all times.**

**Keeping telework in our offices in Barcelona and Milan as the main work arrangement whenever this has been established by government authorities.**

- By this time, the IT systems were able to ensure the performance and security of all employees who were teleworking.
- All of our office workers had IT devices (laptops, mobile phones and a mobile Internet connection).
- Employees were offered the possibility of requesting an ergonomic chair, an external screen and a keyboard so that they could work in greater comfort. In France, they were paid an allowance in December to purchase them.
- Employees were able to go into their offices on a voluntary basis if they scheduled this in advance. However, in December express authorisation from the Management Board had to be sought to go into offices as the spread of the pandemic rose in the last months of the year. This measure was still in place at the time of the final drafting of this report.





🐾 **Design and implementation of a hybrid scheme.** Teleworking conditions and requirements applied throughout most of 2021. In December, as the main indicators were going in the right direction a hybrid scheme was introduced, whereby 40% of work was online and 60% on-site. This hybrid scheme was temporarily suspended on 21st December as epidemiological indicators took an upturn. The hybrid scheme included the following points:

- 🐾 Specific protocols were designed in compliance with the rules of each government ( use of face masks, social distancing, office capacity, procedures to be followed at face-to-face meetings, etc.)
- 🐾 Signage in offices to ensure the safe use of spaces
- 🐾 Response to the provisions of Act 10/2021 on teleworking
- 🐾 Mandatory course for employees on occupational hazard prevention.
- 🐾 Negotiation with the Works Committee on its implementation and subsequent agreement.

🐾 **Internal communications plan.** In order to attain our objective of keeping our employees connected, informed in a clear, transparent way and having two-way communications channels available, a new communications channel was launched in 2021 (Workplace). Contents relevant to the Affinity community were regularly posted on this channel, such as:

- 🐾 Quarterly virtual meetings attended by the management team and employees in each country in the local language to share experiences and answer questions.
- 🐾 Quarterly videos by the CEO in which the situation of the company and the business were assessed.
- 🐾 Reminders about the company's general policies on various matters, with special emphasis on the Covid measures implemented.



## Work disconnection policies

Affinity's management promotes healthy work habits and frequently sends messages to employees encouraging them to disconnect, rest and take care of themselves, a practice that was stepped up during this period of teleworking.

To reflect this, a disconnection policy was drawn up during the year related to the teleworking policy that had been approved by the Works Committee. It recognises, amongst other things, that employees have the right to disconnect from the devices provided to them by the company as work tools at the end of the working day and not to schedule work meetings outside of working hours.

## Social relations

Both in 2021 and 2020, all of Affinity's employees were covered by the relevant domestic/sectoral collective bargaining agreement:

- 🐾 In Spain, the employees at the Barcelona offices and the Els Monjos factory are covered under the *Convenio colectivo de ámbito nacional de la fabricación de alimentos compuestos para animales*, which was passed in November 2021 with retroactive effects on the 2019-25 period.
- 🐾 In France, both the Paris offices and the La Chapelle factory are covered under a similar agreement called "Convention Collective de la Meunerie".
- 🐾 There are two different agreements in Italy. The Milan offices are covered under "CCNL Commercio" while the Castelvetro factory is covered under the "CCNL Alimentare".

The four agreements make specific mention of matters of health and safety at the workplace.

Dialogue between management and labour is channelled through works committees composed of democratically elected workers. There are two committees in France and Spain, one for the factories and the other for offices, whilst in Italy there is one committee for the factory.

There is also an internal, non-anonymous communication channel to facilitate structured and confidential queries regarding the interpretation or application of the Code of Conduct and to disclose and report potential breaches.

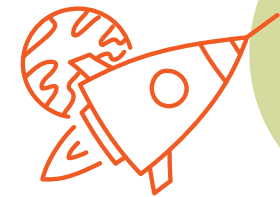
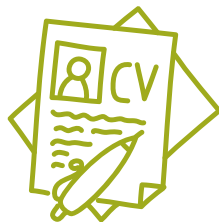
Affinity's culture encourages the participation of our employees and actively listening to them, as well as giving them continuous feedback. An example of this is that at the monthly meetings employees are able to send their questions and concerns to senior management, which responds to them at this event. Surveys are also frequently conducted on the working environment to gauge the health of the organisation and teams, following which proposals and areas for improvement on which the company can work are compiled.

## 5.2. Talent development and management

Affinity makes a firm commitment to talent by promoting career development opportunities for our employees who are able to develop the skills and abilities required for their jobs, as well as helping them to advance in the future. Our initiatives include:

- 🐾 **Setting individual career development plans**
- 🐾 **Giving access to Affinity University, our training platform with content related to key interdisciplinary skills and abilities by business area**
- 🐾 **Running functional development programmes**
- 🐾 **Running a leadership skills development programme**
- 🐾 **Mentoring and coaching our employees**

We promote a culture of ongoing development by providing the resources necessary to ensure our employees have the training and motivation to work in the current ever-changing environment.



### 5.2.1. Development of skills for the future

#### Training: Policies implemented on training and total hours of training by professional category.

In 2021, a total of 9,845 hours of training were given (an average of 12.2 hours of training per FTE).

The breakdown of the training hours by professional category is as follows:

In light of the pandemic situation, the number of hours devoted to training rose slightly, but was still below those reported in 2019. Work was done in the year to try to adapt training to the situation in which we found ourselves turning several face-to-face courses into online ones.

#### TOTAL HOURS OF TRAINING IN 2021

**7,282h** in 2020 7,282h

##### Executives

**1,585h** →  → in 2020 **1,036h**

##### Administrative/Technical

**3,172h** →  → in 2020 **2,611h**

##### Factory

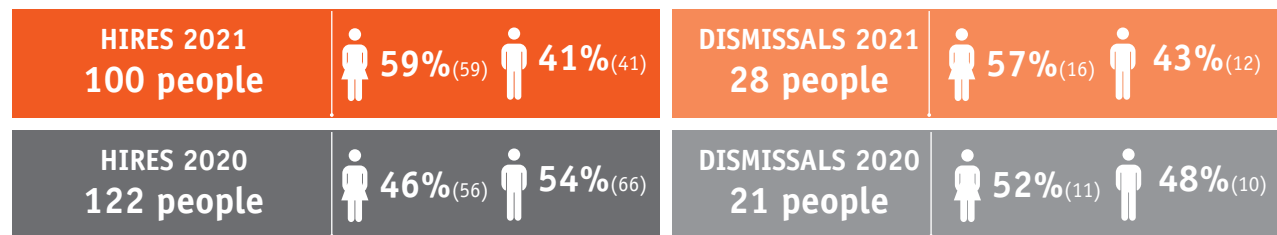
**2,920h** →  → in 2020 **1,822h**

##### Sales

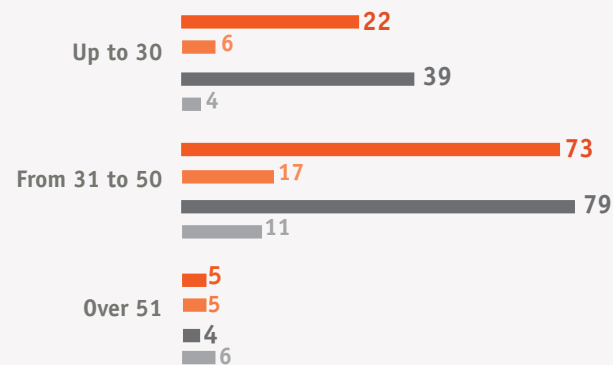
**2,168h** →  → in 2020 **1,813h**

## Attracting and retaining talent. Hires and dismissals

By the end of 2021, our workforce had increased by 20 employees in a year in which we once again created jobs. A total of 100 new contracts were signed, of which 59% corresponded to women and 41% to men. There were also 28 dismissals, of which 57% were women (16) and 43% men (12). In 2020, there were 21 dismissals, of which 52% were women (11) and 48% men (10).



### BY AGE



### BY PROFESSIONAL CATEGORY



Hires 2021

Dismissals 2021

Hires 2020

Dismissals 2020

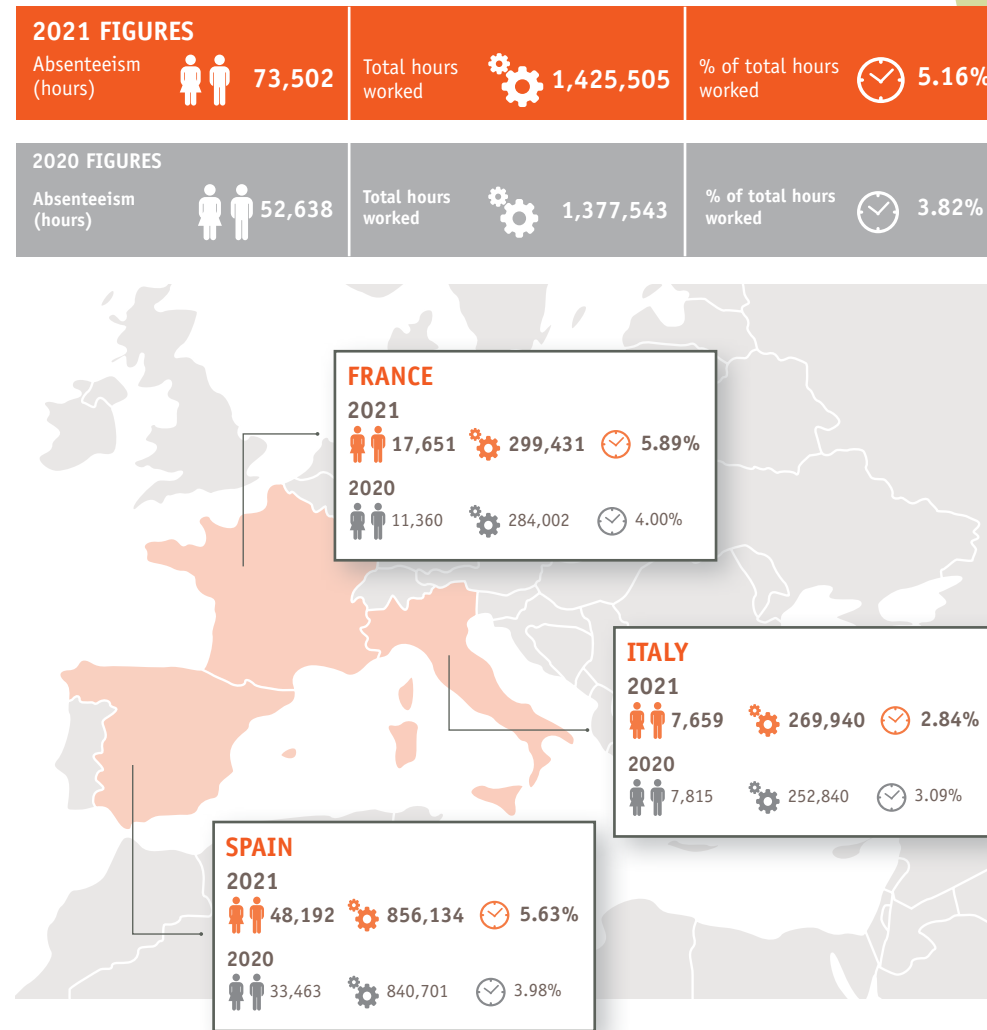


## Organisation of working hours. Number of hours of absenteeism.

The organisation of working hours differs from worksite to worksite. At the industrial plants in Els Monjos (Spain) and Castelgomberto (Italy), there are three shifts (morning, afternoon and evening), with 24-hour operations from Monday to Friday. In France, however, there are four shifts with the plant operating continuously from Sunday to Friday.

Office staff work a split shift, ensuring in all cases that the total working hours adhere to the corresponding collective bargaining agreement. At the Barcelona offices, employees are allowed to work without a lunch break so that they can leave earlier on Fridays, in the Christmas and Easter periods, and in the month of August.

Absenteeism is calculated as the sum of the hours not worked due to medical leave, weighted against the total hours that should have been worked in theory.



The rise in absenteeism in 2021 can also be explained by medical leave related to elective medical operations and treatments that had been postponed during the pandemic due to the saturation of healthcare centres. Furthermore, some hours of absenteeism were also caused by the restrictions during the pandemic when some unvaccinated employees and others who had tested positive had to self-isolate (which had a big impact in the 5th and 6th waves).

## 5.3. Diversity, equality and inclusion

### 5.3.1. Diversity, equity and equal opportunities

#### Wage gap and remuneration

As specified in our Code of Conduct, Affinity does not allow discriminatory behaviour of any kind. In keeping with this principle, Affinity employees are paid for their work according to their professional category and work performed.

Affinity's remuneration policy is based on the pillars of performance, external competition and internal equity. In the annual performance review process, the highest increases are assigned to the employees with the best performance and/or whose remuneration lags farthest behind the market benchmark.

An analysis of the average remuneration in 2021 in comparison with previous years shows the results of the remuneration policy. Over one year, the general wage gap in the company was reduced by 0.2 points, which reduced it by 14%.

#### AVERAGE COMPENSATION<sup>1</sup> 2021

49,942€ 48,384€\*



45,683€ 53,109€  
44,077€\* 51,373€\*

#### WAGE GAP 2021

14.0% 14.2%\*

\*2020

#### AVERAGE COMPENSATION CORRECTED<sup>2</sup> 2021

45,612€ 43,990€\*



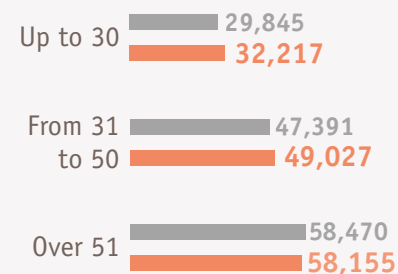
45.063€ 46.036€  
43,423€\* 44,400€\*

#### WAGE GAP 2021

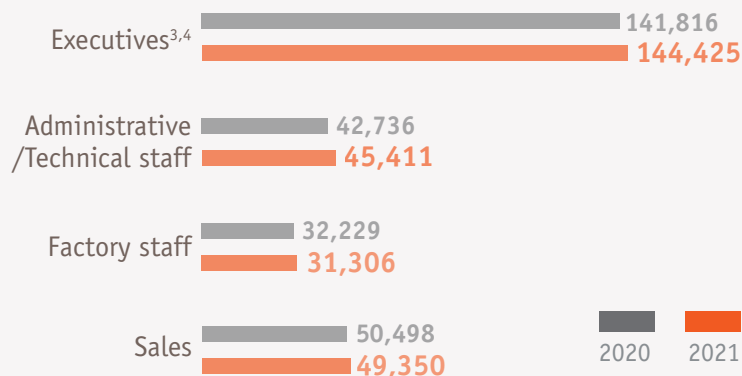
2.1% 2.2%\*

\*2020

#### AVERAGE COMPENSATION BY AGE



#### AVERAGE COMPENSATION BY PROFESSIONAL CATEGORY



<sup>1</sup> The average remuneration includes fixed and variable remuneration.

<sup>2</sup> The average adjusted remuneration does not include the top level management or the group with a seniority of more than 30 years.

<sup>3</sup> Members of the Affinity Group Board of Directors are not remunerated.

<sup>4</sup> The average salary of executives in 2021 was €162,823 for men and €108,992 for women. The figures for 2020 were €156,108€ for men and €111,158 for women.



**As reflected in the equal opportunities plan passed in 2019, as a company we continue to work on the eradication of any wage gaps and to ensure, through the application of specific measures, equal employment opportunities and wage policies that are in line with the criteria of equity and non-discrimination**

## **Equality. Description of measures aimed at facilitating work-life balance and fostering the joint care of children by both parents (GRI 103)**

Affinity has implemented a number of measures to facilitate a work-life balance for its employees.

Depending on the characteristics of the posts they occupy, office employees can work under a flexitime scheme to fit in with their needs.

For workers at the Barcelona and Milan offices, a gymnasium service is available either through an on-site gym or subsidised access to a local gym. Due to the outbreak of Covid-19, the corporate gym was closed for most of the year and could only be reopened in the final quarter of the year.

Along these same lines, a fully financed canteen and breakfast service is available at the central offices. At other locations, food is totally or partially subsidised

through on-site canteens or restaurant vouchers. Although the offices were closed and the canteen and breakfast service suspended during the pandemic, the meal voucher scheme was fully up and running, and its use streamlined.

These measures are intended to encourage healthy habits in the workforce, whilst facilitating a work-life balance.

As reflected in our Code of Conduct, Affinity does not allow discriminatory behaviour of any kind.



In particular, we promote equal treatment between men and women in terms of opportunities, access to employment, training, internal promotions and working conditions.

The gender equality plans in France and Spain both propose measures on matters concerning work schedules, recruitment, staff selection, internal promotions, training, various types of leave and communications, amongst others, that are intended to ensure the equal treatment of men and women. In Italy, although an equality plan is not officially required, the same practices of non-discrimination are applied as in France and Spain.

Affinity has made a whistle-blower channel available to its employees through which they can report any incidents related to the Code of Conduct and bullying at the workplace. If a report is made, it is automatically forwarded to the Ethics

and Compliance Committee or to Human Resources in the case of harassment, which are responsible for adopting the corresponding decisions and measures following an internal review (see sect. 7).

There were no reports of workplace harassment in 2021. However, one report was made in 2020, as a result of which the protocol was implemented and the corresponding sanction imposed.

## Disabled employees and universal accessibility for people with disabilities

Our companies comply with national regulations on integration and access to employment. All Affinity locations comply with the applicable accessibility regulations in each of the geographical locations where we do business.

Affinity has a total of 10 employees (10 in 2019) with a disability. In Spain we also work with socially responsible companies that guarantee the employment of functionally diverse people. In Spain we work alongside the Àuria Group to keep our nutrition centre up and running, and with Fundació Privada Mas Albornà at our factory in Monjos on the placement of adhesive labels and filling rigid containers, while Fundació Privada Santa Teresa del Vendrell works with us on the placement of adhesive labels and packing small bags.







## 6. CONTRIBUTION TO SOCIETY

### 6.1. Commitment to society and local communities

#### Our pet shelter product donation programme

Affinity has always supported the work of animal shelters in Spain, Italy and France through our **programme of donations to shelters**. This was particularly true during the pandemic. It is our contribution to the praiseworthy work of these shelters that take in and care for cats and dogs that have been abandoned or mistreated.

As a result of this initiative, we donate a certain amount of our products to animal shelters every year from our various factories and distribution centres.

#### MEASURES AGAINST FOOD WASTE



#### Products sent to pet shelters (tons)

2021	2020	2019
455	530	478

Additionally, in 2021 the Foundation set up an assistance plan called **Forging Bonds in Difficult Times** in partnership with Affinity's Libra brand that consisted in the donation of dog and cat food to vulnerable families who live with pets. A total of 15.3 tons were donated, which is equivalent to 40,000 portions of food, through charities such as Caritas, the Red Cross and food banks.

## Canì Eroi programme

In the framework of the specific initiatives that we are involved in on our main markets, the Canì Eroi Programme, Dogs That Save and Improve Lives, was started in Italy in 2010 as a result of the social commitment of the Trainer brand. This initiative seeks to raise awareness of the importance of dogs to humans and the fundamental role they play in protecting human lives and rescuing people in situations of danger.



Dogs play a leading role in many civil protection operations, water rescue, search and rescue missions of missing persons, assisting people with a disability and acting as therapy animals.

With the Canì Eroi project, Trainer seeks to showcase the work, commitment and dedication of these dogs and their trainer through different volunteer and governmental associations.



In 2021, we attended three trade fairs (Milan, Bologna and Vicenza) to showcase the company and to get visitors involved in the work we do in three fields:

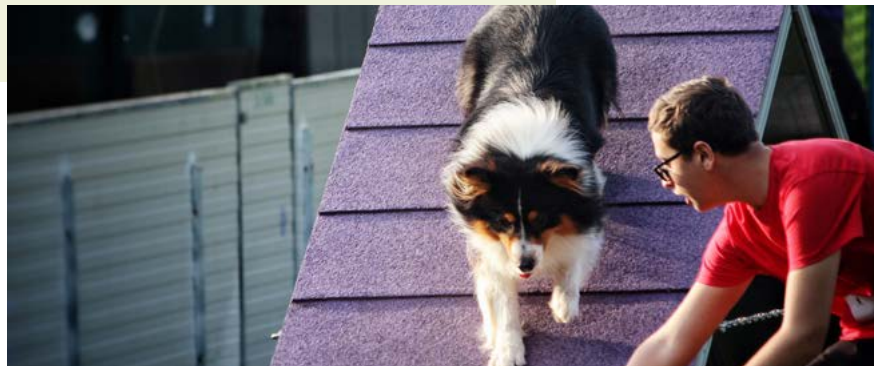
- 🐾 **Water rescue.** A total of 875 people took part in this activity, up 50% on the previous year, that is run in partnership with Scuola Italiana Cani Salvataggio



- 🐾 **Emergency search and rescue.** A total of 830 people with their dogs took part in this activity, up 66% on the previous year, that simulated the search for people after natural disasters such as earthquakes



- 🐾 **Agility.** A total of 315 people with their dogs took part in this activity, up 57% on the previous year





## Affinity Foundation

Furthermore, in **Spain** and **France** a very important part of Affinity's commitment to society and local communities is embodied in our corporate Foundation, the **Affinity Foundation**, which was set up in 1987.

As in the previous year, 2021 was marked by the global pandemic and the related changes in lifestyles.

Some of our programmes have recovered a certain degree of normality, but at the same time this situation has forced us to adapt as the pandemic evolved, without foregoing our mission of **spreading the benefits of the bonds between people, dogs and cats**, and of pursuing outcomes in:



RESEARCH



SOCIAL ACTION



AWARENESS-RAISING

We closely followed the impact of Covid with the aim of contributing to alleviating the effects of Covid-19 by helping the most vulnerable people and animals.

Thus, in 2021 we set up an assistance plan called **Forging Bonds in Difficult Times** in partnership with Affinity's Libra brand that consisted in the donation of dog and cat food to vulnerable families who live with pets, through charities such as Caritas, the red Cross and food banks.

At the same time, we started an innovative therapy programme called Stronger Together at the Sagrat Cor University Hospital to help weak patients who have spent time in an ICU to go back to the life they had before with the help of therapy dogs.

We collected hundreds of stories from personal testimonies about the bonds and support dogs and cats give to people in difficult times in the campaign **What Would Become of Me without You?**.

We continued to do in-depth work on abandonment through our annual study **He Would Never Do It**, which besides putting figures on the problem also reflects the viewpoint of animal shelters about the impact the pandemic has had on pet abandonment and adoption.

We have naturally continued to promote adoption as the best way of bringing a pet

into our lives through our partnership with **Miwuki**.

The year ended on a high note: the change to the Spanish Civil Code, which now considers animals to be living beings full of sensitivity. After many years of work by various organisations involved in animal rights and protection, we greeted this advance with huge satisfaction, as it is one more step in the deobjectification of animals.

In a year as hard as 2021, full of uncertainties, it was once again demonstrated that in difficult times the bonds of affection between people, dogs and cats are strengthened and that their company makes a situation more bearable.



The main activities carried out by the Foundation in 2020 are described below:



## RESEARCH

**Our collaboration agreement with the Autonomous University of Barcelona (UAB) continued in the shape of the UAB Affinity Animals and Health Foundation Chair. The Chair devised and/or completed four research studies and six papers were published as a result. Details about these studies are given below:**

### **🐾 Study on parental practices, in the framework of the therapy programme, Parents and Children (CRAE Parental).**

The Parents and Children therapy programme works with children and teenagers in care in Educational Residential Centres (CRAE) run by the Government of Catalonia, and with their parents or family members. They do activities together to promote responsible parental attitudes, thanks to the involvement of therapy dogs that serve as a model.

The study conducted looked into and confirmed that engagement with the assistance of dogs can help reduce some negative parental attitudes, as well as to increase some positive attitudes and, thus, contribute to better bonds between parents and children.



### The He Would Never Do It study on abandonment and adoption in 2021.

We have been carrying out the He Would Never Do It study on abandonment and adoption for over 25 years in order to provide figures on the serious problem of abandonment. The importance of this study lies in the fact that it is the only one that provides an overall vision of the evolution of this problem in Spain.

It is recognised as a leading study by animal protection organisations, institutions and the mass media on the matter of raising awareness and fighting against abandonment.

In this edition, almost 430 organisations took part that over the year compile all of the information about the animals that they deal with.

On this occasion, we were particularly interested in understanding how the pandemic caused by Covid-19 impacted on the abandonment and adoption of pets in Spain in 2020. The results show that it did in fact have a certain influence, especially in the case of dogs, as 162,011 were taken in by shelters, 11.6% fewer than the previous year. This is the first decrease recorded in years. However, this is fundamentally due to the travel restrictions in March, April, May, October and November that meant that fewer dogs were lost or abandoned.

However, the number of cats taken in remained stable in comparison with the previous year: shelters in Spain took in 124,142 cats, a figure very similar to those rescued in 2019. The number of cats taken in during March, April and May did drop considerably, due to the restrictions. However, from June the figures rose to the same levels as in 2019, which cancelled out the fall in the previous months.

Insofar as the adoption of pets is concerned in 2020, it can be said that in contrast to a slight increase in adoptions in Spain there was a decrease in adoptions in other countries.



### **🐾 Commitment – VetBonds project study (Affinity Foundation Chair /Avepa)**

A person's degree of commitment to the relationship with a pet can have an influence on the care and attention it will receive. Commitment is high when the satisfaction gained from this relationship is also high, when a great deal of effort has been put in to make it successful and when the alternatives are not very attractive. The Commitment study is designed to pick up different patterns of commitment in people who live with an animal and to correlate the degree of commitment with the veterinary care given to it.

+ INFO



### **🐾 Commitment – Best Friends project study (Affinity Foundation Chair/FAADA)**

The Foundation for Advice and Action in the Defence of Animals (FAADA) runs a programme called Best Friends, which aims to enable homeless people who have animals to be let into shelters or be awarded social housing in Barcelona and across the whole of Catalonia. To achieve this goal, it is important to objectively quantify the value of pets as a source of social support to people who are temporarily homeless.

The aim of the research project is to explore the role pets play as a source of support to the homeless, vulnerable people and/or people bullied on social media, as well as to characterise pets as a fictional family member or an addition to the family structure of the homeless, vulnerable people and/or people bullied on social media.

FADA

NOTA DE PRENSA

El 74% de las personas sin hogar considera a su perro su principal fuente de apoyo social



Según el primer estudio elaborado por la Cátedra Fundación Affinity Animales y Salud de la Universitat Autònoma de Barcelona (UAB), la Fundación Affinity y la Fundación para el Asesoramiento y Acción en Defensa de los Animales (FAADA).



The Chair's research work has been published in several scientific journals such as *Frontiers in Psychiatry*, *Animals* and *Veterinary Record*, and has appeared in two books.

### The paper published in *Frontiers in Psychiatry* corroborates the role of dogs as a source of social support

(Jonathan Bowen, Antonio Bulbena, and Jaume Fatjó. The Value of Companion Dogs as a Source of Social Support for Their Owners: Findings from a Pre-Pandemic Representative Sample and a Convenience Sample Obtained During the COVID-19 Lockdown in Spain. *Frontiers in Psychiatry* 12 (2021).

### The Chair wrote the chapter on stress in therapy dogs in the leading manual on animal-assisted interventions published by Springer

(Jaume Fatjó, Jonathan Bowen, and Paula Calvo. Stress in Therapy Animals. The Welfare of Animals in Animal-Assisted Interventions: Foundations and Best Practice Methods (2021).

### The Chair wrote a chapter in the popular book on cat behaviour and well-being

*Comportement et bien-être du chat. Une approche interdisciplinaire*, by Sarah Jeannin (Paris Nanterre University) and Thierry Bedossa.







## SOCIAL ACTION

### THERAPIES

A return to a certain degree of normality was seen in our therapy programmes in 2021. We held sessions, adapted at all times to the situation caused by the pandemic, in the programmes we run: Buddies and Petit Coda (children and young adults in care); Parents and Children (CRAE Parental, children in care and their families); Respect Me (Lleó XIII School); Opening Doors (prisons); in addition to other programmes in old people's homes, juvenile detention centres and mental health hospitals.

In addition, two new programmes were launched in 2021: Stronger Together and Huscan.

#### Stronger Together therapy programme

This therapy programme is carried out in the Frailty Unit at Sagrat Cor University Hospital (Barcelona). Its objective is to speed up the recovery of patients who have come out of an ICU after suffering from Covid or other illnesses, or who have had an accident.

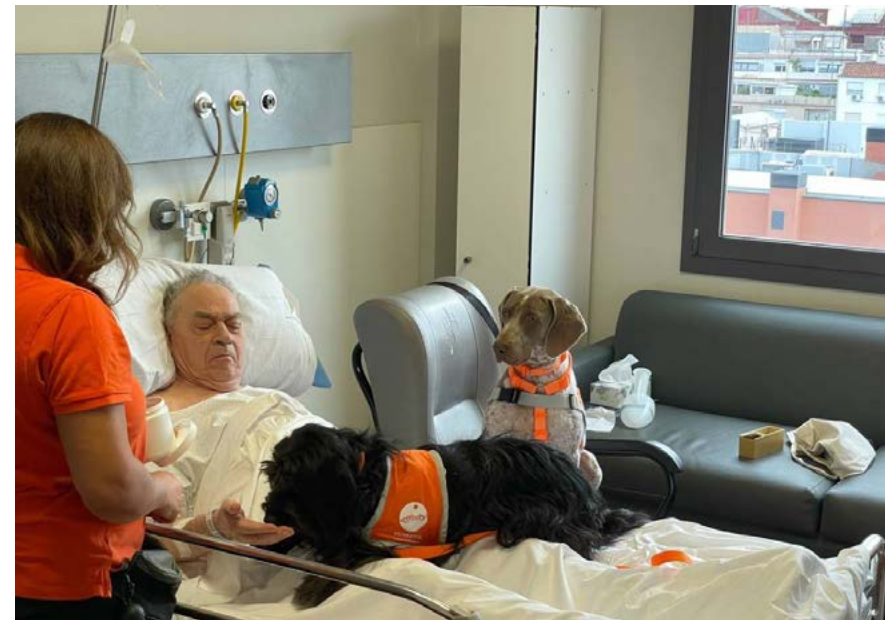
These patients have physical and/or cognitive complications that prevent them from living their lives normally.

Apart from intervening in the therapeutic rehabilitation sessions, the presence of therapy dogs in Sagrat Cor Hospital contributes to humanising the hospital environment, which also benefits other patients, family members and healthcare workers.

Hospital  
Universitari  
Sagrat Cor



Juntos  
+ fuertes





### **Huscan therapy programme**

The Huscan programme, which falls within the framework of a project run by the Directorate General for Child and Adolescent Care (DGAIA) called Barnahus, is a pioneering programme designed to help minors who have been victims of sexual abuse.

Therapy dogs are used in this programme to accompany children when they are being interviewed or medically examined, which gives them the emotional support they need to describe what happened to them.

The aim is to reduce the children's levels of stress and anxiety, and to help them open up to the therapists.





We also promoted adoption through our social media:

### ADOPTION

Promoting the adoption of pets is one of the commitments of the Affinity Foundation. In 2021, we did this in partnership with Miwuki, a free online platform and app that puts animal shelters in contact with potential adoptive petparents.

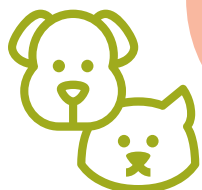


FOLLOW US



### Adoption is Better!

We also work with Barcelona City Council in promoting adoption. It was once again impossible to run this campaign this year at Barcelona's annual festival (La Mercè), but we were able to participate in virtual events that took place in September and December to promote responsible adoption.



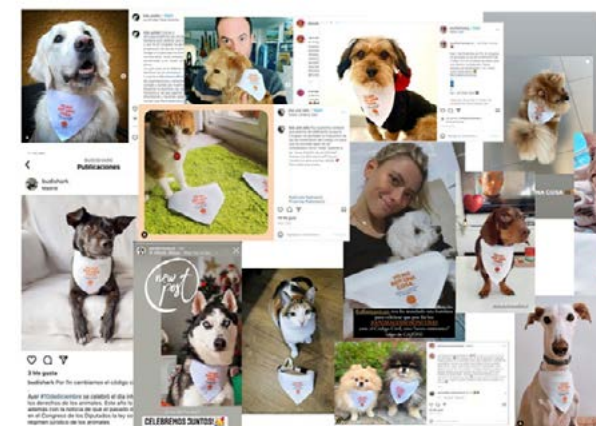
## ANIMAL RIGHTS

**Change to the Spanish Civil Code**  
**In the area of animal rights,**  
**2021 marked a major milestone**  
**for the way animals are**  
**treated, as they are now legally**  
**considered to be living sentient**  
**beings.**

This change to the law, which the Affinity Foundation has been pushing for since 2017 alongside many other organisations, means that Spain's legal system has finally recognised what science proved a long time ago, namely, that animals are not things but rather living beings and, as such, they deserve our protection and due care in their well-being. This amendment affects situations such as the custody of a pet in the event of divorce, foreclosures or mortgages.

The Affinity Foundation's work on this issue concentrated on raising awareness in society about the need for the change and its implications, in a comparative study of the legislation in other countries, on mass mobilisation – by encouraging people to sign the petition started by the Observatory of Animal Justice and Defence – and on politics – by advising politicians with the

help of legal experts on Animal Rights of the implications and suitability of the text and, in short, by supporting the steps taken by political parties and institutions so that this change finally saw the light of day.



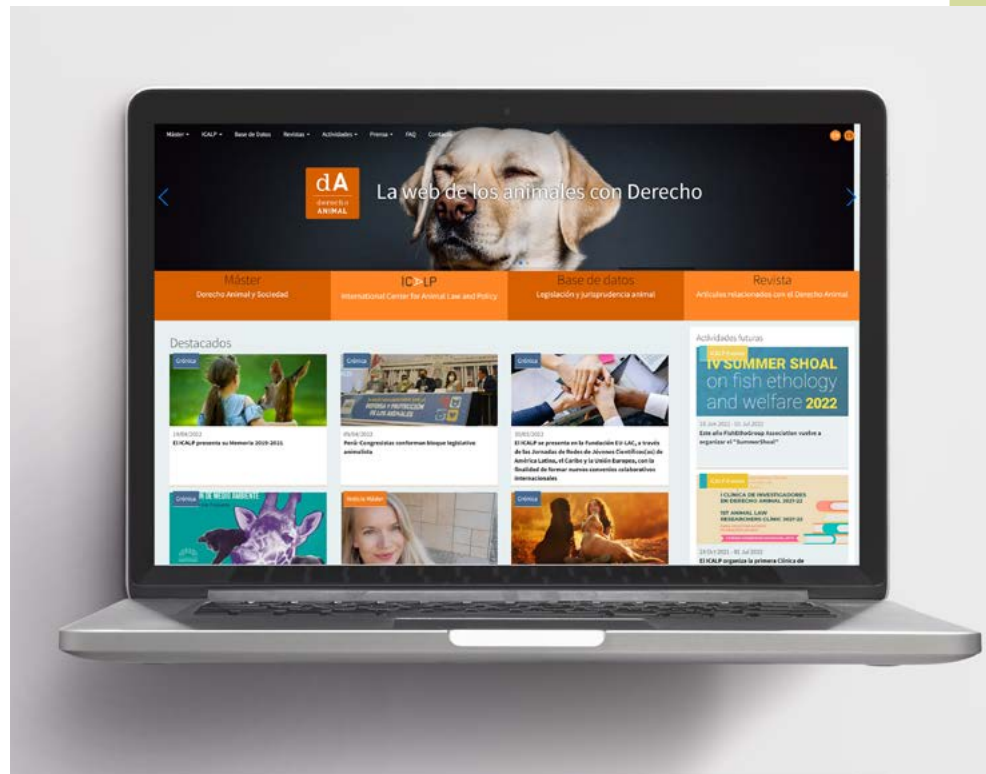
## #AnimalsAreNotThings





### Animal rights website, Master's Degree in Animal Rights, ICALP

We support training and give information about animal rights, as can be seen on the website at [derechoanimal.info](http://derechoanimal.info), which keeps the only database on legal matters concerning pets in Spain. Furthermore, we give ongoing support to the Master's Degree in Animal Rights, a leading course in this field, in addition to the research work carried out by the International Center for Animal Law and Policy (ICALP).





## AWARENESS-RAISING

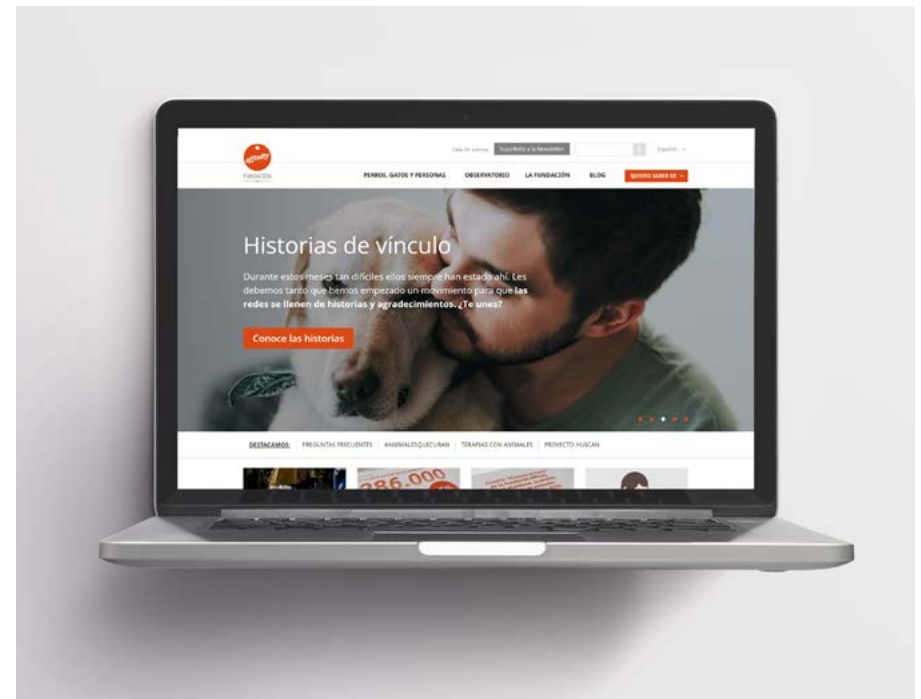
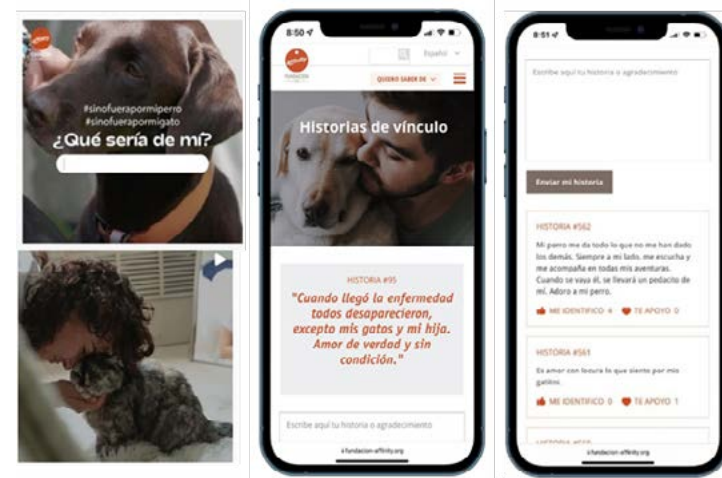
### CONTENTS

We have continued to create general content packages both in Spain and in France, including online articles, videos, infographics, posts and live streams on our social media.

### Difficult Times campaign: What Would Become of Me without You?

According to our latest study on the role of pets during the pandemic, 3 out of every 4 Spaniards say that living with a dog or a cat helped them to deal with social distancing. Specifically, 71% said that being with their pet at home contributed to them feeling less lonely, whilst 68% believed that just being able to stroke it helped a great deal in enduring this situation.

In 2021, we wanted to showcase the support dogs and cats gave in the difficult times experienced. In line with this idea, we launched a campaign in May to highlight the role pets play in difficult situations by showing our appreciation for their support and urging pet lovers to come forward to share the personal stories they could tell about the difficult times they have experienced.



## **Abandonment and adoption**

We have created contents to raise awareness about the problem of abandonment, the situation of animal shelters in these complex times, and their vision of the potential evolution of Covid and the impact it could have on abandonment and adoption.

We have also created content to promote responsible adoption and to make people think about their decision to add a pet to their lives.



## **The second Pet Strike,**

held in the framework of World Animal Day on 4 October, sought to bring to light the lack of resources animal shelters have and to make the case that there is still a lot to do to ensure animal well-being.



## **Affinity's Christmas campaign**

run by the Affinity Foundation, highlighted the role pets play in our lives by showcasing the fact that apparently insignificant actions have great value for us. *"Doing Nothing, they Give us Everything"* is another homage to dogs and cats that are always there and add value to our lives by (apparently) doing nothing.



[SEE HERE](#)





## PUBLIC RELATIONS

The mass media play a major role in championing awareness-raising messages. In 2021, we sent 11 press releases to the mass media. The messages released to the mass media include the promotion of adoption, a condemnation of abandonment based on figures from the studies conducted, the social impact of the therapy programmes carried out – specifically, the presentation to the mass media about the Parents and Children programme (CRAE Parental) and the Stronger Together programme (Frailty Unit, Sagrat Cor Hospital).

In 2021, we were the subject of 1,290 pieces of news, 9% fewer than in the previous year. Our potential aggregate audience was 492.7 million, 16% down in comparison with 2020.

## MEDIA

We disseminate contents through campaigns on digital media in order to raise awareness in society.

## WEBSITE

Our website has visits from more than 200 countries, with Spanish, French and English being the most read languages.

In 2021, we had a total of 222 million hits in Spain and in France (16% up on the previous year). Our messages reached 98% of our target audience in Spain (+1 pp versus 2020) and 91% in France (-1 pp versus 2020).

This year, we posted various campaigns on the website that had been run over the year, with particular emphasis on the Difficult Times, and the Abandonment and Adoption campaigns.

In 2021, our website received 1.8 million visitors, 47% more than the previous year.





## 6.2. Our response to the pandemic

The world pandemic that we are going through means that we have to continue to adapt, as well as to contribute to improving the situation of dogs, cats and the people who look after them.

In this context, one of our priorities for 2021 was to stand by the most vulnerable dogs and cats. Pets are usually another member of the family and, therefore, faced by adverse economic situations petparents have an added worry: the fear of not being able to cover the basic necessities of their cat or dog such as their food.

Therefore, the Affinity Foundation in partnership with the Libra brand set up an Aid Plan addressed to petparents, and vulnerable cats and dogs, through which we donate food to cover the food requirements of cats and dogs in families that are going through financial hardships.

It is a project in which the partnership between organisations takes on special importance as the aid is distributed through charity organisations: the Red Cross, Caritas and food banks.



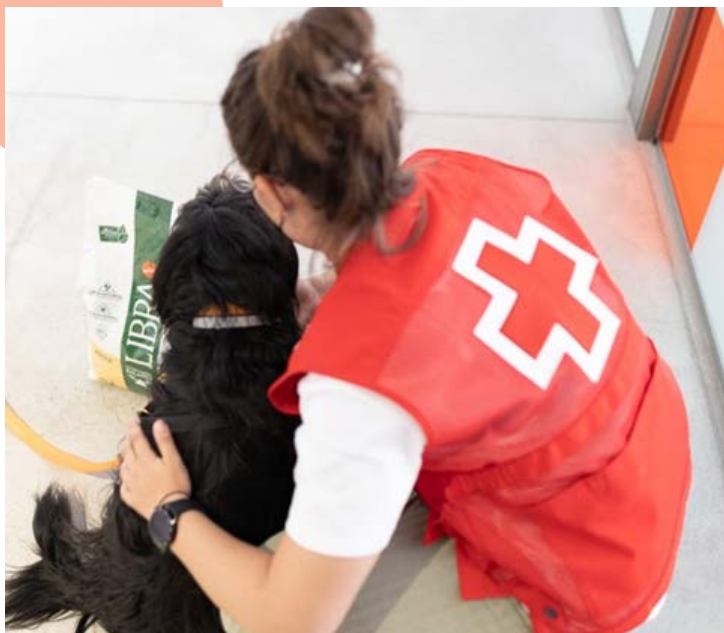
FUNDACIÓ  
BANC DELS ALIMENTS



**Caritas**



**Cruz Roja**



**Through this plan, which started in mid-2021 and that will continue in 2022, we have made an annual donation of approximately 235,700 food portions. More than 900 families have benefited from this plan**

### 6.3. Tax contributions

The net profit by country, including companies consolidated using the full and proportional integration method (excluding companies subject to the equity method), is as follows:

#### NET PROFIT PER COUNTRY (thousands of €)

	2021		2020	
Spain	41,520	72%	33,338	72%
Italy	10,012	19%	8,975	19%
France	4,619	8%	3,865	8%
Belgium	22	0%	22	0%
Netherlands	-16	0%	-18	0%
Portugal	447	1%	370	1%
Brazil	0	0%	-242	0%
<b>TOTAL</b>	<b>56,604</b>	<b>100%</b>	<b>46,310</b>	<b>100%</b>

The corporation tax paid by Affinity, calculated in accordance with the VAT payment scheme, was as follows:

**2021: € 13,031 thousand**

**2020: € 16,522 thousand**



## 7. Ethics and integrity

### 7.1. Risk management and policies

The Group's risk management policy is in line with best practices in the market, whose goal is to ensure that risk events that could affect it in attaining its strategic objectives are properly identified, assessed and managed. The resulting risk map is regularly reviewed and monitored by both the Management Board and the Audit Committee. Risk management is an ongoing process and takes all business activities into consideration, including non-financial ones. To assess them, the potential impact and the likelihood of an event actually occurring is considered. In addition, the controls in place, their efficiency and mitigation plans are identified.

Insofar as the risks subject to this report are concerned, it must be highlighted that the operations of the Affinity sub-group are basically conducted in Europe, where there is a regulatory framework to ensure that they are compliant, which means that the matters dealt with in this report are subject to a high level of compliance and supervision of our operations, as well as those of our suppliers and other stakeholders.

We also have policies and procedures that cover the risks identified in this report.

## 7.2. Ethics and the internal control model

Ethical conduct is one of the Affinity Group's core pillars, as reflected in its Code of Conduct. On an organisational level, one of the functions of the Ethics and Compliance Committee, as a permanent internal governing body, which reports to the Audit Committee of the Board of Directors, is to promote a culture of ethical conduct with zero tolerance in respect of any unlawful acts committed and situations that go against the legislation in force.

To assist it in performing its functions, the Ethics and Compliance Committee relies on Affinity's Internal Control System,<sup>(1)</sup> which is designed in accordance with international COSO standards whose aim is to provide a reasonable level of certainty that control objectives are attained in the following areas:

- 🐾 **Efficiency of operations**
- 🐾 **Reliability of information**
- 🐾 **Compliance with the laws, rules and regulations that apply**

Therefore, Affinity's control model comprises a set of substantive rules, procedures and specific actions designed by the Group to encourage the organisation to act ethically and, as a result, in compliance with current regulations. Its ultimate aim is to prevent, detect and react to irregular actions, fraud or conduct that is contrary to the Affinity Group's Code of Conduct in general, and to current regulations in particular.

<sup>(1)</sup> **THE 5 FEATURES GOVERNING AFFINITY'S INTERNAL CONTROL SYSTEM ARE AS FOLLOWS:**



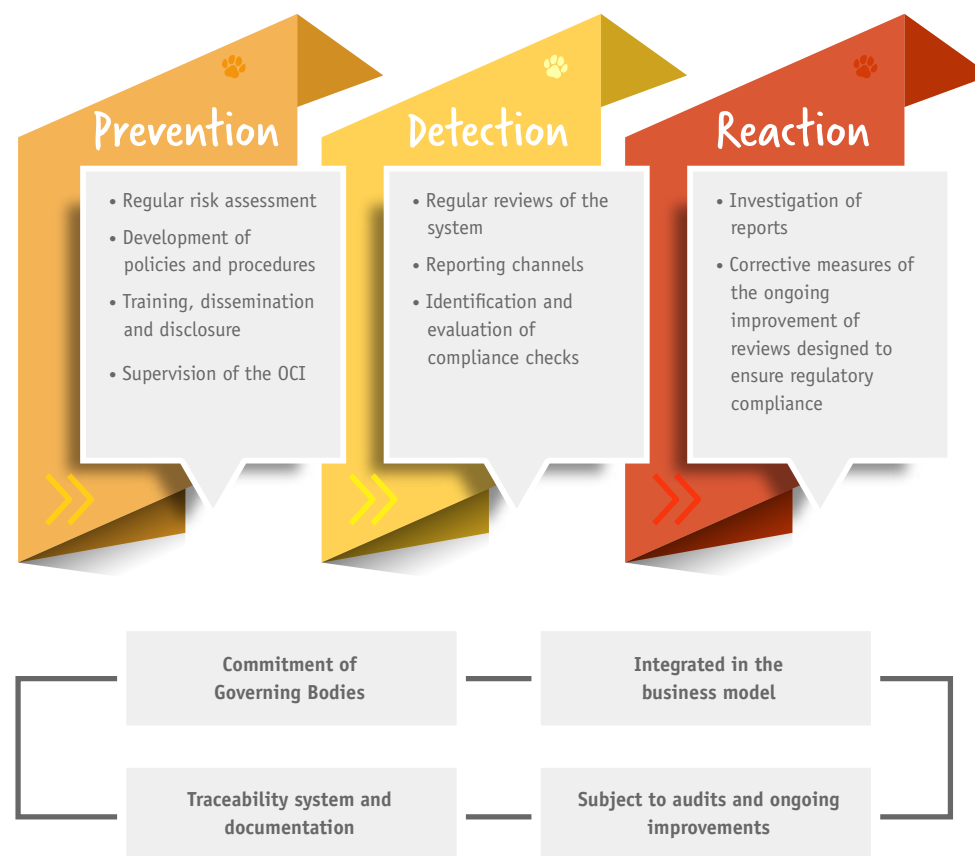


**Our regulatory compliance system is not only subject to matters related to the adaptation of amendments made to Spain's Criminal Code, and the fight against activities such as corruption and bribery**

The Ethics and Compliance Committee has identified the regulatory frameworks to which the Group is subject, as well as the most relevant ones in line with the nature of our business, based on applying a risk assessment methodology. The departments and functions with responsibility or competencies in compliance-related areas have been established with the aim of coordinating these functions and thereby ensuring the effective operation of the compliance system as a whole. Therefore, our regulatory compliance system is not only subject to matters related to the adaptation of amendments made to Spain's Criminal Code, and the fight against activities such as corruption and bribery, but also to all levels of compliance the Group is obliged to fulfil.



## THE AFFINITY GROUP'S COMPLIANCE SYSTEM IS A COMPREHENSIVE, THREE-PRONGED SYSTEM



## Most notable actions in the area of ethics and compliance

As pointed out above, in the framework of its Internal Control System, the Group carries out a number of actions and has monitoring systems in place for ensuring compliance with the laws and regulations in force.

These include (i) crime prevention programmes developed to comply with the provisions of the Spanish Criminal Code (without prejudice to additional actions required under the laws in other jurisdictions where the Group operates); (ii) measures for compliance with the Code of Conduct, including, inter alia, specific training and communication plans for all professionals in the Group, as well as the whistle-blower hotline; (iii) specific internal rules on regulatory compliance; and (iv) controls that mitigate the risk of breaches of the laws in force.

The Ethics and Compliance Committee is responsible for the Code of Conduct, the Corruption and Fraud Policy, the Purchasing Policy and the Supplier Code of Ethics, the Crime Prevention Policy, the Whistle-Blower Channel and any others assigned to it by the Audit Committee, the Board of Directors of the Group's holding company or that are included in Affinity's Corporate Governance System.



## Fighting corruption and bribery

The Code of Conduct sets out Affinity's commitment against corrupt business practices (in any shape or form) and/or bribery.

Affinity's Anti-Corruption Policy, applicable to all Group companies, set out the principles contained in our Code of Conduct of staunch commitment to strict compliance with the regulations on preventing and fighting against corruption.

Affinity rejects any form of corruption by taking a zero-tolerance approach to any breach of our policy. To prevent corruption, Affinity conducts its business in accordance with the laws in force in all areas and in all the countries where we operate, true to the purpose and spirit of the law, whereby it undertakes:



- 🐾 Not to influence the will or objectivity of people outside the Company to obtain any benefit or advantage by means of unethical and/or illegal practices.
- 🐾 Not to give, promise or offer, directly or indirectly, any item of value to any natural or legal person in order to obtain undue advantages for the Company.
- 🐾 Not to allow facilitation payments (small payments in order to expedite or facilitate the completion of administrative or similar formalities).
- 🐾 Not to directly or indirectly finance any political party, its representatives or its candidates.
- 🐾 Not to use donations to cover up improper payments.
- 🐾 Not to solicit or improperly receive, directly or indirectly, commissions, payments or benefits from third parties in connection with investments, divestments, financing or expenditures carried out by the Company.
- 🐾 To faithfully and adequately reflect the Company's activities, operations and transactions in the Company's books and records.
- 🐾 To foster a culture of integrity within the Group, as well as with suppliers and subcontractors, through the dissemination of ethical conduct.



Whenever there is any evidence, doubt or suspicion of any form of corruption whatsoever, it must be reported immediately by the Affinity employee who has detected it to his or her superior, to Affinity's Legal Services or to its Ethics and Compliance Committee. The Company's employees, as well as third parties, may also convey their doubts or concerns through the whistle-blower hotline provided for this purpose.

Affinity will not tolerate any retaliation against anyone who in good faith reports facts that could constitute a breach of our policy.

The company's Code of Conduct, its corporate policies and access to the Whistle-Blower Channel are available on its intranet. A channel has also been enabled on the corporate website, through which the company's suppliers are able to report any conduct that goes against our Supplier Code of Ethics.

In 2021 and 2020, the Ethics and Compliance Committee did not detect any cases of corruption and/or bribery, nor of any discrimination or breach of human rights.

Finally, as Affinity is not subject to Act 10/2010, of 28 April, on the Prevention of Money Laundering, no specific policy on this matter has been drawn up. Notwithstanding the foregoing, money laundering is dealt with in the risk analysis drawn up by the Ethics and Compliance Committee, whose findings were that the company's Finance department would be most likely to engage in this practice.



## Respect for human rights

Respect for human rights forms part of Affinity's commitments to society and its employees. The Code of Conduct sets forth the basic principles on the dignity of individuals, equal opportunities and gender equality, and non-discrimination. In conducting our business and operations, we are bound by the ethical considerations of the UN's Universal Declaration of Human Rights, the Tripartite Declaration of the International Labour Organization (ILO) and the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD).

It should likewise be highlighted that the operations of the companies controlled by the Affinity Group are basically limited to the European market, where both EU and local laws offer a high level of protection in the areas of human rights, the prevention of forced labour and child labour.

Knowledge of and compliance with the Code of Conduct is reinforced by the company's communication and training plan, which is delivered to new hires when they join Affinity in the shape of an on-line course that must be completed by all employees; training based on the explanation of the principles and conflicts that may arise; and information sessions on the Code and involvement in the business.

Non-compliance with either the Code and or any other aspect related to human rights, will be analysed according to internal procedures, legal regulations and the agreements in force, and may result in disciplinary action or termination as stipulated in the internal regulations and the law.

Affinity's employees have the obligation to inform the company, confidentially, of any

breach of the commitments contained in this policy they may observe. People who are not employees of the company but who observe potential breaches in this area may also report them. The company has not received any complaints for human rights violations.

When considering a potential acquisition, Affinity will take into consideration its impact on the protection and promotion of human rights and will define indicators in this regard.

Similarly, the Supplier Code of Ethics to which our suppliers adhere includes among its guiding principles the commitment to respect the protection of internationally recognised fundamental human and workers' rights within their sphere of influence, and to provide a safe working environment, guaranteeing equal opportunities

and complying with all established occupational risk requirements. Suppliers are also responsible for ensuring that their associates and subcontractors abide by these principles.



## 8. Annexes

### 8.1. About this report

#### Scope and framework

This Consolidated Statement of Non-Financial Information of Affinity Petcare, S.A. and Subsidiary Undertakings (hereinafter, EINF) has been prepared in keeping with the requirements of Act 11/2018 of 28 December 2018 on non-financial information and diversity reporting passed by Congress on 13 December 2018 which amended the Code of Commerce, the recast text of the Capital Companies Act approved by Legislative Royal Decree 1/2010 of 2 July, and Act 22/2015 of 20 July on audits for non-financial information and diversity reporting (from Royal Decree-Law 18/2017 of 24 November). In drafting it, the provisions of the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI Standards) were taken into account. The coincidence between the requirements of Act 11/2018 and the GRI indicators, and the section of the EINF where the answers are given, is detailed in the Annex titled "Table of Contents of Act 11/2018 on Non-Financial Reporting".

Affinity Petcare's EINF reports on environmental, social, labour, and human rights issues, and its fight against corruption and bribery that are relevant to the company's business operations.



In order to facilitate an understanding of our business model and the markets where we operate, the first section of the EINF on corporate information describes the pet food business of the Agrolimen Group as a whole. In addition to Affinity Petcare, this scope of consolidation also comprises the subgroups Nature's Menu and Nature's Variety. In the following sections on the Corporate Information (section 1), for each issue addressed in the law we have indicated how relevant these issues are for the companies controlled by the Affinity Petcare subgroup, the policies associated with each one, the risks related to each one and the benchmark indicator used to monitor and evaluate them.

## 8.2. Table of contents of Act 11/2018 on Non-Financial Reporting

Requirements of Act 11/2018	Related GRI standards		Replies in the EINF for 2021 given by the Affinity Petcare Group
General information			
Brief description of the Group's business model, which should include: 1.) Its business environment 2.) Its set-up and structure 3.) The markets on which it operates 4.) Its objectives and strategies 5.) The main factors and trends that could affect its future evolution.	102-1	Name of the organisation	1.1. Business model (page. 3-6) 1.2. Sustainable business strategy (page. 7) 8.1. Scope and framework (page. 74)
	102-2	Activities, brands, products and services.	
	102-3	Location of the company's headquarters	
	102-4	Location of operations	
	102-6	Markets served	
	102-7	Size of the organisation	
Description of the policies that the Group applies with respect to environmental management, including the due diligence procedures applied to identify, evaluate, prevent and mitigate risks and significant impacts, and for verification and control, including the measures adopted.	103	Management approach for each area	1.2. Sustainable business strategy (page. 7) 2. Materiality (page. 9) 3. Products (page. 11,16-19) 4. Planet (page. 20) 5. People (page. 29,36,42,45-46) 6. Contribution to Society (page. 49,52) 7. Ethics and Integrity (page. 67,70-73)
The results of these policies should include key indicators for the most significant non-financial results that allow us to monitor and evaluate our progress and that encourage comparability across companies and sectors, in accordance with the national, European and international benchmark frameworks used for each matter.	103	Management approach for each area	
The key environmental risks associated with the Group's activities, including, where pertinent and proportionate, its business relations, products or services that might have a negative impact on these areas, and the way the Group manages these risks by explaining the procedures used to detect and evaluate them in accordance with the national, European and international benchmark frameworks for each matter. Disclosures on the impacts detected must be included by providing a breakdown thereof, particularly key short-, medium- and long-term risks.	102-15	Main impacts, risks and opportunities	1.2. Sustainable business strategy (page. 7) 2. Materiality (page. 9) 3. Products (page. 11,16-19) 4. Planet (page. 20) 5. People (page. 29,36,42,45-46) 6. Contribution to Society (page. 49,52) 7. Ethics and Integrity (page. 67,70-73)

## Requirements of Act 11/2018

## Related GRI standards

## Replies in the EINF for 2021 given by the Affinity Petcare Group

### 1. Information on environmental issues

1.) Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety, environmental assessment and certification procedures;  
2.) The resources dedicated to preventing environmental risks;  
3.) The application of the precautionary principle, the number of provisions and guarantees in place for environmental risks.

103-1

Management approach for each area on environmental issues

4.1. Environmental management (page. 20-28)

### Pollution

Measures for preventing, reducing or offsetting carbon emissions that seriously damage the environment, based on any type of atmospheric pollution that is specific to a given activity, including noise and light pollution.

103-1

Explanation of the topic in question and how it is covered (Emissions)

4.3. Sustainable management of the environmental impact (page. 26-28)

### Circular economy, and waste prevention and management

Waste: Description of measures for waste prevention, recycling and reuse, other forms of waste recovery and elimination; actions to combat food waste.

103-1

Explanation of the topic in question and how it is covered (Effluents and Waste)

4.3. Sustainable management of the environmental impact (page. 26)

301-2

Supplies recycled

6.1. Commitment to Society and local communities (page. 49)

306-2

Waste by type and means of disposal

### Sustainable resource use

Water consumption and water supply in accordance with local restrictions.

303-1

Interactions with water as a shared resource

4.2. Sustainable use of resources (page. 23-25)

303-4

Waste water

303-5

Water consumption

Consumption of raw materials and the measures adopted to improve how efficiently they are used.

103-1

Explanation of the topic in question and how it is covered (Materials)

4.2. Sustainable use of resources (page. 24)

301-1

Material used by weight or volume

Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energy.

103-1

Explanation of the topic in question and how it is covered (Energy)

4.2. Sustainable use of resources (page. 23-24)

302-1

Energy consumption within the organisation

302-4

Reducing energy consumption



**Requirements of Act 11/2018**
**Related GRI standards**
**Replies in the EINF for 2021 given by the Affinity Petcare Group**
**I. Information on environmental issues**
**Climate change**

The most significant aspects of greenhouse gas emissions generated as a result of the company's business activities, including the use of the goods and services produced by the company; The measures adopted to adapt to the consequences of climate change, namely, our medium- and long-term goals established to reduce greenhouse gas emissions and the means implemented for that purpose.	103-1	Explanation of the topic in question and how it is covered (Emissions)	4.3. Sustainable management of the environmental impact (page. 26-28)
	305-1	Direct greenhouse gas emissions (Scope 1)	
	305-2	Indirect greenhouse gas emissions while generating energy (Scope 2)	
	305-5	Reducing greenhouse gas emissions	

**Biodiversity**

Measures taken to preserve or restore biodiversity;	103-1	Explanation of the topic in question and how it is covered (Biodiversity)	Affinity's business and the products it makes do not have significant impacts on biodiversity.
Impacts caused by activities or operations in protected areas.	304-2	Any significant impact of our activities, products or services on biodiversity	None of Affinity's facilities are located in protected areas.

**II. Information on social and employee issues**
**Employment**

Total number of employees and distribution by gender, age, country and professional category. Total number and distribution of work contracts. Annual average in terms of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.	102-8	Information on employees and other workers	5.1. Health and well-being (page. 30-35)
	405-1	Diversity in government bodies and employees	
Employees with disabilities.	405-1	Diversity in government bodies and employees	5.3. Diversity, equality and inclusion (page. 48)
The average salary and its evolution, broken down by gender, age and professional category or equal value. Wage gap, salaries for the same work job or similar positions in the company.	405-2	Comparison of base salary and remuneration for women compared to men	5.3. Diversity, equality and inclusion (page. 46)
The average salaries of board members and senior management, including variable remuneration, meal allowances, other expenses and payment into long-term savings systems, as well as any other item, broken down by gender.	102-35	Salary policies	5.3. Diversity, equality and inclusion (page. 47)
Implementation of workstation disconnection policies.	103-1	Explanation of the topic in question and how it is covered (Employment)	5.1. Health and well-being (page. 42)
Number of dismissals by gender, age and professional category.	401-1	Newly hired employees and job rotation	5.2. Talent development and management (page. 43)

**Requirements of Act 11/2018**
**Related GRI standards**
**Replies in the EINF for 2021 given by the Affinity Petcare Group**
**II. Information on social and employee issues**
**Work organisation**

Organisation of working hours.	103-1	Explanation of the topic in question and how it is covered (Employment)	5.2. Talent development and management (page. 45)
Number of hours of absenteeism.	403-9	Injuries due to work-related accidents	5.2. Talent development and management (page. 45)
Measures aimed at facilitating a good work-life balance and encouraging joint parenting by both parents.	103-1	Explanation of the topic in question and how it is covered (Employment)	5.1. Health and well-being (page. 47)

**Health and Safety at the Workplace**

Health and safety conditions at the workplace.	103-1	Explanation of the topic in question and how it is covered (Health and Safety at the Workplace)	5.1. Health and well-being (page. 36-37)
Workplace accidents, especially their frequency and seriousness, and occupational illnesses, broken down by gender.	403-9	Injuries due to work-related accidents	5.1. Health and well-being (page. 38)

**Social relations**

Organising a social dialogue, including procedures to inform and consult staff and negotiate with them.	103-1	Explanation of the topic in question and how it is covered (Employee-Employer Relations)	5.1. Health and well-being (page. 42)
Percentage of employees covered by the company's collective bargaining agreement.	102-41	Collective bargaining agreements	5.1. Health and well-being (page. 42)
Overview of the collective bargaining agreements, particularly in the field of occupational health and safety.	403-4	Employee participation, dialogue and communication on health and safety in the workplace.	5.1. Health and well-being (page. 42)

**Training**

Policies implemented in relation to training.	103-1	Explanation of the topic in question and how it is covered (Courses and Training)	5.2. Talent development and management (page. 43)
Total hours of training by professional category.	404-1	Average hours of training per year per employee.	5.2. Talent development and management (page. 43)

**Requirements of Act 11/2018**
**Related GRI standards**
**Replies in the EINF for 2021 given by the Affinity Petcare Group**
**II. Information on social and employee issues**
**Accessibility**

Universal accessibility for people with disabilities.

103-1

Explanation of the topic in question and how it is covered (Diversity and Equality)

5.3. Diversity, equality and inclusion (page. 48)

**Equality**

Measures taken to promote equal treatment and opportunities for men and women.  
Equality plans (Chapter III of Organic Law 3/2007 of 22 March, on equality for men and women), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities.  
Policies against all types of discrimination and, where appropriate, diversity management.

103-1

Explanation of the topic in question and how it is covered (Diversity and Equality)

5.3. Diversity, equality and inclusion (page. 47-48)

**III Information on respect for human rights**

Application of due diligence procedures in human rights matters.  
Prevention of risks of human rights breaches and, where applicable, measures to mitigate, manage and correct any human rights abuses committed.

103-1

Explanation of the topic in question and how it is covered (Evaluation of Human Rights)

102-16

Values, principles, standards and codes of conduct

7.2. Ethics and the internal control model (page. 68-70)

102-17

Mechanisms in place for ethical evaluation and concerns.

Promoting and complying with the provisions of the fundamental conventions of the International Labour Organisation in relation to respect for freedom of association and the right to collective bargaining.

407-1

Operations and suppliers where their right to freedom of association and collective bargaining might be at risk.

5.1. Health and well-being (page. 30)  
7.2. Ethics and the internal control model (page. 73)

Complaints made for human rights abuses.

406-1

Cases of discrimination and corrective actions taken

We did not receive or became aware of any reports on this matter in 2020 or 2021.

Eradicating discrimination in recruitment and the workplace.  
Eradicating forced or compulsory labour and the effective eradication of child labour.

408-1

Operations and suppliers with a significant risk of cases of child labour

7.2. Ethics and the internal control model (page. 73)

409-1

Operations and suppliers with a significant risk of cases of forced or compulsory labour

**Requirements of Act 11/2018**
**Related GRI standards**
**Replies in the EINF for 2021 given by the Affinity Petcare Group**
**IV. Information related to fighting corruption and bribery**

Measures adopted to prevent corruption and bribery. Measures to fight against money laundering.	103-1	Explanation of the topic in question and how it is covered (Anti-corruption)	7.2. Ethics and the internal control model (page. 70-72)
	102-16	Values, principles, standards and codes of conduct	
	102-17	Mechanisms in place for ethical evaluation and concerns.	
	205-2	Communication and training on anti-corruption policies and procedures	
Contributions to foundations and non-profits.	413-1	Operations involving participation from the local community, impact assessments and development programmes	6.1. Commitment to Society and local communities (page. 49)

**V. Information about the company**
**The company's sustainable development commitments**

The impact of the company's activity on employment and local development. The impact of the company's activity on local towns and in the local region. Partnership and sponsorship actions.	203-1	Investment in infrastructure and supported services.	6.1. Commitment to Society and local communities (page. 49-64)
	413-1	Operations involving participation from the local community, impact assessments and development programmes	
Relationships maintained with stakeholders in local communities and the types of dialogue with them.	102-43	Approaches to stakeholder engagement	6.1. Commitment to Society and local communities (page. 49-64)
	102-44	Key topics and concerns	

**Subcontracting and suppliers**

Including social, gender-equality and environmental matters in our purchasing policy. Taking into account social and environmental responsibility in relationships with suppliers and subcontractors. Monitoring systems, audits and their results.	102-9	Supply chain	3.2. Sustainable supply chain (page. 16-19) 7.2. Ethics and the internal control model (page. 73)
	103-1	Explanation of the topic in question and how it is covered (Environmental evaluation suppliers)	
	103-1	Explanation of the topic in question and how it is covered (Acquisition practices)	



Requirements of Act 11/2018		Related GRI standards	Replies in the EINF for 2021 given by the Affinity Petcare Group
<b>V. Information about the company</b>			
<b>Consumers</b>			
Measures for the health and safety of consumers.	103-1	Explanation of the topic in question and how it is covered (Health and Safety of Customers, Marketing and Packaging, Customer Privacy)	3.1. Nutritional well-being (page. 13-19)
<b>Complaint systems, complaints received and their resolution.</b>			
Profits obtained by country. Tax paid on profits.	103-1	Explanation of the topic in question and how it is covered (Financial Performance)	6.3. Tax contributions (page. 66)
Public grants received.	201-4	Financial assistance received from the government	In France, we received three grants totalling €202,000 in 2021 for projects involving water treatment, energy saving and ecological transition. In Spain, we received a capital grant in 2019 in the amount of €533,000 in the framework of the energy efficiency grant.

## 8.3. Audit Report

Independent limited assurance report on the Consolidated Statement of Non-Financial Information for the year ended December 31, 2021

AFFINITY PETCARE, S.A. (SOCIEDAD UNIPERSONAL) AND SUBSIDIARIES



*Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails*

### INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the Sole Shareholder of Affinity Petcare, S.A. (Sociedad Unipersonal):

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Statement of Non-Financial Information (hereinafter NFIS) for the year ended December 31, 2021, of Affinity Petcare, S.A. (Sociedad Unipersonal) and subsidiaries (hereinafter, the Group), which is part of the Consolidated Management Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in Section 8.2 "Table of contents of Act 11/2018 on Non-Financial Reporting", included in the accompanying NFIS.

#### Directors' Responsibility

The Directors of the Group are responsible for the approval and content of the NFIS included in the Consolidated Management Report of Affinity Petcare, S.A. (Sociedad Unipersonal). The NFIS has been prepared in accordance with the contents established in prevailing mercantile regulations and following *Sustainability Reporting Standards* criteria of the selected *Global Reporting Initiative* (GRI standards), as well as other criteria described in accordance with that indicated for each subject in Section 8.2 "Table of contents of Act 11/2018 on Non-Financial Reporting", included in the accompanying NFIS.

This responsibility also includes the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFIS that is free from material misstatement, whether due to fraud or error.

The directors of Affinity Petcare, S.A. (Sociedad Unipersonal) are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

#### Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our Firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65, 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.890-1, inscripción 1ª, Madrid 9 de marzo de 1.989. A member firm of Ernst & Young Global Limited.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

#### Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Guidelines on assurance engagements on the Non-Financial Statement issued by the Spanish Institute of Chartered Accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are less extent in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFIS, reviewing the process for gathering and validating the information included in the NFIS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to gain understanding of the business model, policies and management approaches applied, and of the main risks related to these matters, and obtaining the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the 2021 NFIS based on the materiality assessment made by the Group and described in Section 2 "Materiality" of the NFIS, considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2021 NFIS.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFIS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFIS and its correct compilation from the data sources.
- ▶ Obtaining a representation letter from the Directors and Management.

#### Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter has come to our attention that would lead us to believe that the 2021 NFIS of the Group for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents established in prevailing mercantile regulations and following the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in Section 8.2 "Table of contents of Act 11/2018 on Non-Financial Reporting", included in the NFIS.

#### Use and distribution

This report has been prepared to comply with prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

Este informe se corresponde con el sello distintivo nº 20/22/04342 emitido por el Col·legi de Censors Jurats de Comptes de Catalunya

ERNST & YOUNG, S.L.  
(Signature on the original in Spanish)

Antonio Capella Elizalde

March 25, 2022

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