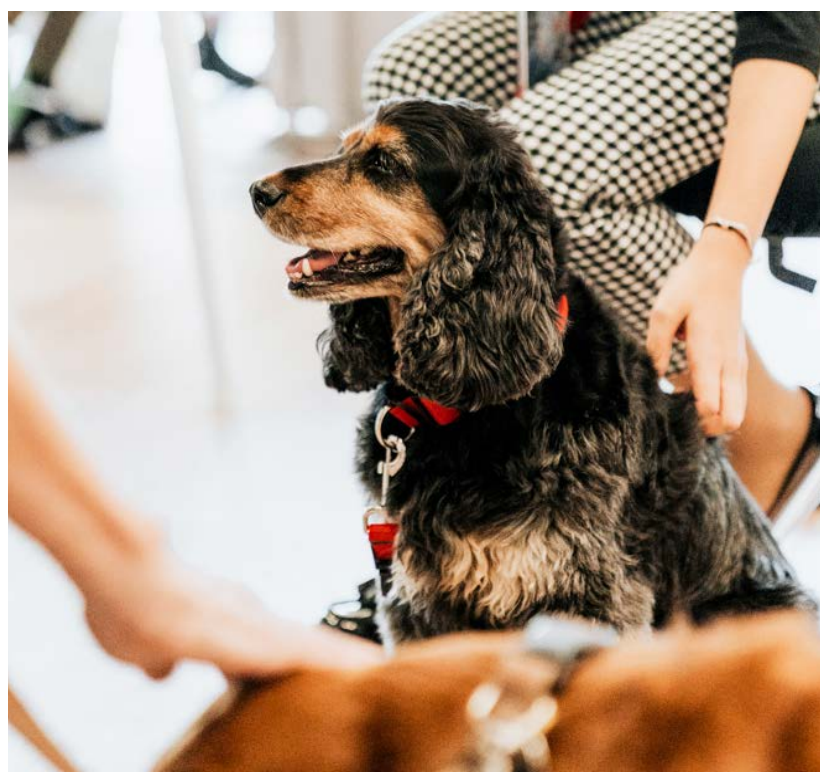




Non-financial information Statement 2020





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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 pet owners and to improve their relationship with their pets by strengthening the bond

between them and helping to improve the physical and emotional health of their pets.

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

The Affinity Foundation has been working for animals and people for more than 30 years in three areas: research, awareness-raising and social action. Three areas of action with a single objective: to disseminate the philosophy that a society that respects animals is a better society.



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 pet food business of the Agrolimen Group¹. **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 dogs and cats, from the most generic to the most specific.



¹ In addition to Affinity Petcare, the Agrolimen Group also comprises the subgroups Nature's Menu and Nature's Variety.

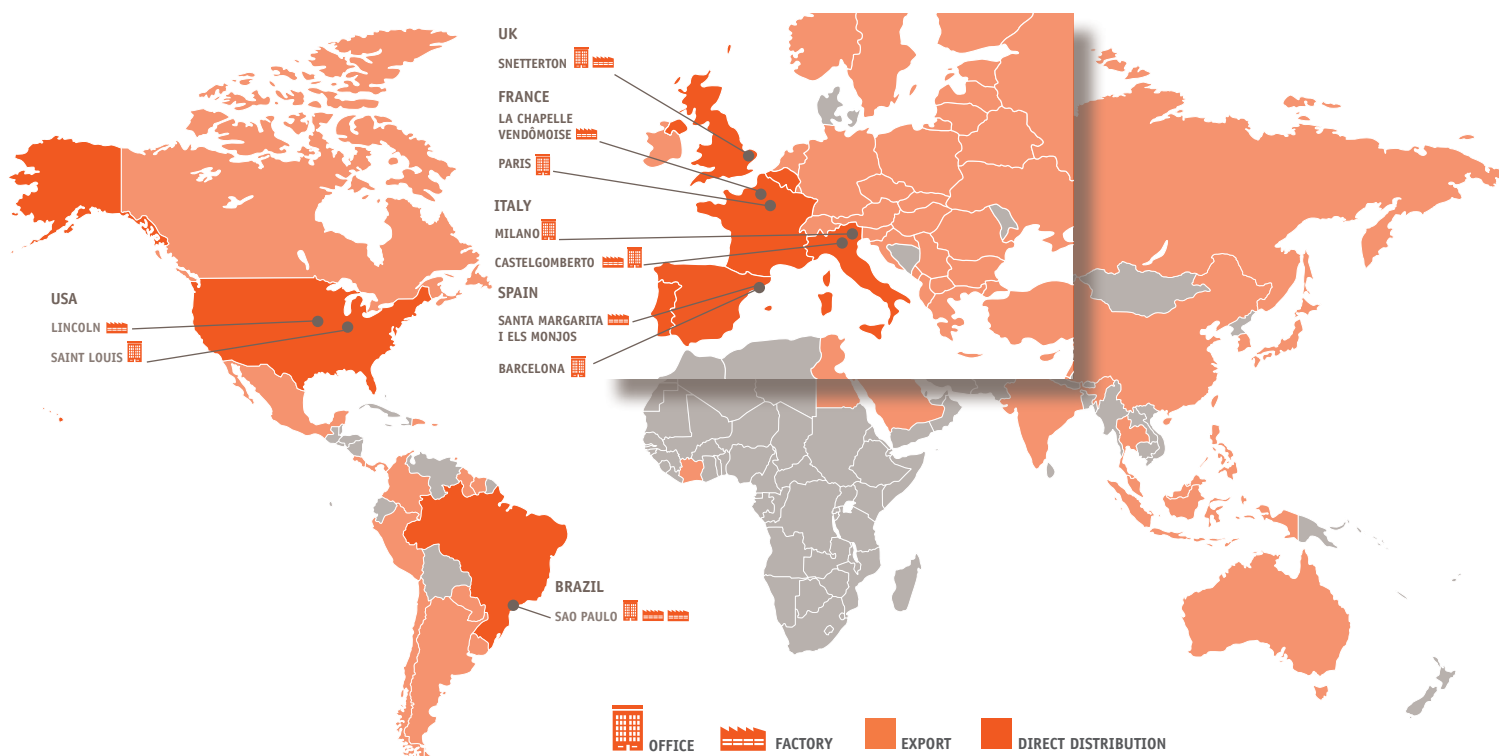
A market- and customer-oriented organization

More than 1,800 employees 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 7 production centres to supply the more than 70 countries where we do business.

Of the abovementioned production centres, the ones in Spain, Italy and France belong to the Affinity Petcare subgroup; Nature's Variety has a production centre in the US; Natures Menu in the UK; and the Brazil centre is a joint venture (50%) of Affinity Petcare.

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.



1.2. Sustainable business strategy

Market environment

It is estimated² that the turnover in the worldwide dog and cat food industry was 83.3 billion euros in 2020, with annual growth of 6.5%, Agrolimen being the sixth largest group in the world.

In Western Europe, the main geographical area where Affinity operates and that accounts for 23% of the sector's global turnover, with growth of 3.3%, 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 prone to pet ownership, with 24% of households owning at least one cat in 2020 and 22% owning 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

² Source: latest available data Euromonitor (2018)

Gestión de la sostenibilidad en Affinity

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

We engage in initiatives in the fields of product

sustainability, protection and care of the environment, social contribution 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 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



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

At Affinity we made every endeavour to discharge our responsibilities by ensuring the uninterrupted

supply of the 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 support to pet shelters.

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

2. Materiality

Affinity has identified the social, environmental and ethical aspects that are most relevant to its stakeholders.

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.

The results obtained are based on products, the planet, society and good governance.

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

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 procedures 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.**

- **Periodically reviews the effectiveness of the procedures implemented and their associated goals and objectives.**

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

- **Customers:** who distribute and sell Affinity products to consumers.

- **Consumers:** who are the owners of the cats and dogs who buy Affinity brand products.

- **Cats and dogs:** that are the end consumers of Affinity 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 demonstrated or fall within the realm of reasonable possibility.

All products marketed by Affinity Petcare are designed, manufactured and distributed under

controlled conditions that are subject to hazard analyses and critical control points.

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

To guarantee all this, Affinity has implemented an HACCP (Hazard Analysis and Critical Control Points) system 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'**



Our quality and food safety systems are 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

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 shape the future of their care and well-being.

Our team is underpinned by the **Affinity Nutrition Center (ANC)** that has acted as a knowledge generation centre for over 40 years, whose results feed into the company's various research platforms.

The ANC forms part of a network of centres with which we work and share know-how that go from public and private universities, veterinary laboratories and, unsurprisingly, clinics and vets that take part in multi-site studies for improving animal welfare and their bonds with their parents.

The scientific publications posted on the leading digital ecosystem **Vets&Clinics**, contribute to training professionals in the sector.



The Affinity Nutrition Center (ANC) that has acted as a knowledge generation centre for over 40 years, whose results feed into the company's various research platforms

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.

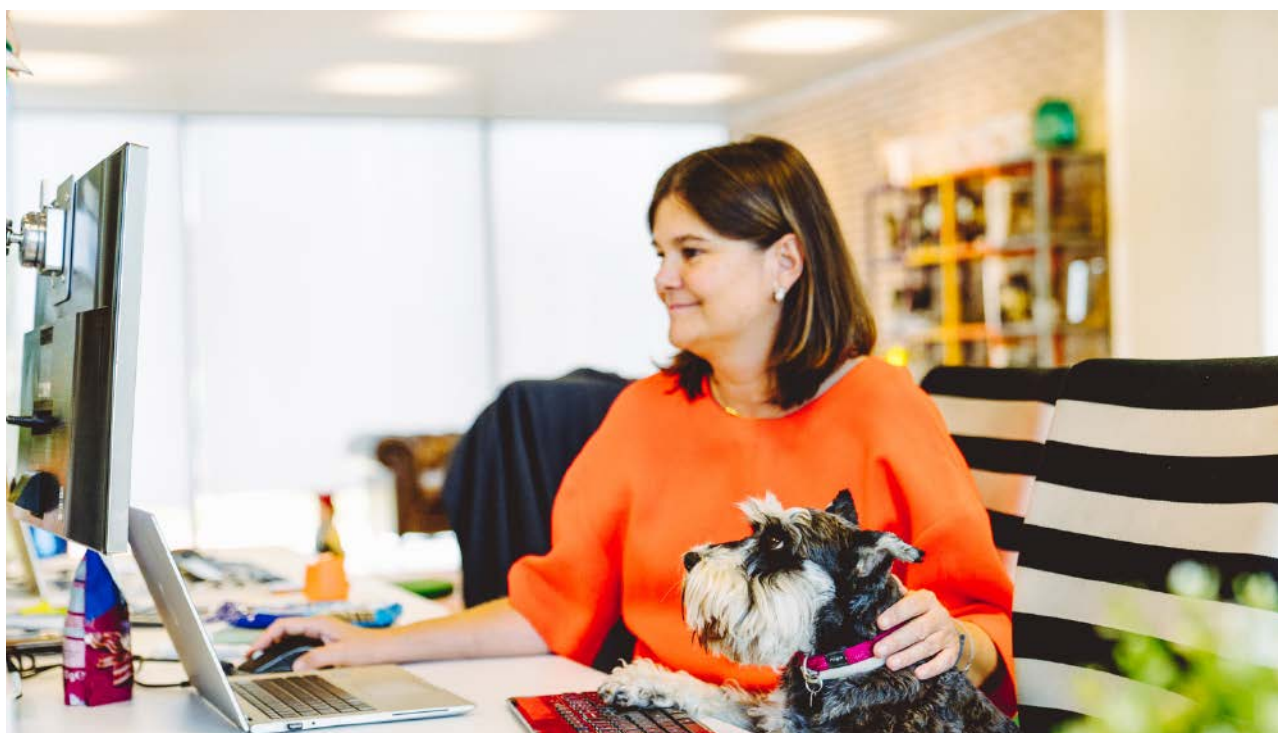
The customer service department dealt with 13,200 enquiries in 2020 (9,500 in 2019), of which 2,500 (19%) were complaints in comparison with 900 in 2019. This rise is due to the substantial renewal of the portfolio of certain brands, although this was done to better adapt our product ranges to the needs of most of our customers, the replacement of certain product ranges and changes in the formulation of others did not necessarily live up to the preferences of certain groups of consumers.

Insofar as the channels used by consumers is concerned, 9,800 (75%) of enquiries were received on digital media (80% in 2019) and 3,400 (25%) by phone (20% in 2019) 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 98% (12,900) had been resolved on the date of the release of this report (99% in 2019).

Affinity's customer service is a free service 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 2020 was 9.4 out of 10 and the digital service 7 out of 10. The customer service freephone numbers, the contact forms and email addresses are listed on our website. These contact details also appear on all of our packaging.



3.2. Sustainable supply chain

Animal well-being

The raw materials and animal origin ingredients that Affinity uses in the formulation of its products are entirely purchased in 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 reproduction, breeding and transport of all animal species to ensure **the Five Freedoms** are upheld.

Freedom from hunger or thirst.

Freedom from discomfort.

Freedom from pain, injury or disease.

Freedom from fear and distress.

Freedom to express normal behaviour.

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 procure 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 shipping 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 supplies, **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 suppliers operate as well in a guaranteed regulatory framework that affords uniform levels of protection and security in all our commercial relations.

Affinity seeks to establish lasting relationships based on mutual trust with our suppliers wherever we do business and in the different categories of applicable products and services. 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, subjects its suppliers to audits that cover aspects related both to quality and environmental considerations. Affinity also continually monitors its suppliers in order to guarantee the level of quality and safety of the raw materials purchased.

Despite the difficulties associated with Covid-19 and, specifically, with the restrictions on travel, **Affinity made the same demands on its suppliers and monitored them to the same level as it has always done.** To do so, some on-site audits were replaced by online assessments that made it possible to review key aspects with its suppliers.

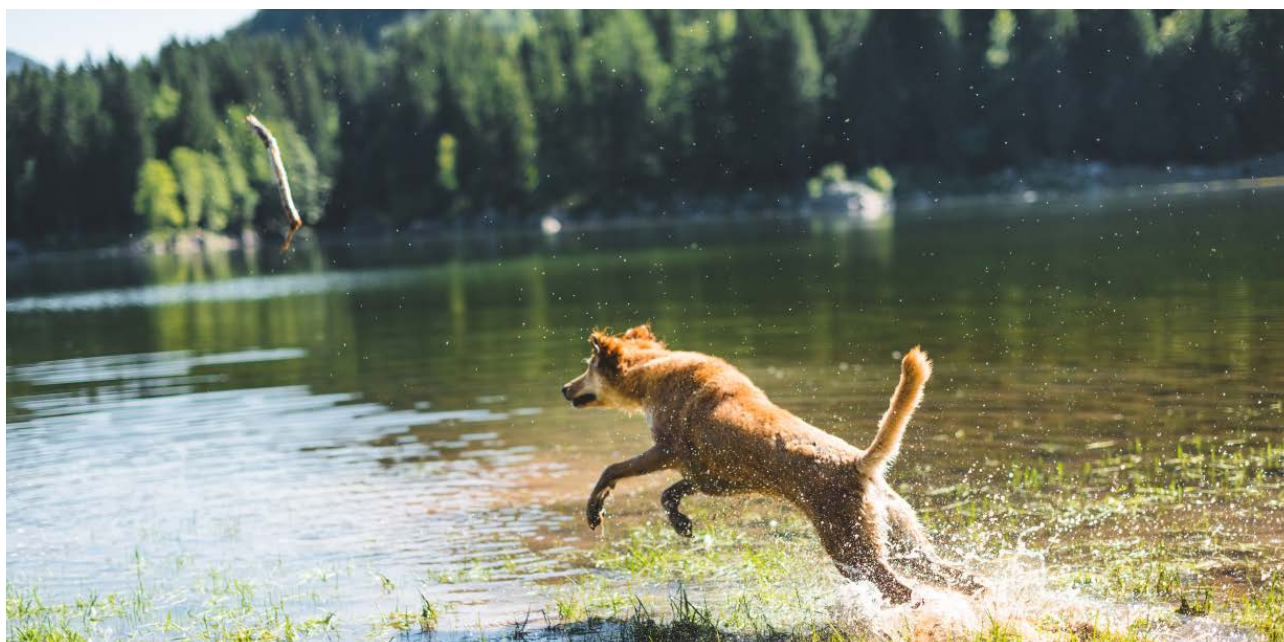
Specifically, in 2020 Affinity conducted a total of 9 on-site audits and a total of 11 online assessments on its suppliers of ingredients, with satisfactory results in 95% of cases.

Affinity also continually monitors its suppliers in order to guarantee the level of quality and safety of the raw materials purchased

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). It is developed, reviewed and updated as part of a systematic approach to environmental management that provides management with the information needed to generate long-term success and create options that contribute to sustainable development.

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. Each year, an inventory of all the activities and processes that affect environmental aspects is prepared. Consideration is given to 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). Once the environmental aspects have been identified, they are evaluated according to a set of evaluation criteria.

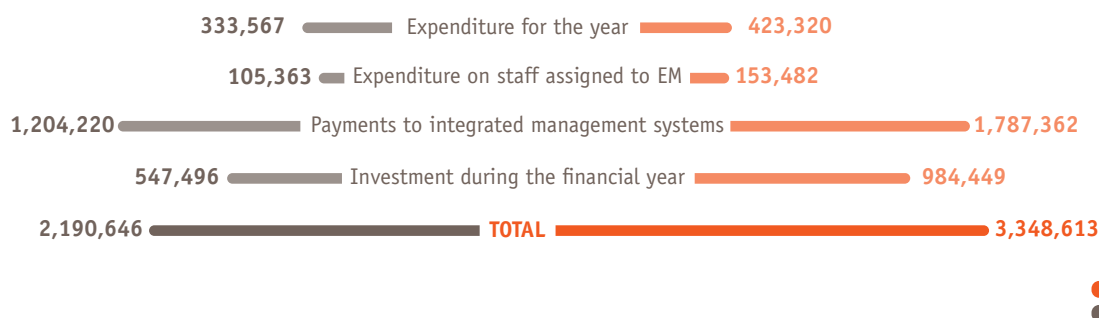
The aspects are then classified in order to determine which ones are significant.

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 2020 were as follows:

RESOURCES DEDICATED TO PREVENTING AND MINIMISING ENVIRONMENTAL IMPACTS IN OUR PRODUCTION PLANTS (€)



2020
2019

In 2020, these expenses rose 53%, due basically to the company's decision to go for a greater sustainability approach, for which new staff has been hired to take care of environmental issues, in addition to increasing investments earmarked for complying with the environmental commitments established, detailed below.

4.2. Sustainability and circular economy

At Affinity we develop strategic lines that ensure that the growth of our business is respectful to the environment and local communities. To do so, we strive to make sure that all of our operations have the smallest possible impact to the environment and we keep the engagement with society.

Commitment to recyclable packaging

At Affinity we are constantly working to improve our packaging by making more efficient use of the materials used for it without compromising its preservation properties. Thanks to this greater efficiency, in 2020 we were able to reduce by 2% the amount of plastic used for primary packaging for each kilo of product produced.

Currently, 63% of the packaging used at Affinity's factories is recyclable. Nonetheless, in 2019 we made a firm commitment to all of our packaging being recyclable by 2025. Therefore, in 2020 an investment of 759,077 euros was made in order to adapt our packing equipment so that it could work with recyclable materials. Thanks to this, the first products packaged in a recyclable material were launched in the market, and it is anticipated that this figure will increase significantly in 2021.

In 2020 an investment of 759,077 euros was made in order to adapt our packing equipment so that it could work with recyclable materials



Analysis of the life cycle of products

One of our focus points is the constant improvement of our products, which includes the management and reduction of their environmental impact.

An example of this during 2020 was the Brekkies brand, in which an investment of 102,054 euros was made in the factory dosing system so that artificial colouring could be removed from the products and only natural colorants could be used.

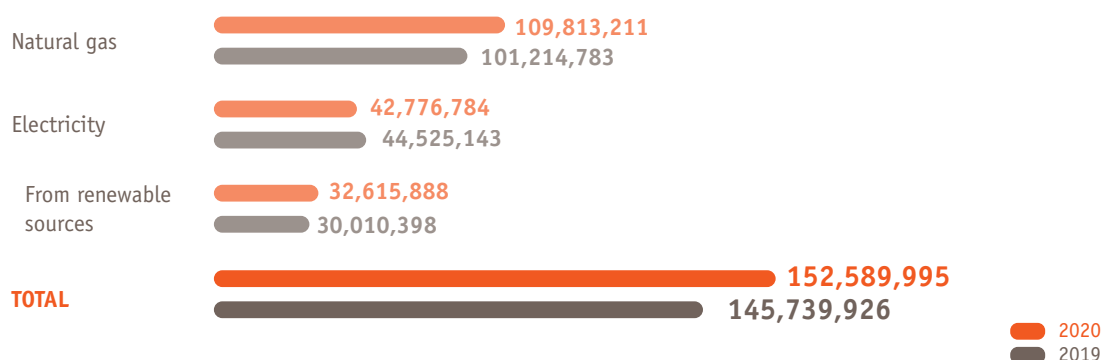
4.3. Sustainable use of resources

Energy consumption

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

Energy consumption in 2020 is set out below, whose figures are very similar to the previous year.

Energy consumption (kWh)



As in 2019, in 2020 all the electricity consumed in the factories in Italy and Spain came from renewable sources, which accounts for 70% of total electricity consumption.

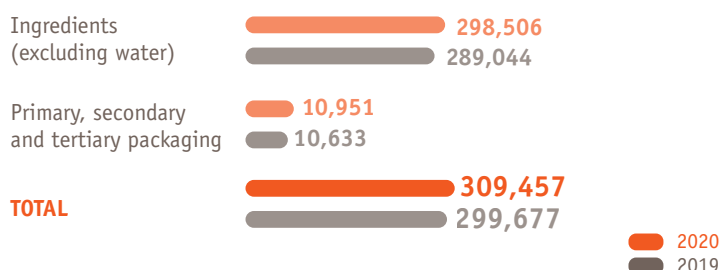
There is an internal energy-efficiency management programme with a consumption measurement system, continuous improvement plans and regular energy audits. In the framework of this programme, in 2020 an amount of 32,495 euros were invested in the upgrading of the energy efficiency of air compressors and in replacing the steam boiler in the factory in France for a more efficient one.

Consumption of materials

The quality of our ingredients is a basic pillar of our commitment to the pet welfare. We select top quality ingredients with high nutritional value that contribute to the development and quality of life of dogs and cats. Packaging materials also play an essential role in the proper preservation of the products, ensuring their preservation throughout their shelf-life.

In 2020, the consumption of ingredients and packaging materials followed the annual growth, with an increase of 3% in comparison with the previous year, as can be seen in the following table.

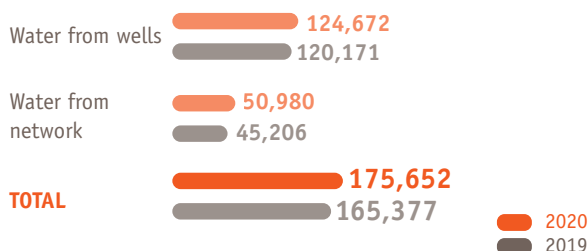
Consumption of raw materials (tons)



Water usage and wastewater discharge

71% of the water used by Affinity during its production processes comes from wells authorised by the competent authorities in each country.

Direct water consumption (m³)



Most of the water consumed (90 to 93%) is used during the cooking process, and then it completely evaporates and is returned to the atmosphere.

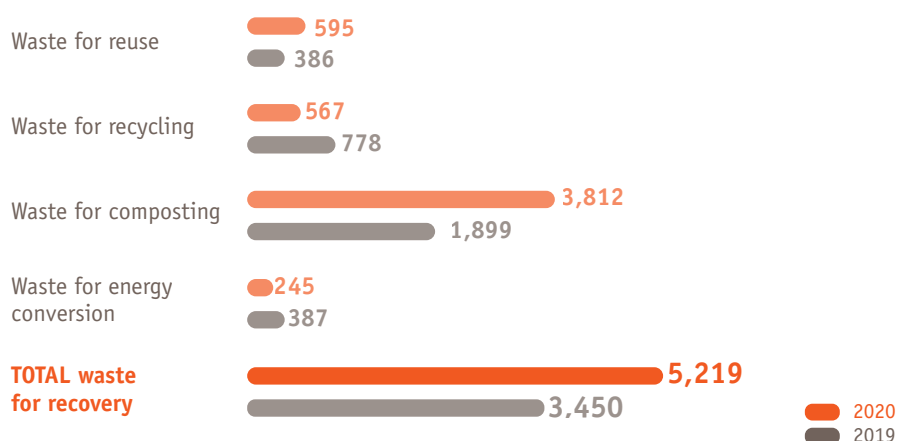
The rest of the water is used to clean the facilities and is subsequently treated in treatment plants located at each factory. All water heating and cooling circuits are closed circuits that do not generate any consumption.

4.4. Sustainable management of the environmental impact

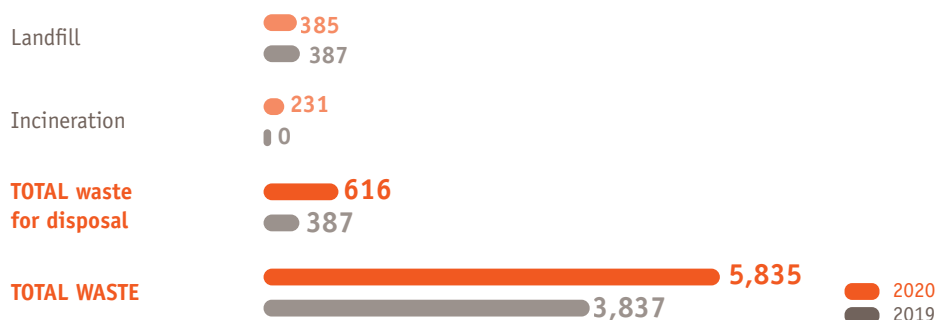
Waste management and measures against food waste

Affinity's policy is to minimise the waste generated and to use the waste for recovery rather than disposal.

Waste for recovery (tons)



Waste for disposal (tons)



The increase in the amount of waste in 2020 correspond to sub-standard products that were set aside for composting.

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, 530,000 kilograms of products were donated to animal charities and shelters in the three countries in which Affinity manufactures, 11% more than the donations made in 2019 (see section 6.2).

Commitment to the reduction of greenhouse gases

As a result of Affinity's industrial activities, some direct emissions are produced, 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 due to the activity that they do to meet Affinity's needs.

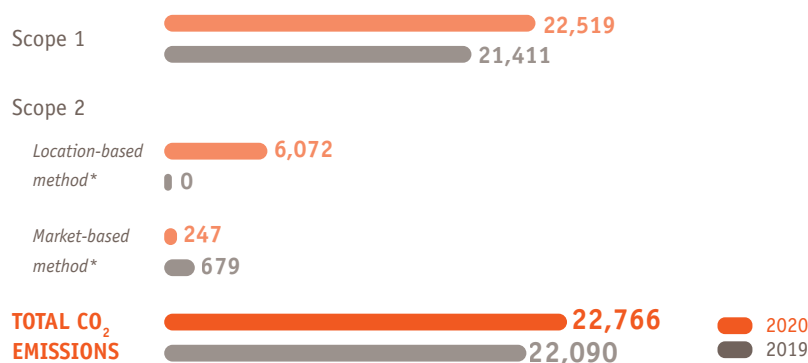
Direct emissions (classified as Scope 1) are those resulting from the consumption of natural gas, the main source of energy in our production processes, and the use of refrigerant gases. The indirect emissions that are specified in this report (Scope 2) are those that come from the production of the

energy that is consumed at our facilities.

Affinity has committed to reducing the emissions resulting from these types of consumption.

Because of that, since 2019 all of the electric power consumed in the factories in Spain and Italy (which accounts for 70% of the total electricity consumed at Affinity's) comes from renewable sources that do not generate any GHGs, which means preventing the emission of 5,825 tons of CO₂ into the atmosphere.

Gas emissions into the atmosphere (tons CO₂)



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

Market-based method: a reporting methodology for the calculation of GHG emissions based on the emission factor of the source of electricity chosen by Affinity. In the case of Spain and Italy, this factor is 0 due to the renewable source of the electricity used. In the case of France, the domestic mix factor is used.

In terms of greenhouse gases emissions due to Affinity's operations, they have a very insignificant impact on the environment and, therefore, none of the plants is subject to the emission rights protocol. 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 established requirements. In 2020, 82,859 euros were invested in the maintenance and renewal of these emission control filters.

Reduction of air, noise and light pollution

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 2020, the activities carried out by Affinity and its plants were not affected by any consequences of the weather or 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

The pandemic caused by Covid-19 marked 2020. This reality posed a major challenge in the management of human resources and our commitment to protect the health and safety of our employees. Over the course of the year, we assisted our teams in dealing with the uncertainties faced at any given time while prioritizing the needs of our customers and consumers. Occupational risk prevention, teleworking and internal communications strategies and policies were put in place over these months.

The Human Resources Department's strategic plan, approved in 2019, had dealt with many of the challenges that we are facing in these times of pandemic and, therefore, we took this crisis as an opportunity for fast-tracking initiatives in response to our main challenges:

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.

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

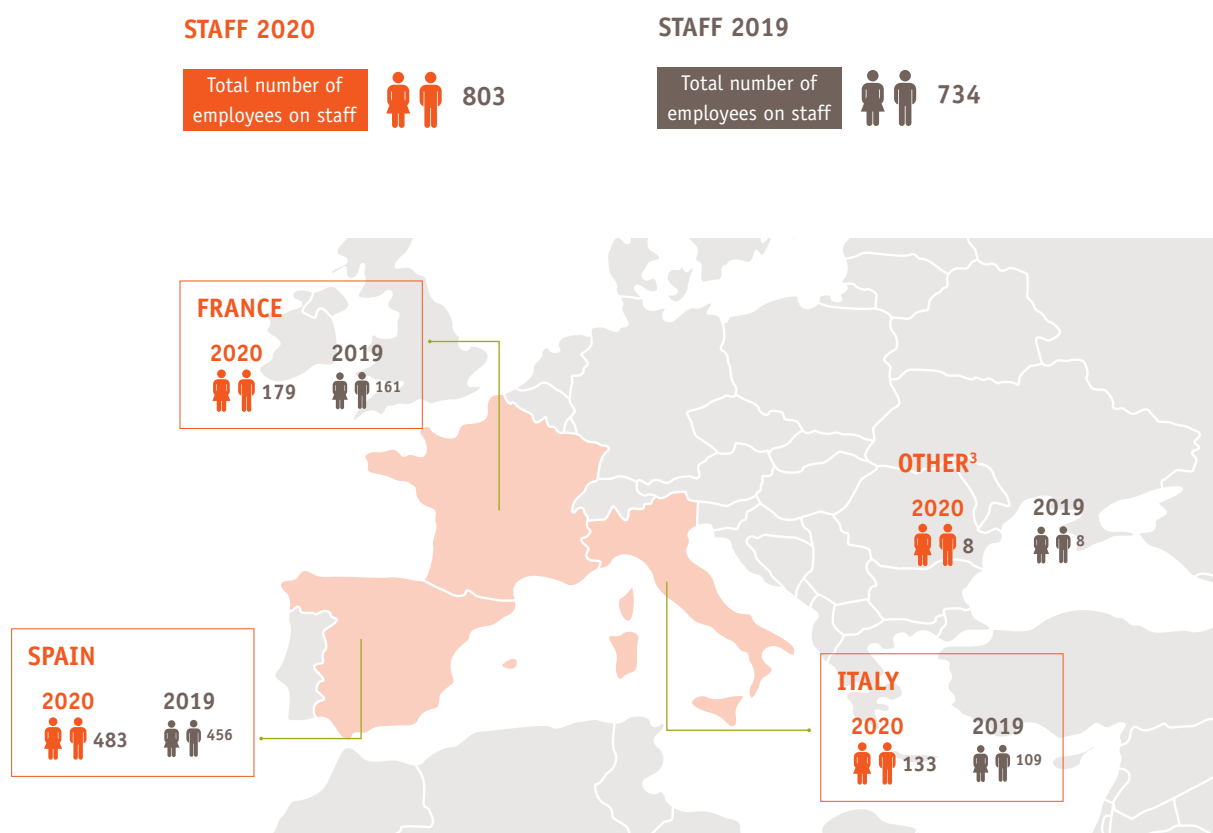
5.1.1. Corporate culture and values

As a company, our mission is to assist pet owners 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

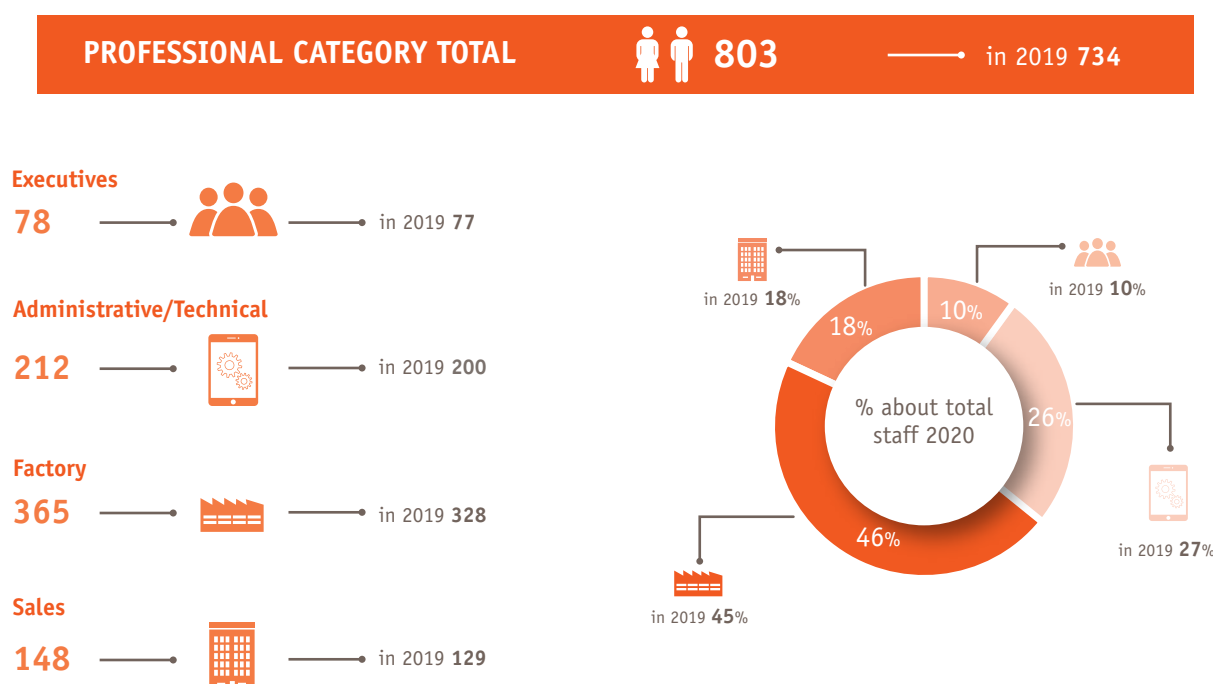
At the 2020 year-end, Affinity had a workforce of 803, of whom 59% were men (474) and 41% were women (329). Our main offices are located in Barcelona, Paris and Milan. We also have production centres in all three countries.



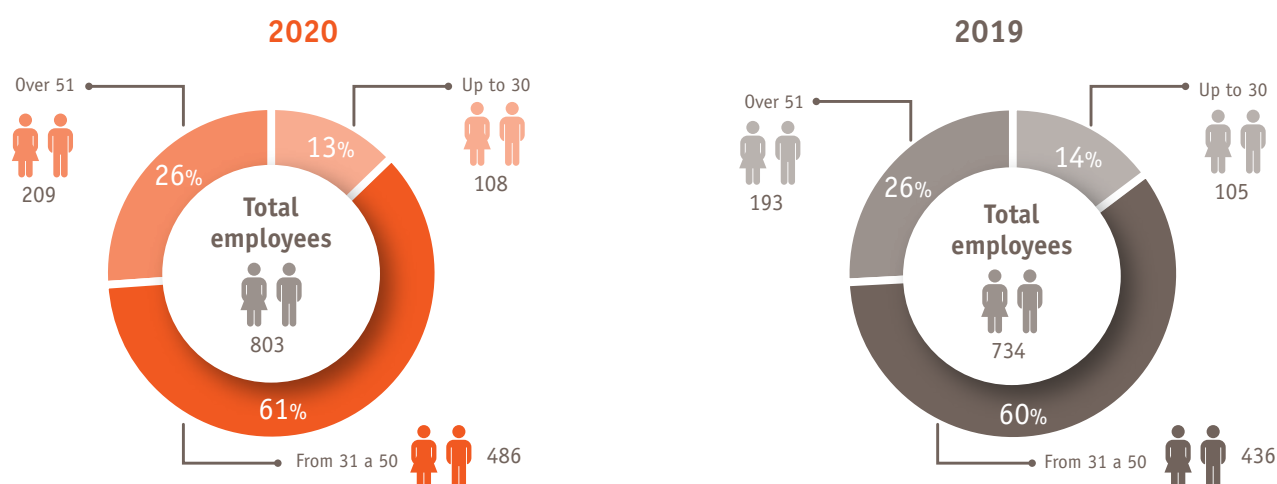
³ Employees in Belgium, Germany, Greece, Poland and Portugal.

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 55% of the total.

STAFF DISTRIBUTION BY PROFESSIONAL CATEGORY 2020

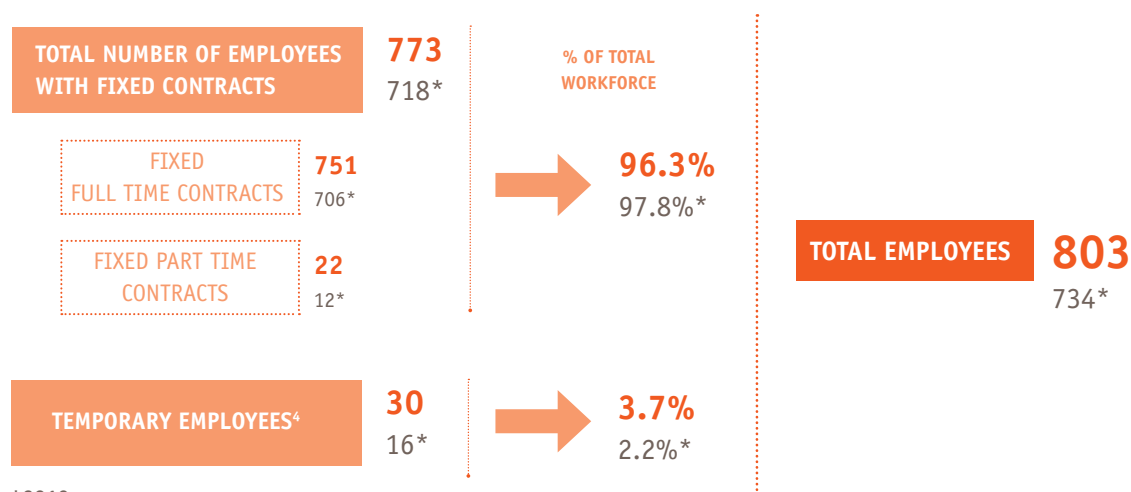


THE DISTRIBUTION OF STAFF BY AGE BRACKETS 2020



Total number of employment contracts and breakdown by type

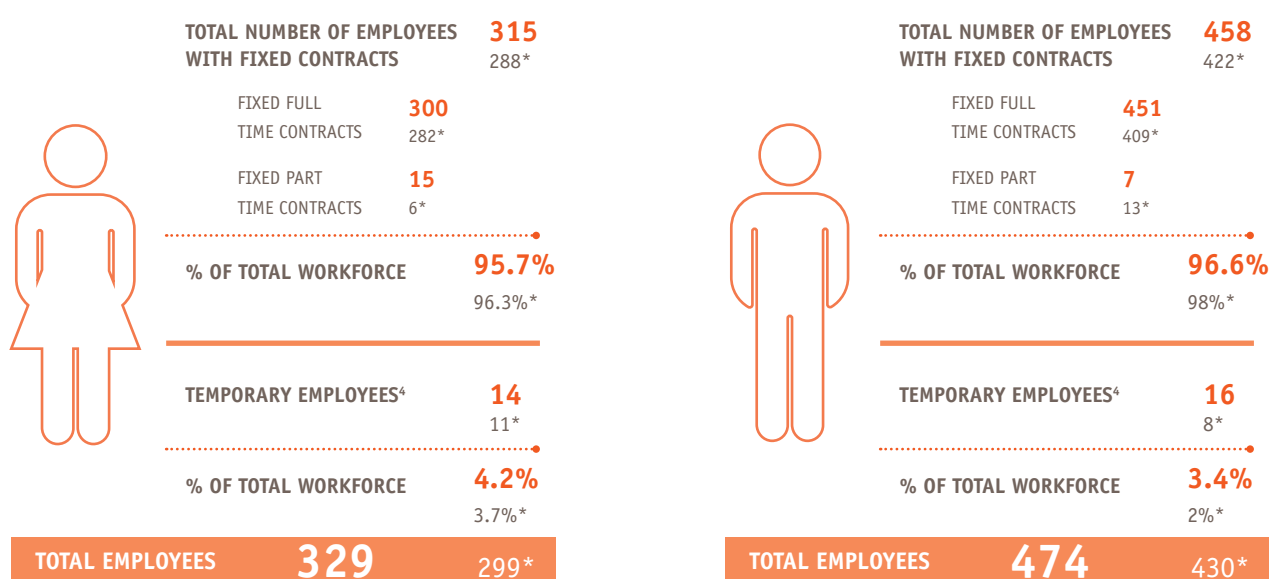
One of our priorities at Affinity is to offer stable, high quality employment. As a result, 96.3% of our employees are permanent



*2019

⁴ There are no temporary employment contracts.

DISTRIBUTION OF EMPLOYMENT CONTRACTS BY GENDER 2020



*2019

*2019

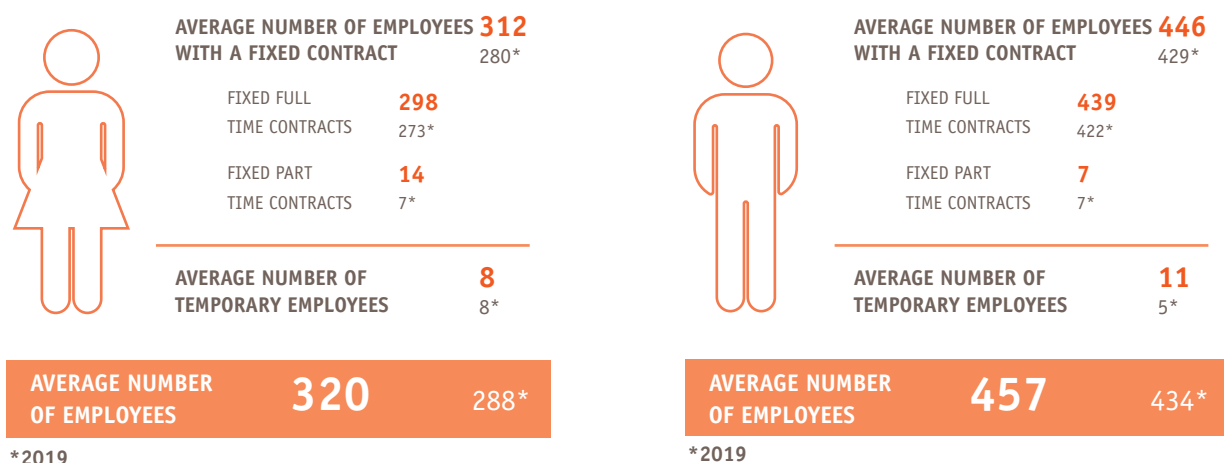
⁴ There are no temporary employment contracts.

The average number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category for the year are follows:

ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS 2020



ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY GENDER 2020



ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY AGE 2020

	Up to 30	From 31 to 50	Over 51
AVERAGE NUMBER OF EMPLOYEES WITH A FIXED	86 89*	456 417*	216 203*
FIXED FULL TIME CONTRACTS	86 89*	447 412*	205 194*
FIXED PART TIME CONTRACTS	0 0*	9 5*	11 9*
AVERAGE NUMBER OF TEMPORARY EMPLOYEES	10 7*	9 7*	0 0*
AVERAGE NUMBER OF EMPLOYEES	96 96*	465 424*	216 203*

*2019

ANNUAL AVERAGE OF THE DISTRIBUTION OF EMPLOYMENT CONTRACTS BY PROFESSIONAL CATEGORY 2020

	Executives	Administrative/ Technical	Factory	Sales
FIXED FULL TIME CONTRACTS	78 73*	196 187*	326 308*	137 126*
FIXED PART TIME CONTRACTS	0 0*	7 2*	14 12*	0 0*
TEMPORARY CONTRACTS	0 0*	5 5*	12 8*	2 0*
AVERAGE NUMBER OF EMPLOYEES	78 73*	208 194*	352 329*	139 126*

*2019

5.1.2. Employee health and safety

Health and safety conditions at the workplace

The company's occupational risk prevention policy seeks to mitigate the risks employees are exposed to in doing their jobs.

At our factories, which are the workplaces with the greatest potential risk, all risks are identified by sections. For each section, we assessed the characteristics of each worksite and the different action plans implemented on them.

- At the **factory in 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.
- 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.
- 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 2020, courses were run on this subject matter to the extent that the pandemic allowed this.

- In Spain, regulations impose a full risk assessment every five 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 2020. 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 2020, the employees at the Barcelona offices received special training on occupational risk prevention.

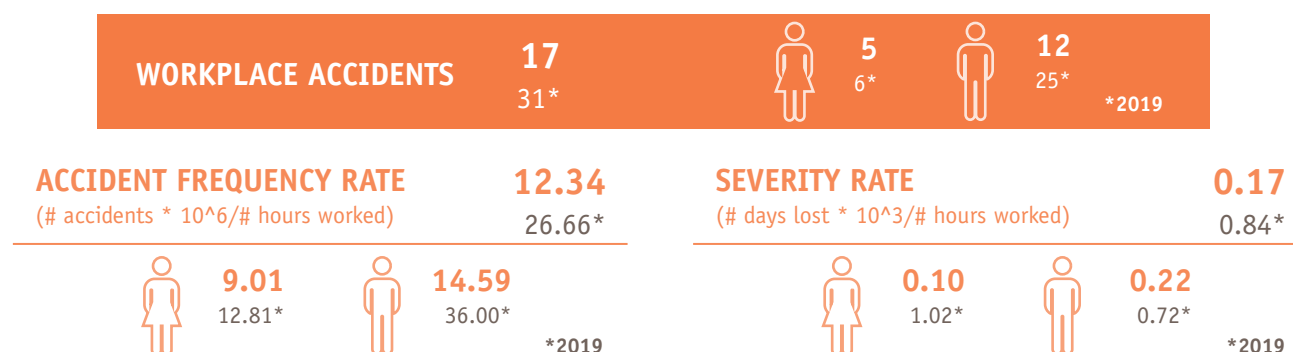
standpoint in 2020, as a result of which the usual training courses on occupational risk prevention could not be run. All actions carried out were reported to and agreed on with the Works Committee. In the course of 2021 it has been planned to resume these trainings and to also update the summary document during the year.

- 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. Various trainings were run in 2020 to update employees on new concepts in Occupational Risk Prevention.

Number of workplace accidents by gender: frequency and severity rates by gender

There were no occupational illnesses in 2020 or in 2019.

A breakdown of the frequency and severity rates by gender is shown below:



Anti-Covid measures

We started to monitor the spread of COVID-19 from the news released in the mass media. The first place affected was Italy, where measures were first introduced in February that were then extended to other countries in the following weeks.

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.

Introduction of teleworking at our offices in Barcelona, Milan and Paris from the outbreak of the first wave.

- Our IT team upgraded systems 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.
- Employees were allowed in to offices if they occasionally needed to do so.



Design and implementation of a voluntary hybrid scheme (50% on-site/50% remote) for a gradual return to offices from the month of July.

- Design of specific protocols.
- Signals in offices to ensure the safe use of spaces.

As a consequence of the second wave of the pandemic, it was decided to reintroduce teleworking for office workers from October 2020 to the date of the release of this report.

Internal communications plan. Our aim was to provide clear information to our employees in a transparent way, as well as to open two-way communications channels.

- Emails with updates on the situation, measures and protocols
- Information on the notice boards in all of our worksites
- Monthly videos of our General Director to assess the situation and motivate employees
- Monthly virtual meetings attended by the management team and employees in each country in the local language to share experiences and answer questions
- Creation of an internal portal with reference materials about the use of digital tools, adapting to the teleworking environment and materials on both physical and emotional health and well-being
- The sending of a monthly survey to capture the experiences of employees and their level of satisfaction



Roll-out and development of resources to promote the well-being of employees

- Telehealth service and psychological support during the lockdown (March–June 2020).
- Resources to facilitate adapting to telework (courses for employees and managers, articles, advice, etc.).

Workstation 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. At the end of the working day, employees were not required to connect the devices provided to them by the company as work tools and scheduling meetings outside of working hours was also avoided.

Social relations

All of Affinity's employees are under a collective bargaining agreement (2020 and 2019 financial years):

- **In Spain**, the employees at the Barcelona offices and the Els Monjos factory are covered under the National Collective Bargaining Agreement for Manufacturers of Compound Animal Feeds.
- **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 Castelgomberto 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 2020, a total of 7,282 hours of training were given (an average of 9.37 hours of training per employee).

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

As a result of the pandemic, the number of hours of training decreased in 2020, particularly in the case of factory workers as most of their courses are face-to-face ones. Work was done in the year to try to adapt training to the situation in which we found ourselves by turning face-to-face courses into online ones.

In 2020, we started to keep a record of some of the training courses on a new management platform. This tool has not yet been implemented in all departments and countries, as a result of which it is possible that some hours of training have not been counted.

TOTAL HOURS OF TRAINING 2020

7,282h

in 2019 **13,521h**

Managers

1,036h



in 2019 **1,360h**

Administrative/Technical

2,611h



in 2019 **4,762h**

Factory

1,822h



in 2019 **6,488h**

Sales

1,813h



in 2019 **911h**

Attracting and retaining talent. Hires and dismissals

By the end of 2020, our net workforce had increased by 69 people, so we created employment. A total of 122 new contracts were signed, of which 46% corresponded to women and 54% to men. There were also 21 dismissals, of which 52% were women (11) and 48% men (10). In 2019, there were also 25 dismissals, of which 52% were women (13) and 48% men (12).

HIRES 2020
122 people



46%⁽⁵⁶⁾



54%⁽⁶⁶⁾

DISMISSALS 2020
21 people



52%⁽¹¹⁾



48%⁽¹⁰⁾

HIRES 2019
109 people



53%⁽⁵⁸⁾



47%⁽⁵¹⁾

DISMISSALS 2019
25 people

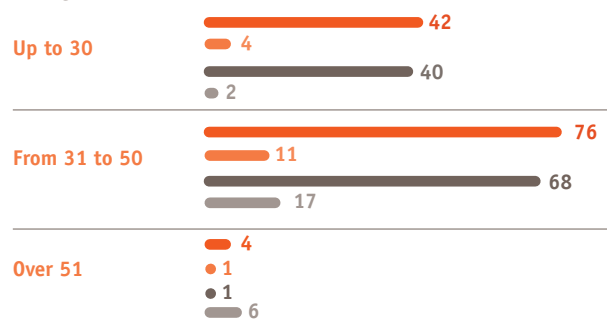


52%⁽¹³⁾

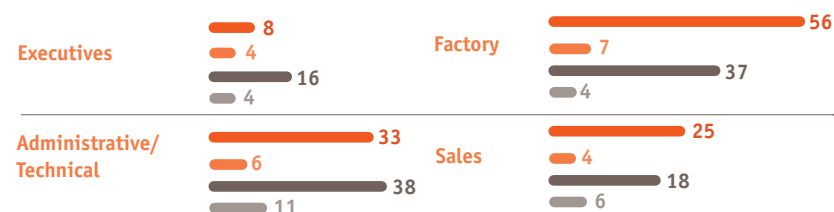


48%⁽¹²⁾

BY AGE



BY PROFESSIONAL CATEGORY



Hires 2020



Hires 2019



Dismissals 2020



Dismissals 2019



organisation of working hours. Number of hours of absenteeism

The organisation of working hours differs from one worksite to other. 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 with split working hours, 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 with intensive working hours 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.

2020 FIGURES

Absenteeism
(hours)



52,638

Total hours
worked



1,377,543

% of total hours
worked



3.82%

2019 FIGURES

Absenteeism
(hours)



52,998

Total hours
worked

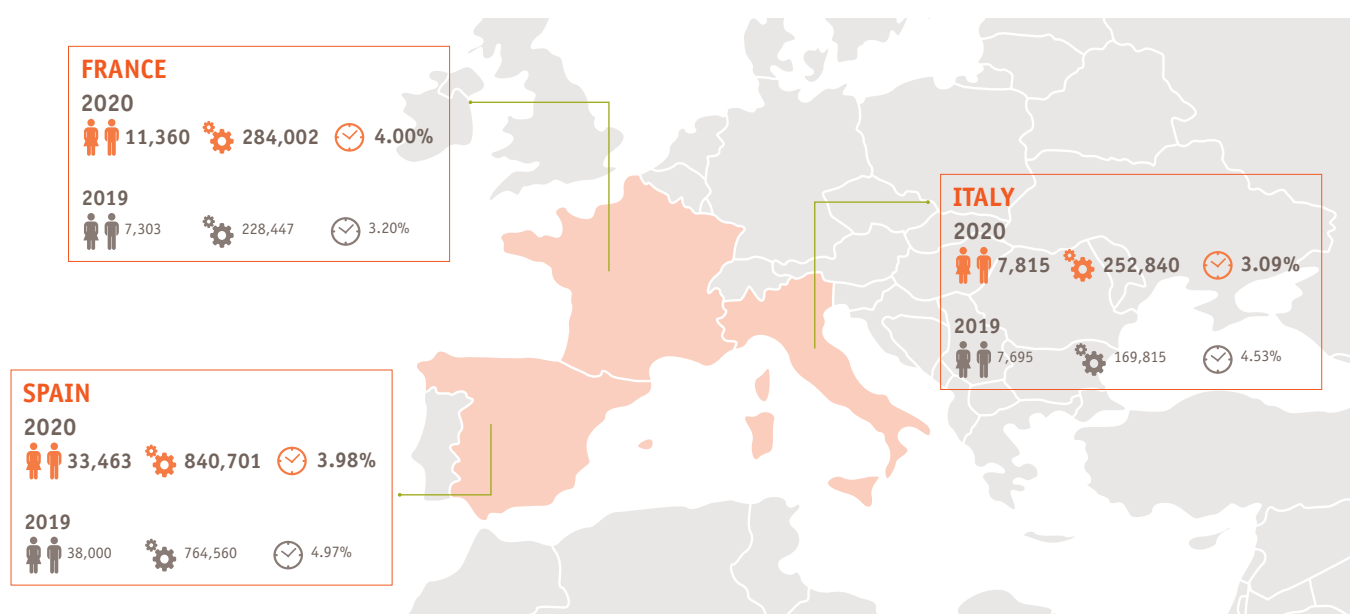


1,162,822

% of total hours
worked



4.56%



Our sector was declared to be essential at the beginning of the pandemic. Therefore, in order to ensure the continuity of the production and supply of our products a specific incentive was paid to factory workers who had to work on-site during the first state of emergency in the three countries in which we have factories.

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.

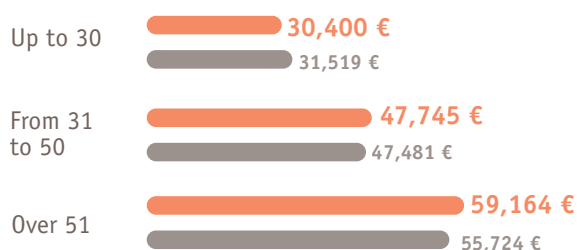
Affinity's remuneration policy is based on the pillars of performance, external competitiveness and internal equity. In the annual performance review process, the highest increases are assigned to the employees with the best performance and/or whose remuneration lags farthest behind the market benchmark.

An analysis of the average remuneration in 2020 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 1.9 points, which is an improvement of 12%.

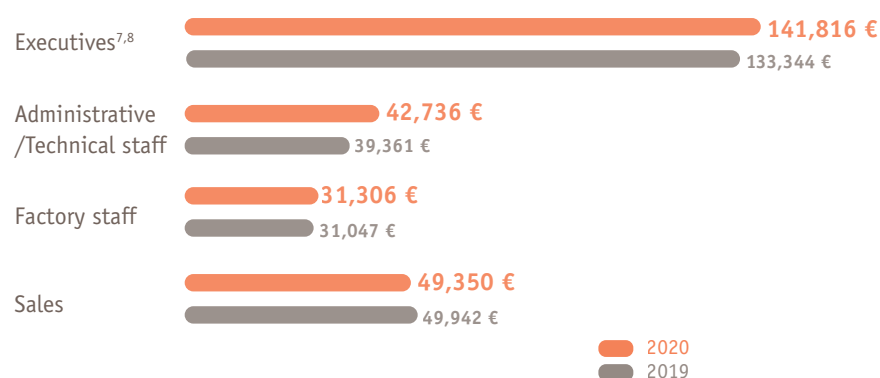
It should be noted that if we exclude the top level of management and the Group with the most seniority, the wage gap would decrease from 14.2% to 2.2%. Company growth and turnover over the last few years has had a positive impact on closing the wage gap, as can be observed in the figures for 2020.

AVERAGE COMPENSATION CORRECTED ⁶ 2020		WAGE GAP 2020	
43,990€	43,277€*	2.2%	5.7%* *2019
 43,423€ 41,816 €*  44,400€ 44,324€*			
AVERAGE COMPENSATION ⁵ 2020		WAGE GAP 2020	
48,384€	47,365€*	14.2%	16.1%* *2019
 44,077€ 42,517 €*  51,373€ 50,697 €*			

AVERAGE COMPENSATION BY AGE



AVERAGE COMPENSATION BY PROFESSIONAL CATEGORY



⁵The average remuneration includes fixed and variable remuneration.

⁶The average adjusted remuneration does not include the top level of management or the Group with the most seniority.

⁷Members of the Affinity Group's Board of Directors are not remunerated.

⁸The average salary of male executives (including fixed and variable remuneration) in 2020 was €156,108 and €111,518 in the case of female executives. In 2019, the average salary of male executives was €148,244 and €104,157 in the case of female executives.

As reflected in the Equality 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

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

Depending on the characteristics of the jobs they occupy, office employees can work under a flexible time scheme to fit in with their needs,

For workers at the Barcelona and Milan offices, a sports service is available either through an on-site gym or subsidised access to a local gym. Due to the COVID-10 outbreak, the company gym was closed for the time the state of emergency was declared on the grounds of the health and safety of our employees.

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 harassment 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).

In 2020, there was one report of harassment. A file was opened and once the incident had been investigated, the corresponding sanction was imposed. There were no reports in 2019.

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 ten employees with a disability (eight in 2019). In Spain we also work with socially responsible companies that guarantee the employment of functionally diverse people. Specifically, 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. Our actions in light of the health crisis

Marked by a global pandemic and significant changes in the way we live, 2020 was an unusual year.

This situation forced us to adapt and keep one step ahead in response to some of the challenges that had to be faced.

Affinity has always expressed its commitment to Society through different initiatives focused on animal welfare and the people who interact with them. In the current situation, we drew on our experience to carry out a number of actions that involved all of our brands addressed to our main audiences: pet parents, pet lovers, vets and animal shelters, with the following goals:

- To understand the impact of the situation
- To provide useful information
- To support and assist our stakeholders



In the first weeks of the pandemic, a time of great confusion and demand for information, we opened a communications channel for our consumers that specifically dealt with COVID-19 on our websites and social media.

We released official information about COVID and its impact on animals, on the regulations in force at any given time, and we gave tips on how to enhance living with pets during the lockdown.

This was done as a joint effort with all our brands in several countries: Spain, France, Portugal, Italy and the United Kingdom.

We came up with specific contents that included tips for improving day-to-day life, updated information on how regulations affected pets, health matters, logistics and emotional well-being.

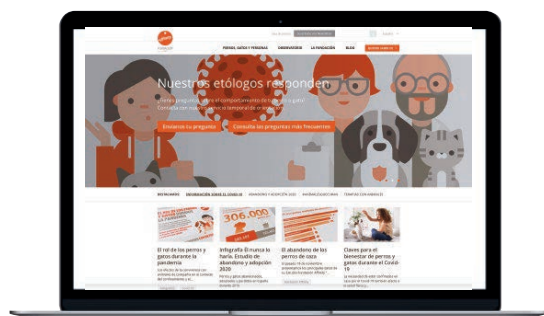


In addition, studies were conducted by the Affinity Foundation to understand the impact of the lockdown in our relationship with pets, and on the situation of animal shelters that enabled us to implement actions and services to address the needs identified, as described below.



- We launched an online veterinary consultation service by putting a team of vets in contact with people who were unable to get to their vet for commonplace consultations. This service was made available to pet parents on the website at <https://www.affinity-petcare.com/advance/es/>.

- **Customised advice on animal behaviour online called Home Tips.** The service was set up for families with cats and dogs with behavioural problems due to the lockdown. Our team of ethologists dealt with each case on an almost individual, customised basis by drawing up an action plan in order to minimise the negative impact of changes in routine on pets. This service was available on the website at <https://www.fundacion-affinity.org/>



- **An assistance plan for animal shelters to encourage voluntary work and pet adoption.** Hosted on a specific landing page on our Foundation's website, it gave ideas and choices for assisting these organisations, as well as having a search engine in the shape of a map with the **1,500-plus animal shelters in Spain** in order to facilitate their localisation and contact details.



With regard to vets, we also naturally wanted to give them special support during the pandemic through the following measures:

- Providing more information and specific training in the shape of articles on the blog and webinars on our platform Vets&Clinics.
- Running an awareness-raising campaign on the major role vets play in the general health and well-being of our cats and dogs, but also in these crucial times for public health that we are experiencing. This campaign was run twice during the year under the names #SomosVet y #OrgulloVet.

Lastly, beyond the confines of our sector we also contributed to the Covid-19 Crisis Fund of Médecins Sans Frontières (MSF) thanks to a €2M donation by our shareholder that was intended to give a direct response to the pandemic by giving support to health systems and particularly vulnerable groups of the population, such as old people, the homeless and migrants. No material cash donations were made in 2019. Our ongoing social work is our active involvement in projects as described in the following section.

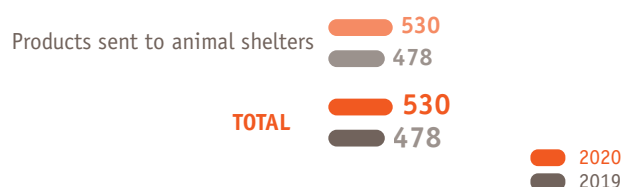
6.2. Commitment to society and local communities

our pet shelter 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, a commitment that we stepped up this year:

Tons



Canì Eroi programme

In the framework of the specific initiatives that we are involved in on our main markets, the Cani 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 the disabled and acting as therapy animals.



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



Fundación Affinity

FUNDATION
—1987—

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. Since its creation in 1987, its mission has been the dissemination of the bonds between pets and people, based on the three fields on which it works:

- **Research**
- **Social action**
- **Awareness-raising**

Although it continues to fulfil its mission, it adapted to the extraordinary situation caused by COVID-19, which entailed greater flexibility.

Since the state of emergency was decreed, the Foundation's on-site work was affected, as a result of which all assisted therapy programmes were suspended.

Weighing up the overall situation, we believed that we had to adapt to the current times and focus even more, if possible, on the requirements of pet parents and animals in such complex and, above all, uncertain times. Therefore, most of the activities carried out in 2020 were related, in one way or another, to the crisis caused by COVID-19.

We devoted the year to researching the impact of

the pandemic on relationships with animals, the situation of animal shelters, and abandonment and adoption rates.

We ran information campaigns addressed to pet parents in full lockdown, awareness-raising campaigns on responsible pet ownership, and we extolled the beneficial role animals play in our lives.

Our therapy programmes were interrupted in the first half of the year, but we were then able to reinstate most of them and start new programmes, in order to thus continue to help improve the lives of people with the assistance of therapy dogs.

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

Once again, we saw how our pets have the ability to somehow fill the "gaps" that circumstances have left in our lives.

Life with our cats and dogs was even better in a particularly complicated year that 2020 proved to be.



The main activities carried out by the Foundation in 2020 are detailed 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 conducted four research studies in Spain, three of which set out to understand the actual impact of the COVID-19 crisis on animal shelters, the bonds with pets and their role during the lockdown.

The **Together at Home** and **The Role of Cats and Dogs During the Pandemic** studies.

Focused on the impact brought about by COVID-19 on pets and bonds with them. These studies showed that despite the difficulties of the lockdown, bonds with pets have been strengthened.

Of the people interviewed, 73% believe that living with their cat or dog helped them to deal with the effects of the lockdown and social distancing more successfully



Study on The Impact of Covid on Animal Shelters

The complex situation we experienced, together with the travel restrictions, left animal shelters with fewer voluntary workers and financial resources, which made handling animals more difficult.



- The **He Would Never Do It** study on abandonment and adoption in 2020.
- We have been carrying out the He Would Never Do It study on abandonment and adoption for over 20 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.
- As a result of the work of a number of years, we have created the first Register of Animal Shelters in Spain that lists 1,544 public and private organisations.



Social action

Following the outbreak of the pandemic, all assisted therapy programmes with animals came to a standstill. In the summer, we were able to restart some of the programmes.

- Our **Buddies** programme, the result of an agreement with the Directorate General for Child and Adolescent Care (DGAIA), began in 2014 and since then we have been involved with 23 Educational Residential Centres (CRAE) in Catalonia that has reached 237 minors under the guardianship of the Government of Catalonia.
- **Respect Me**, which continues to promote respect in schools, helps prevent bullying at school and promotes respectful practices in schools.
- **“Opening Doors”** now has 12 programmes and 20 dogs in various prisons across Spain.



Promoting **the adoption** of pets is one of the commitments of the Affinity Foundation. In 2020, as in previous years, we did this in partnership with Miwuki, a free online platform and app that puts animal shelters in contact with potential adoptive pet owners. This innovative project, created in 2017, has managed to have more than 30,000 animals adopted through its website.

The Foundation has also promoted adoption through its social media.



Awareness-raising

We have continued to create general content packages both in Spain and in France, 43 of which were specifically designed to help pet parents to handle the lockdown, including, online articles, videos, infograms, posts and live streams on our social media.

● Support to animal shelters: Locked Down

We have raised awareness on our social media about the vulnerable situation in which animal shelters find themselves: adoptions, the number of volunteers, and financial and food donations have all dropped.

Likewise, our awareness-raising campaigns, run both in Spain and France, touched on the situation created by COVID-19 in 2020.

Eight Months of Lockdown is our anti-abandonment campaign with which we wished to raise awareness about the amount of time abandoned animals spend in shelters.



- We set up the first **Pet Strike** 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.



- We put Affinity's Christmas campaign, **Luckily, Not Everything Has Changed**, into context by highlighting the role of pets in the times of social distancing as a result of the pandemic.



With regard to public relations, the mass media play a major role in championing awareness-raising messages. This year, in addition to the Foundation's messages, we spread our awareness-raising message by including information about the situation caused by the pandemic. We thus worked alongside the mass media to spread messages about responsible pet ownership, the benefits of animals for people and to condemn abandonment, in addition to releasing all of the studies conducted due to COVID-19.

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

Apart from the content that we create every year to highlight campaigns to encourage adoption, condemn abandonment and point out the benefits of the bonds between people, cats and dogs, our website hosts all of our content that gives information about the situation caused by COVID-19: tips, updates and studies conducted.

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 €)

	2020		2019	
Spain	33,338	72%	35,418	71%
Italy	8,975	19%	9,275	20%
France	3,865	8%	3,853	8%
Belgium	22	0%	18	0%
Netherlands	-18	0%	0	0%
Portugal	370	1%	265	1%
Brazil	-242	-1%	-2	0%
TOTAL	46,310	100%	48,828	100%

The corporate tax paid by Affinity, calculated under the application of a cash approach, was as follows:

2020: €16,522 thousand

2019: €13,439 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. The controls and mitigation plans in place are also 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,⁽¹⁾ 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**

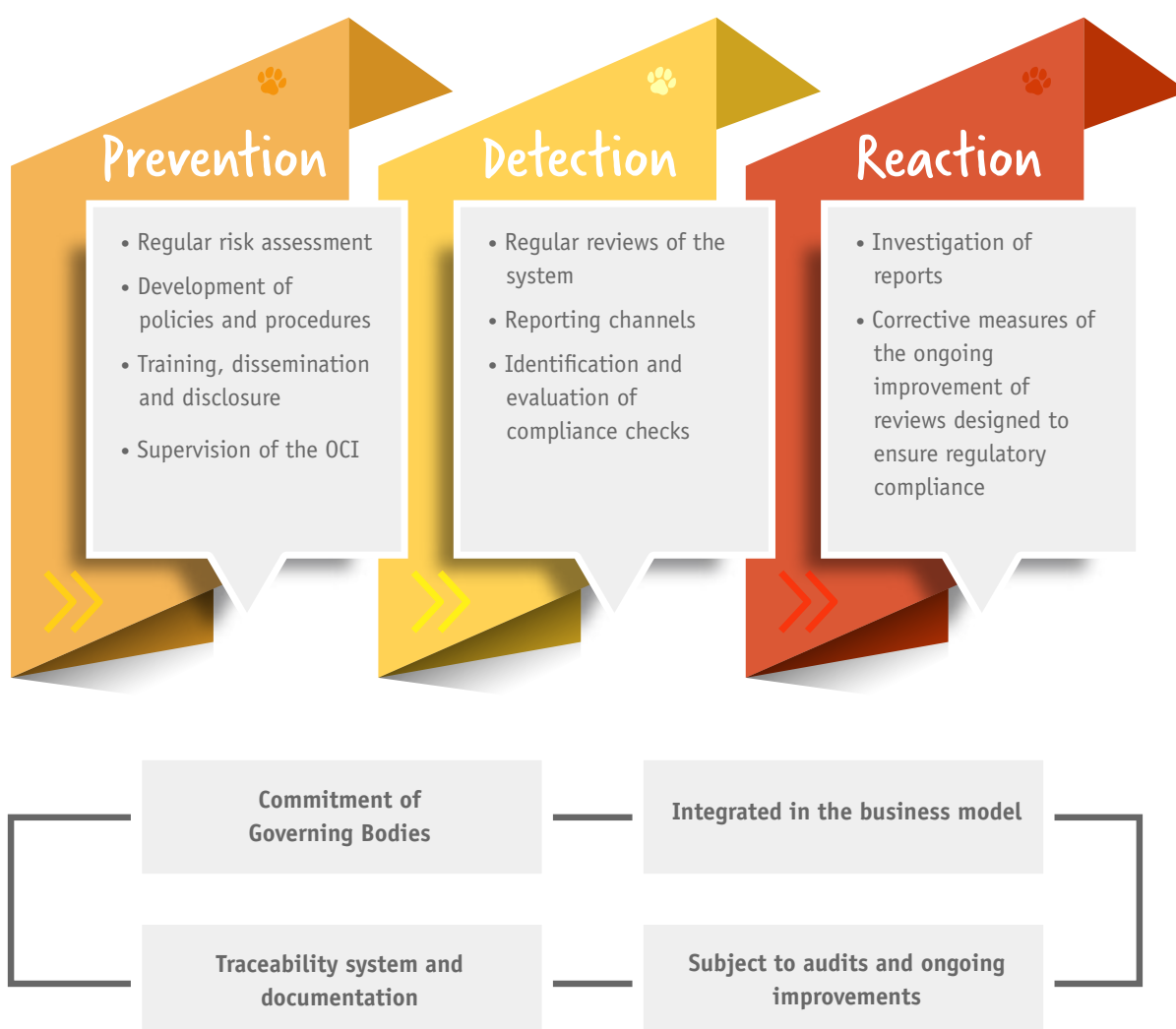
Therefore, Affinity's control model comprises a set of substantive rules, procedures and specific actions designed by the Group to encourage the organisation to act ethically and in compliance with current regulations, among other things. Its ultimate aim is to prevent, detect and react to irregular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

⁽¹⁾ The five features governing Affinity's Internal Control System are as follows:



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, sets 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 2020 and 2019, 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.

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.

**The Code of Conduct outlines
the principles of the dignity of individuals,
equal opportunities and gender equality,
and non-discrimination**

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

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, NFIS) 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 NFIS 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 NFIS 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 NFIS 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 NFIS for 2020 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
	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.
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. 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;	103-1	Management approach for each area on environmental issues	4.1. Environmental management
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.			

Requirements of Act 11/2018

Related GRI standards

Replies in the NFIS for 2020 given by the Affinity Petcare Group

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/Biodiversity)

4.4. Sustainable management of the environmental impact

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)

301-2

Supplies recycled

4.2. Sustainability and circular economy

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

303-4

Waste water

303-5

Water consumption

4.3. Sustainable use of resources

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)

301-1

Material used by weight or volume

4.4. Sustainable use of resources

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)

302-1

Energy consumption within the organisation

302-4

Reducing energy consumption

4.3. Sustainable use of resources

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;

103-1

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

305-1

Direct greenhouse gas emissions (Scope 1)

305-2

Indirect greenhouse gas emissions while generating energy (Scope 2)

4.4. Sustainable management of the environmental impact

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.

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.

Requirements of Act 11/2018

Related GRI standards

Replies in the NFIS for 2020 given by the Affinity Petcare Group

II. Information on social and employee issues

Employment

Total number of employees and distribution by gender, age, country and professional category.	102-8	Information on employees and other workers	
Total number and distribution of work contracts.			5.1. Health and well-being
Annual average in terms of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.	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
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
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
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
Number of dismissals by gender, age and professional category.	401-1	Newly hired employees and job rotation	5.2. Talent development and management

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
Number of hours of absenteeism.	403-9	Injuries due to work-related accidents	5.2. Talent development and management
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

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
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

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
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Requirements of Act 11/2018	Related GRI standards		Replies in the NFIS for 2020 given by the Affinity Petcare Group
Percentage of employees covered by the company's collective bargaining agreement.	102-41	Collective bargaining agreements	5.1. Health and well-being
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
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
Total hours of training by professional category.	404-1	Average hours of training per year per employee.	5.2. Talent development and management
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
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.	103-1	Explanation of the topic in question and how it is covered (Diversity and Equality)	5.3. Diversity, equality and inclusion
Policies against all types of discrimination and, where appropriate, diversity management.			
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)	7.2. Ethics and the internal control model
	102-16	Values, principles, standards and codes of conduct	
	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 7.2. Ethics and the internal control model
Complaints made for human rights abuses	406-1	Cases of discrimination and corrective actions taken	We did not receive or become aware of any reports on this matter in 2019 or 2020.

Requirements of Act 11/2018

Related GRI standards

Replies in the NFIS for 2020 given by the Affinity Petcare Group

Eradicating discrimination in recruitment and the workplace.	408-1	Operations and suppliers with a significant risk of cases of child labour	7.2. Ethics and the internal control model
Eradicating forced or compulsory labour and the effective eradication of child labour.	409-1	Operations and suppliers with a significant risk of cases of forced or compulsory labour	

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
	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 not-for-profit organisations.	413-1	Operations involving participation from the local community, impact assessments and development programmes	6.1. Our actions in light of the health crisis
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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.	6.2. Social contributions to pets and people
	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	6.2. Social contributions to pets and people
	102-44	Key topics and concerns mentioned	

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. Responsible supply chain
	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 NFIS for 2020 given by the Affinity Petcare Group
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Consumers

Measures for the health and safety of consumers. Complaint systems, complaints received and their resolution.	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
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Tax information

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. Net profit per country and corporate tax paid
Public grants received.	201-4	Financial assistance received from the government	In Spain, we received a capital grant in the amount of €532,542 in the framework of an energy efficiency grant programme, which is co-financed with EU funding and managed by IDEA. The amount carried over to results for financial year 2020 was €71,000 (€33,000 in 2019).

8.3. Audit Report

Independent limited assurance report on the Consolidated Statement of
Non-Financial Information for the year ended December 31, 2020

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





Ernst & Young, S.L.
Edificio Sarrià Fórum
Avda. Sarrià, 102-106
08017 Barcelona

Tel: 933 663 700
Fax: 934 053 784
ey.com

*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, 2020, 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 87.690-1, 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 2020 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 2020 NFIS.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2020 NFIS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 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 2020 NFIS of the Group for the year ended December 31, 2020 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.

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

Antonio Capella Elizalde

March 26, 2021



www.affinity-petcare.com

