

# SUSTAINABILITY REPORT

## 2019/20



**Delaviuda**  
Confectionery Group

*Making the world a sweeter place*



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almost..

100

years of history

+

present in

70 countries

52%  
women

578

annual average  
employees

+

3 million euros of  
investments in  
production

31

conciliation measures

926tn  
tons of recycled  
waste

4

Work centres

2

production plants

37

production lines

# Letter from the CEO



*Looking back, I realise that we have been able to preserve jobs, increase our resilience and see how our values and sense of being part of the Group have been strengthened. All this without losing sight of the transformation and growth project we have been engaged in for the past three years.*

Dear stakeholders,

This sustainability report for the financial year ending 30 June 2020 cannot be properly interpreted without mentioning the Covid-19 effect that impacted us in the last quarter of the financial year.

In the first nine months, the year went according to plan. Everything pointed to a normal and predictable end of the year, with a good execution of all the business and transformation plans that had been put in place.

In mid-March 2020, the health alarms went off. Millions of us were forced into a strict lockdown for several months, which affected global supply chains and had asymmetric economic impacts on different business sectors. To use a maritime comparison, when an unexpected major storm (in this case, I consider it a storm) hits the high seas, there is no choice but to take certain precautions and safety measures: Strengthen the wheelhouse; protect the crew; get through the storm without stopping the engines and collect the sails completely; secure the ship's hull against water ingress; assess human and material damage at all times; optimise fuel and food consumption; inform and reassure the crew; keep yourself informed via the radio and any other communication system... So, in the midst of the storm, we at Delaviuda Confectionery Group carried out a series of manoeuvres to secure the vessel and its crew.

In terms of health management, we have set up a crisis committee. Based on this committee, we adopted the necessary measures to preserve the health of our staff. On the other hand, aware that real-time information reduces uncertainty, we have given internal communication a major role with the sole objective of increasing confidence and supporting and accompanying the members of the team.

Both of our businesses have been heavily affected by international mobility restrictions and lockdowns. In the case of confectionery, Spanish turrón is one of the main gastronomic souvenirs chosen by the 81 million tourists who visit our country every year. Obviously, due to the restriction imposed on international travel, tourists have not been able to visit us this year, which has caused us to lose all the turrón sales we were generating in the tourism and travel retail sectors. In addition, in the bar sector, the drop in sales is due to lockdowns, since consumption occurs mainly outside the home.

In this context, we were forced to implement a temporary layoff (ERTE) in our two factories in Artenay and Sonseca, but with a commitment to reduce the duration as much as possible. A promise that we were able to keep in time.

On the financial side, the Group's management has focused on strengthening its solvency, liquidity and working capital. This was made possible by the unconditional support, without additional guarantees, of our shareholders and relationship banks.

In the interests of prudent management, and without jeopardising the sustainability of our company, we have not hesitated to implement other financial measures, such as the temporary suspension of fixed operating expenses and non-essential investments, already budgeted but not yet committed.

Despite all our efforts, this was the first year in the Group's history that we recorded an operating loss, as the 20% reduction in revenues could not be offset by cost savings. Fortunately, these efforts were not in vain, as I am proud to say that we came out on top.

Looking back, I realise that we have been able to preserve jobs, increase our resilience and see how our values and sense of being part of the Group have been strengthened. All this without losing sight of the transformation and growth project we have been engaged in for the past three years.

In conclusion, I would like to take this opportunity to express my deepest gratitude to all our stakeholders for their full cooperation and trust in this atypical year. In particular, I would like to thank all the employees who work in our Group for their dedication, commitment and resilience. Also, to the shareholders, who have provided new resources; to the relationship banks, who have financed us without additional guarantees; to the suppliers, who have enabled us not to break supply chains; and to all our customers and consumers, because without them, nothing would be possible and this project would not make sense....

**To all of you, we thank you from the bottom of our hearts and... let's keep sailing!**

**Manuel López Donaire**

CEO

# With a firm step...

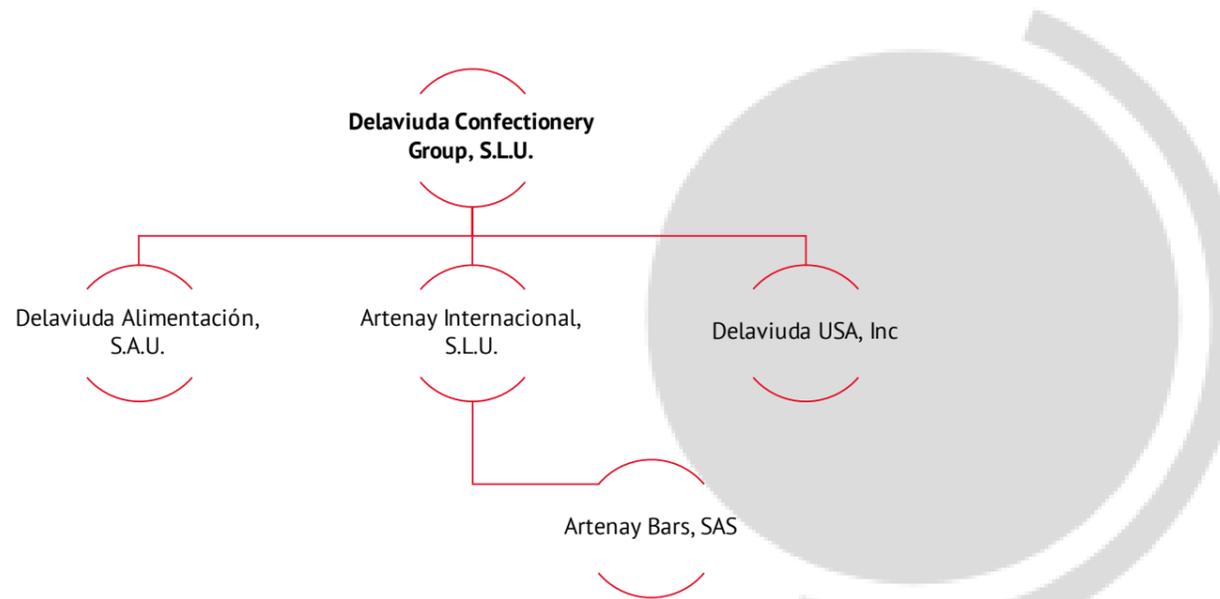


A year marked by the consolidation of recent years' strategic projects and the desire to improve.

# Business model and strategy



Delaviuda Confectionery Group is today the leading company in the sector of turrón, marzipan, bars and other confectionery products, which it markets in more than 70 countries under the Delaviuda and El Almendro brands. From its two plants, located in Spain (Sonseca) and France (Artenay), the Group serves its clients within the Large Distribution, B2B, Travel Retail, Christmas baskets and lots, Food services and other alternative channels.



Corporate structure on June 30th, 2020

During this financial year, Delaviuda Confectionery Group, SLU has sold 100% of the shares of Almendralia Ibérica, SLU, a Spanish company dedicated to the exploitation and subsequent marketing of almonds, to the parent company of its equity group. However Delaviuda CG is still in charge of the management and exploitation rights of Almendralia Ibérica, SLU.

Delaviuda Confectionery Group is organised around three business units that complement each other:

## Brands

BUSINESS UNIT DEVELOPED AROUND OUR OWN BRANDS



means quality and good work in the elaboration of Christmas specialties, chocolate and bonbons



our expert brand in almond products

## Artenay Foods

UNDER THIS BUSINESS UNIT, THE THIRD-PARTY BRAND IS INTEGRATED FOR BOTH RETAIL CLIENTS AND B2B CLIENTS IN THE CATEGORIES OF BARS, CHOCOLATE AND BONBONS.



## Almond exploitation

ORIENTED TO THE MANAGEMENT OF THE ALMENDRALIA PROJECT.



# Organisational structure

The current organisational structure responds to the strategic challenges of the Group.



We started the 2019-2020 financial year with the clear vision of continuing to strengthen our three strategic challenges: internationalisation, deseasonalisation and the reinvention of 21st century Christmas. Thus, we decided that it was a priority to maintain a line of continuity in order to consolidate the projects and strategic commitments developed in recent years, especially in the field of innovation and human resources management.

Below are some of the achievements that have allowed us to continue promoting the consumption of turrón among young people, to be present all year-round and to internationalise the turrón as a typical Spanish sweet.

As a novelty, we have integrated the R&D area into the Group's Quality Department, which has been renamed to "Quality and R&D Department".



## Internationalisation

- Consolidation of the project in the United States, where we have strengthened the product portfolio, the logistics model and the workforce. We have a local team for the North East, the South East, and two regional distributors
- Consolidation of growth in Mexico, Portugal, UK and Central Europe.
- Progress in the development plan for the B2B channel.
- Consolidation of the Portugal and Artenay Foods personnel structure with profiles incorporated during the previous year.



## Deseasonalisation

- Expansion of our capacity to manufacture BIO products.
- El Almendro's almond bars have been consolidated and drive the growth of the nut bars category.



## Cutting-edge innovation at Christmas

- Launch of the "Bites" of crunchy chocolate turrón from El Almendro and the praline "Sticks" from Delaviuda as proposals for a different consumption, reaching out to younger audiences.
- Positioning as the leading company in cutting-edge innovation in the turrón sector. Four of our products were positioned within the Top 10 of Innovations sales.
- Development of new formats to improve the experience of consumption and preference for turrón for the 2020 Christmas campaign.



Due to the unexpected crisis caused by COVID 19, as of March 2020 we had to prioritise the management of the impacts of the pandemic and redefine some of the strategic projects and objectives planned for the year.

Our main objectives became protecting people's health and ensuring their safety by making our facilities safe workplaces and guaranteeing the maintenance of our activity. The following pages describe the actions that were undertaken by the different areas of the Group to meet these challenges.

# Governance

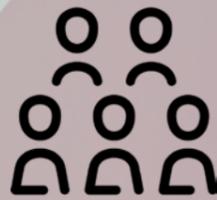
## Governance model

Delaviuda Confectionery Group, SLU had two joint administrators until September 12th, 2019, when Manuel López Donaire became the sole administrator for an indefinite period.

Currently, the third generation of the family is involved in the governance and management of the Group.

The administration of the Group is supported by different committees that help the governance and management of the Group.

- **Business Advisory Council.** Made up of the CEO, three shareholder members (belonging to the third and fourth generation) and two independent advisors who are renewed every five years. The Council meets five times a year and acts as a mentor, supervisor and promoter of the Executive Committee, advising on strategic financial, market and product aspects, competitors or technology.



- **Executive Committee.** This Committee oversees the development and implementation of the Group's strategy, the control of the budgets and the coordination of the activities carried out by the different divisions and departments. The Committee is made up of the CEO and the four management boards and meets monthly.

- **Investment Committee.** It is made up of representatives from all areas of the Group who make decisions about the Group's investments. They meet quarterly.



- **Monitoring and Innovation Committee.** Its purpose is to promote and supervise innovation in a transversal way within the Group. It is formed by 12 managers of different departments and 6 itinerant people, and meets biweekly.

- **Corporate Social Responsibility Committee (CSR).** It is a permanent internal, informative and consultative body, without executive functions, with information, advice and proposal faculties within the scope of Corporate Social Responsibility. It has a transversal nature with representation of the different departments of the Group.



Before the state of alarm was declared in Spain, a Crisis Committee was created and established as the body responsible for implementing measures for the prevention, control and monitoring of the health crisis. Made up of senior executives and an internal team specialised in legal, human resources, health and safety, and information systems issues, it has been meeting weekly.

Due to the health and economic crisis generated by the pandemic, the Group has implemented a series of exceptional measures in order to guarantee the sustainability of the company.

### Implemented measures

- Injection of 2.5 million euros in the capital of Delaviuda Alimentación, SAU
- Resignation of the shareholder to the distribution of dividend
- Reduction of the CEO's salary by 25%.
- 20% reduction in the remuneration of external directors.
- Adaptation of the variable remuneration policy.
- Reduction of fixed and operating costs to the bare minimum.

As a consequence of the closure of the stores at the airports and some of the establishments of our main bar customers, the Group could not avoid having to take advantage of an "ERTE", Temporary Employment Regulation File, in the production centres of Spain and France.

However, the company undertook to advance the amount equivalent to the unemployment benefit to those people affected by the ERTE who proved their need, as well as to incorporate the people again as soon as possible.

Finally, a person applied for an advance of the payment of unemployment benefit and the average duration of the ERTE was 21 days, a figure lower than initially expected.

# Ethical management and regulatory compliance

## Our Mission, Vision and Values



### Mission

Making the world a sweeter place by creating value for our stakeholders.



### Vision

- Maintaining our position as world leader brand for "Turrón de España" (Spanish turrón).
- Being a company of international reference in the production of branded confectionery products.
- Being a leading European reference company for bars for third-party brands, which satisfy all the consumer needs associated with said product.



### Values

Transparency, Prudence, Perseverance and Reliability.



## Compliance Model

The main elements of the Delaviuda Confectionery Group Compliance System are the Code of Conduct, the Risk Map and the existence of a Compliance Officer, who is responsible for the proper functioning of the System. Likewise, two reporting channels have been enabled: [compliance@delaviuda.com](mailto:compliance@delaviuda.com) and [compliance@artenaybars.com](mailto:compliance@artenaybars.com), where anyone can report irregularities or raise doubts. During this financial year, no complaints have been registered through the enabled channels.

With respect to non-financial risks, taking as reference the Penal Code and the ISO 31000, 19600 and 37001 standards, and UNE 19601, according to their probability and impact, the following were identified as the most relevant risks for the Group: crimes against public health, misleading advertising, money laundering and risks to the health of workers derived from the health crisis caused by COVID 19.

For each risk there are different controls whose purpose is to prevent and minimise said risks. This year, associated with the health and safety risk due to COVID, the following controls have been implemented: creation of the crisis committee, preparation of action protocols and implementation of security measures.

In the previous year, the Code of Conduct and its reporting channels were made available internally and externally. Training on the Code of Conduct was given to 100% of the management and executive teams, as well as to the new recruits. During this financial year, training for new hires continued.

# Milestones for financial year 2019 - 2020



Delaviuda Confectionery Group, SLU sold 100% of the shares of Almendralia Ibérica SLU to the parent company of the equity group



Manuel López Donaire became the sole administrator of Delaviuda CG



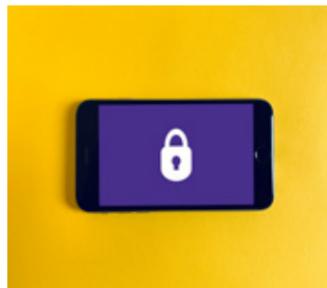
Launch of cutting-edge innovations: Crunchy chocolate turrón bites from El Almendro and Praline Sticks from Delaviuda



Christmas 2019. Four products of our Delaviuda and El Almendro within the Top 10 sales of Innovations in the turrón sector



Extension of the BIO certification



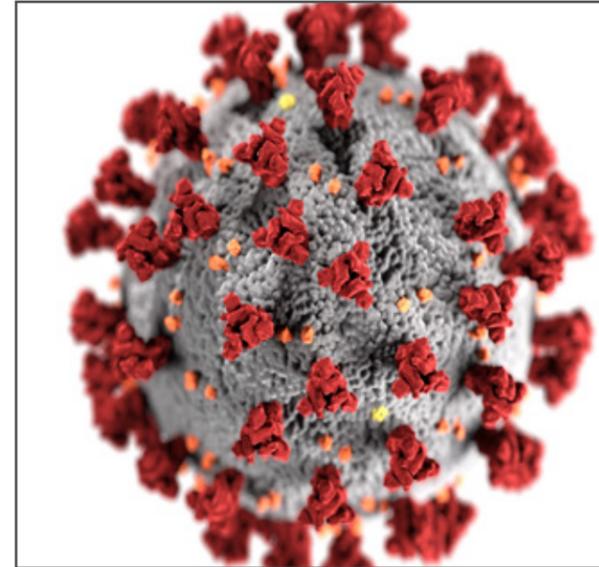
Creation of the GDPR and Security Office



Industrialisation of new products. Chocolate Bites, Chocolate Sticks and Soft Turrón Sticks



First survey to know the level of satisfaction of the workforce with the conciliation measures



## Covid 19

- Creation of the Covid 19 Crisis Committee
- Establishment of a package of exceptional economic measures to guarantee the sustainability of the Group.
- Preparation of Action Protocols on health and safety



Completion of project "Confía"



Donation of 200,000 kg of product



Donation of 6,700 gowns, 36,000 leggings and 98,000 caps with disposable masks to the Virgen de la Salud Hospital Complex in Toledo

# Results of the financial year

## Main financial figures

in thousands of EUR	2019-2020	
Turnover	106.118	Delaviuda Confectionery Group obtained in the financial year ended June 30th, 2020, an aggregate turnover of 106.1 million euros, the global figure in the international market representing 48% of the turnover.
Generated value	77.872	
EBITDA	-838	The production volume reached a figure close to 15 million kilos compared to 16.3 million last year.
Investments	4.937	
Net assets	39.178	Some economic magnitudes such as turnover and EBITDA have been greatly affected by the negative economic impact of the crisis caused by COVID19.
Total assets	85.197	
Net Financial Debt	3.292	
Working capital	33.595	

Between the months of March and June, there was a 50% decrease in orders from the bar business unit; a food product consumed mainly outside the home whose demand declined sharply due to lockdown. With respect to turrón, it is probably one of the main gastronomic souvenirs acquired by the 81 million tourists who visit our country and who this year could not visit us; causing the loss of 100% of the sales of turrón that we used to make through the stores dedicated to tourism and "travel retail".

Additionally, the result was also affected by the costs of implementing sanitary measures to protect the health of the organisation's employees and by the deterioration of the goods produced that could not be sold during the summer season.

### Creation of value

This year again, prudence has been one of the main protagonists of the Group's financial and strategic management. Understood as the ability to take risks with a safety margin, this principle has been a sustainability factor; especially in a year like the current one. During this financial year, Delaviuda CG has generated direct economic value to its stakeholders in times of uncertainty, preserving employment, hiring suppliers in the area, paying and collecting taxes or collaborating with society through donations, among other actions.

Value created (in thousands of EUR)	2019-2020
Wages and salaries	13.417
Contributions to Soc. Security	4.463
Purchases	59.247
Corporate tax	0
Other taxes and duties	630
Donations	115

### Tax contribution

Delaviuda Confectionery Group also contributes to social development through the fulfilment of its tax obligations. Thus, our tax contribution derived from our total activity amounts to almost 29 million euros between direct taxes (taxes paid) and indirect taxes (taxes collected on behalf of third parties).

Tax contribution 2019-2020 (in thousands of euros)	Direct taxes	Indirect taxes	Total Contribution
Spain	4.021	17.168	21.190
France	1.633	6.039	7.672
TOTAL	5.654	23.208	28.862

## The turrón market at Christmas 2019

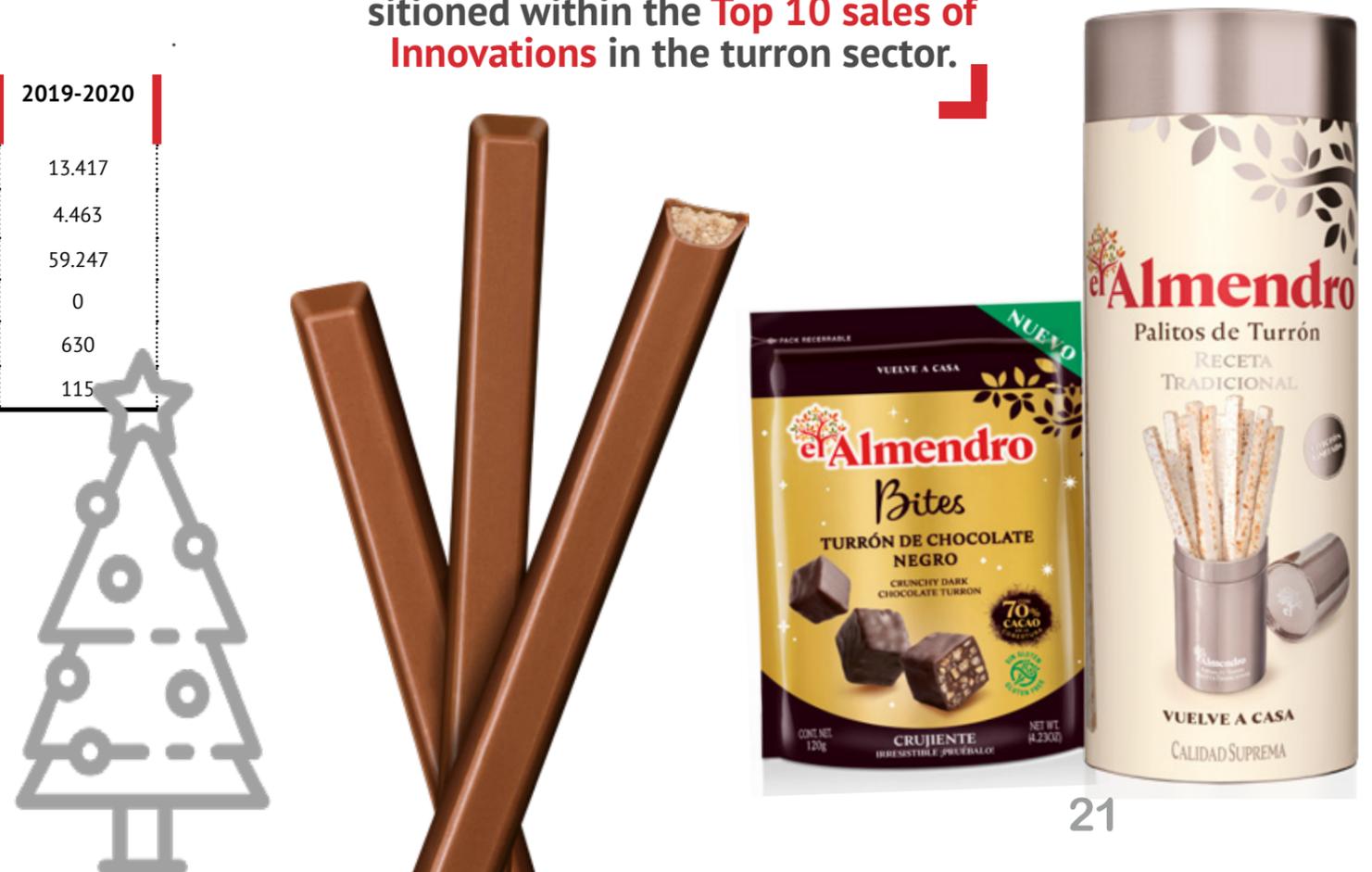
"As the results reveal, the innovation, to which we are committing, is on the right track"  
Manuel López Donaire, CEO of Delaviuda CG

According to data from the IRI consultancy on the 2019 Christmas campaign, in a context where the **Christmas candy sector remained stable, the brands that have opted for innovation have been the catalysts of the turrón market.**

In this campaign we consolidated ourselves as leaders of cutting-edge innovation due to our commitment to consume turrón in a different way. On the one hand, El Almendro presented the new Crunchy Chocolate Turrón Bites and the Chocolate Turrón Sticks with Soft Turrón; on the other hand, Delaviuda presented the Sticks, a cutting-edge way to consume chocolate turrón, to share anywhere and at any time of the day.

We grew by 4.6% in the turrón market without specialties. The Delaviuda and El Almendro brands grew in value by 6.9% and 3.52%, respectively, in the turrón market. With these two brands, the Group achieved a market share of 12.34%. Additionally, our cutting-edge innovations accounted for 1.6% of value in the non-specialty turrón segment.

**4 products of our brands were positioned within the Top 10 sales of Innovations in the turrón sector.**



In search of...

...the best talent

A talent management focused on people, focused on their development and well-being.

# Our best talent

The 2019-2020 financial year has been marked mainly by the completion of the Project Confía (2017-2019) and the crisis caused by COVID-19.

In the last three years, the Project Confía has aimed at the cultural transformation of the Group, focusing on the implementation of a conciliation management system adapted to the needs of our employees, a communication aimed at improving motivation and the sense of being part of the company, an organisational analysis focused on the identification of key people and the adaptation of people to the positions, and the development of the necessary skills to meet the growth challenges of the Group.

In the last quarter of the year, due to the impact of COVID, the need for Human Resources sector to lead crisis management was highlighted. Within this framework, we designed Plan ÍTACA in order to face the impacts of the pandemic, and to promote leadership that helps us stay on the growth path that we had started on. This plan is allowing us to respond to each situation, to recover by learning from experience and emerging with more strength, as well as to thrive by preparing and shaping our new reality.

## A firm foundation

### Talent management

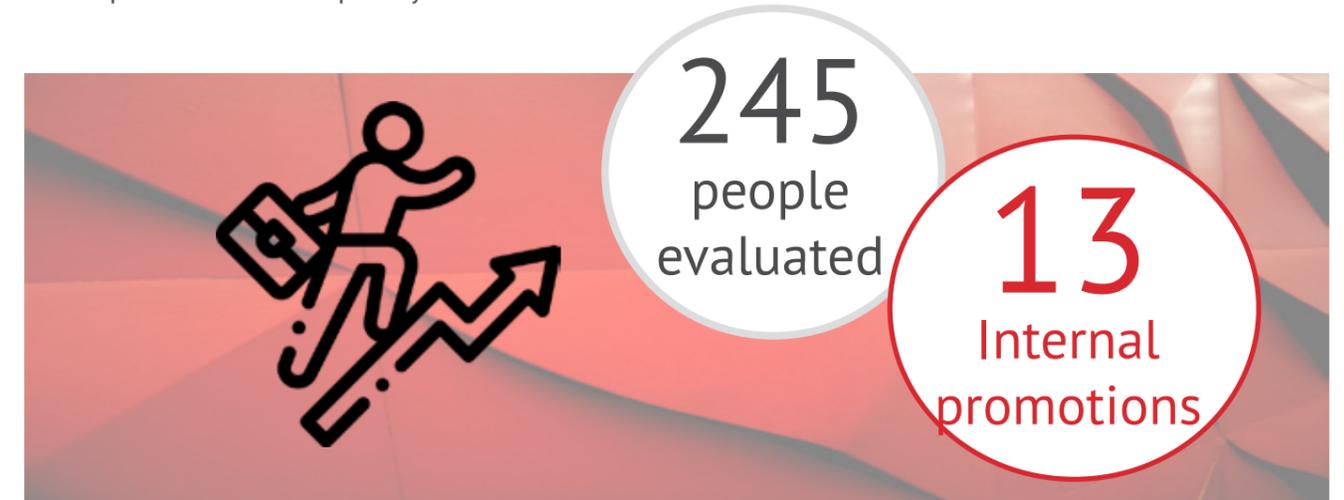
Our business plan requires us to rely on the best talent. In this sense, Delaviuda Confectionery Group has developed a model of competencies that mark its unique style and culture.



One of the aspects we have continued to work on is the establishment of clear and measurable objectives against which to measure the performance and capabilities of our staff.

Our performance evaluation process has pursued the following objectives:

- **To support team leaders in their leadership** development and in their role as assessors.
- **To monitor performance evaluations, carrying out a rigorous analysis** at a global and individual level on the degree to which people are developing, and identifying improvements in the process for subsequent years.



The results of the performance evaluation show the development of competences of all groups in the organisation and the positive outcome of the “Empower Yourself” training programme. As a result of this programme, the competencies of our employees have been improved, knowledge of the competency model has increased and, consequently, the identification of behavioural evidence in the assessments has also increased.

Likewise, working on a new Leadership model is now a priority due to the new context brought about by Covid. This model, aimed at the first levels of the organisation, will be implemented in the next financial year.

Finally, with regard to the external environment and in line with our commitment to strengthen our profile and employer brand, thus facilitating the selection of people who fit our culture, we have developed the following actions:

- Presence on professional social networks such as LinkedIn or on employment websites providing content.
- Publications in the media, such as Expansión & Empleo.
- Publications in our internal communication channels with specific content on talent: monthly newsletter, specific posters...
- Presence in employment forums, events and communities where we have participated and shared our initiatives and experiences.

# Training development

At Delaviuda Confectionery Group we are convinced that training is the best investment we can make in the development of our employees. For this reason, during 2019-2020 approximately 10,000 hours of training and a total of 141 courses were provided.

The 2019-2020 Training Plan was organised around different training blocks whose contents and actions are aligned with the corporate strategy. Thus, Languages, Technical Training and Skills Development were the items with the largest budget allocation. During the months of COVID-19, there was an increase in the number of hours of online training, as well as the adaptation of training sessions according to the new circumstances.

Type of training 2019-2020	Horas
Occupational Health and Safety I	3.643
Food quality and safety	875
Languages	1.639
Job specific training	2.582
Others	1.204
<b>Total</b>	<b>9.942</b>



Training indicators in DCG	2018-2019	2019-2020
Investment in training (euros)	193.203 €	104.797 €
Training Hours	17.990	9.942
Number of courses	105	141
Number of attendees	3.793	5.803
Hours of training/employee average	31,78	17,20



In 2018-2019 we made a very strong commitment to the training of our staff with the launch of the DCG Talent University and its "Empower Yourself" programme, which involved more than 7,000 hours of training. This year it was planned to continue the programme with the core workforce, but due to the circumstances surrounding the pandemic, it was decided to postpone it until next year.

Hours by professional category	2018-2019	2019-2020
Management	2.995	376
Middle management	4.849	2.310
Administration	2.195	2.827
Other staff	7.951	4.430
<b>Total</b>	<b>17.990</b>	<b>9.942</b>



# Communication and listening

Sharing and listening are key to our commitment to our employees and, in this respect, many initiatives have been carried out to improve communication, increase pride of being part of the company, be able to reach out to everyone and reinforce our culture and values, among others.

## Main milestones

- Creation of a corporate Intranet. It is a website where employees can find relevant corporate documentation and news of interest. It is accessible from any device.
- Installation of TV in the rest area of Artenay to communicate in real time with people in the plant who do not have corporate mail.
- “Valemos por lo que somos” (we are worth what we are) campaign to raise awareness about our corporate culture. It consisted of the weekly launch of an informative session focused on an important value for the company.
- Approval of the Internal Communication Policy and the Corporate Identity Manual.



## The challenge of communicating during the pandemic

Internal communication has become a fundamental tool for managing the pandemic. Transparency has been our ally in a situation of so much uncertainty for everyone. Among other actions, the most significant in terms of communication were:

- **Monthly letter from the CEO** to the entire staff to provide relevant information on the evolution of the pandemic, providing security and peace of mind to the organisation's people.

**Internal communications** to inform of management actions taken at any given time.

- **#Mensajepositivodeldía. and the #MailsdelViernesContraelCoronavirus:** We generated content to encourage the involvement and togetherness of all people. These messages aimed to strengthen the feeling of being part of the company and to consolidate the bond with the rest of the colleagues in a time when distance was a reality. Specifically, daily messages were distributed with encouraging content, collaborative playlists, plans to do with the family during the lockdown and information sessions to deal with the new work methodologies, #Yotrabajodesdeca (I work from home), among others.

- **A thank you video** to recognise the work of the production team, who did not stop coming to work for a single day during the pandemic.

**The involvement of our CEO** with his monthly letters in the most difficult moments **was particularly remarkable**



## Our way of...



### ...Promoting a sense of being part of the company

- **Photography contest.** “Bring out the photographer in you” was this year’s theme, with the aim of involving the team in the decoration of some of the common areas of our facilities. A total of 76 photographs were submitted and an external photography agency took part at the selection of the winning photographs.
- **Day of Families.** Holding open days for the families of our collaborators in which they can learn first-hand about the process of creating the products. In this edition we had over 130 attendees.
- **Former workers’ day.** Celebration of the 3rd edition of the Former Workers’ Day to commemorate the professional careers of those who have faithfully accompanied us in our mission to make the world a sweeter place. The day took place at the Sonseca Production Centre and consisted of a breakfast with our CEO, followed by a guided tour of the factory which was rich in memories and reunions.

### ...Being close and communicating

- **Monthly newsletter.** Monthly publication in which we provide close and friendly news that are considered to be of interest to the Group: corporate matters, cultural and business transformation and social responsibility issues...
- **Coffee with the CEO.** Informal breakfast every three months in which a diverse group of people have a relaxed chat with our CEO, Manuel López Donaire. At these breakfasts they talk about issues related to the management of the company, the Group, future prospects and any other topic that may be of interest to them.



### ...Celebrating with our people

- **DCG “Talent Show”.** Call for an internal talent contest, held in the days leading up to Christmas, in which the participants put their creativity to the test. It is an initiative launched in Spain to promote companionship, as well as a good working environment after the Christmas campaign. An external communication agency participated in the deliberation of the winning videos.
- **Annual session at the Artenay plant.** On January 6th, 2020, the annual communication meeting was held in Artenay. This event, for the first time, brought together all factory and office personnel to be informed of the challenges set for the new year, as well as to hold educational training workshops related to hygiene and health, quality and safety at work. Thanks to the format of the meeting, our colleagues from Artenay had the opportunity to carry out teambuilding activities and to get to know each other a little better.
- **Children’s Christmas workshop.** This day the children of our employees come to our facilities to enjoy a Christmas decoration workshop.



## Health and Safety as a priority

Delaviuda Confectionery Group is committed to protecting the safety and health of all its employees, with the conviction that that work-related accidents and illnesses can and should be prevented. We have always worked on this point, but now it has become even more relevant in the context of the coronavirus, **where ensuring worker safety has been a key priority for the company.**

At Delaviuda CG there is a culture of preventive safety based on:

- The implementation and continuous improvement of the Occupational Health and Safety Management System through communication with employees, contractors and other stakeholders.
- The education and training of employees to ensure that they are prepared to avoid hazardous situations and to respond quickly to unexpected events.
- Influencing the training of contractors, suppliers and the community in general.

### Noteworthy actions



3,460 hours of ORP training +400 more hours than in 18/19

2.989 attendees

- Increased security and prevention in our facilities through new systems and tools such as BITNOVA (prevents unauthorised intrusions of personnel or vehicles outside their professional activity) or E-COORDINA (tool that controls and facilitates the exchange of documents between different companies).
- Raising awareness among our professionals about the importance of prevention and safety both in and outside the workplace. For example, information plans have been drawn up for the workstations evaluated or the monthly dissemination of interesting content for the promotion and adoption of healthy habits has continued within the framework of the “Making the world a healthier place” project.
- Updating of the company’s preventive documentation through internal and external action programmes.
- Actions to improve health and quality of life: training in first aid for children and adults, organization of yoga and back stretching workshops.

DCG accident rate	Spain		France	
	2018-2019	2019-2020	2018-2019	2019-2020
Frequency rate	17,2	33,0	32,2	0
Severity rate	0,33	0,35	0,08	0

## Protecting Our Staff from COVID-19

The pandemic caused by the coronavirus has strengthened, even more so if possible, the organisation's commitment to the safety and health of people, becoming one of the great challenges Human Resources and Prevention Department has had to face.

It is worth highlighting the effort made at the Delaviuda CG plant in Spain, which, due to its marked seasonal nature, has seen a considerable increase in the volume of labour, with very high peaks in the number of people during the key months of the campaign; this is an issue that has forced the company to redesign the plant in Sonseca, fitting out new spaces and new accesses entrances and exits in order to turn said work centre into a safer environment.

**Preparation of action protocols** adapted to the different jobs.

**Implementation of teleworking**, as a general rule, and for those whose work permits it.

**Daily PPE supply:** gloves, masks, protective screens

**Strengthening of the prevention team:** hiring of two people dedicated exclusively to the execution and supervision of compliance with the anticovid action protocols.

**Specific health surveillance:** serological tests.

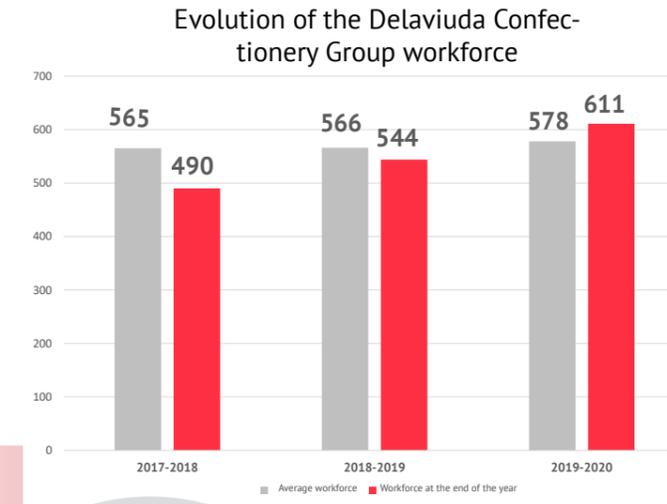
**Safety, control and hygiene measures:** establishment of disinfection points, temperature control, reorganisation of the use of facilities and circulation flows, specialised cleaning tasks...

**Adaptation of training to the online modality**

## Delaviuda Confectionery Group in figures

During the 2019-2020 financial year, the average number of employees at Delaviuda Confectionery Group reached the figure of 578. At the end of the financial year, June 30th of 2020, the workforce reached the figure of 611.

Due to the campaign periods of our factory in Spain, these figures have increased significantly, reaching a figure of more than 900 employees at certain periods (915 at the peak of this financial year).



**52%** women

**71%** permanent and permanent seasonal

**16** new permanent hires

**76%** Production Personnel

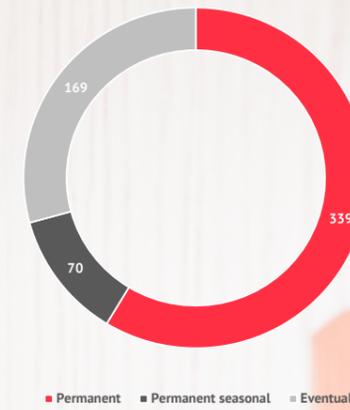
**12%** rotation

...Our people in figures...



DCG workforce distribution	2018-2019			2019-2020		
	Spain	France	Total	Spain	France	Total
<b>By gender</b>						
Women	264	32	296	270	31	301
Men	204	66	270	209	68	277
<b>By age range</b>						
Over 50 years old	154	33	187	163	29	192
From 30 to 50 years	246	55	301	250	61	311
Below 30 years old	68	10	78	66	9	75
<b>By type of contract</b>						
Permanent	238	96	334	241	98	339
Permanent seasonal	70	-	70	70	-	70
Temporary	160	2	162	168	1	169
<b>By professional category</b>						
Management	15	-	15	11	-	11
Middle management	51	32	83	46	6	52
Administration	47	5	52	47	34	81
Other staff	355	61	416	375	59	434

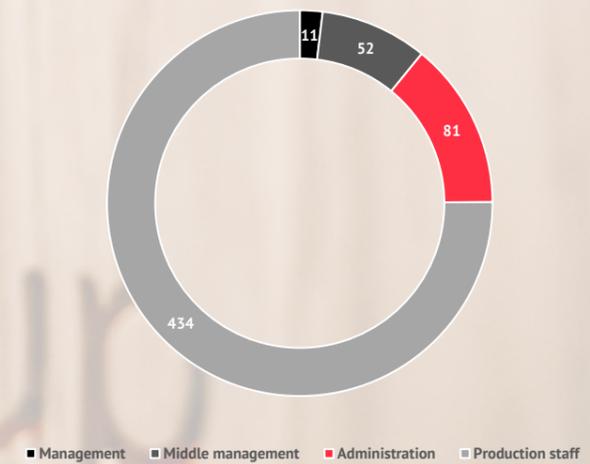
Average workforce by type of contract



Average workforce by age range



Average workforce by professional category





# Growing in efficiency...

“Guaranteeing the continuity of our activity and maintaining the level of service and commitment to our customers have been two of our priorities.”

# Operations

This year has been marked by growth and improvement in the efficiency and productivity of our operations. Through the investment in our facilities and the expansion of the productive capacity of our plants in Spain and France, we have made the industrialisation of new products more efficient: Chocolate Bites, Chocolate Sticks and Soft turrón Sticks.

Along with the above, as we began to foresee the consequences of the COVID 19 pandemic, the operations department put in place a series of mechanisms and measures to ensure business continuity and the level of service and commitment to our customers, which are described throughout this chapter.

**6**  
Action Protocols  
against Covid

**+ 3 mill. €**  
in investments



## Investing in efficiency

### Main Actions

#### 📍 Sonseca



- ✓ Improvement of the facilities: Expansion of the raw materials warehouse. Replacement of the asbestos cement roof with an insulating panel to avoid energy losses during the cooling of the warehouses. Configuration of the entire metal structure to achieve greater resistance to fire in the event of a fire.
- ✓ Acquisition of a new production line for fruit bars that provides a higher level of quality assurance and a significant increase in production speed. Additionally, "pick & place" automatic technology was incorporated so that the entire process is carried out in-line right through to palletisation.

#### ✓ Capturing, recording and tracking of information:

- Installation and implementation of a new infrastructure for capturing, recording and tracking working times in production orders. This improvement will also allow the management of emergency evacuation, immediate detection of staff or visitor absences at the meeting point, ...
- Improvements in the capture of raw material consumption and notifications to SAP in the main production lines.

#### ✓ Acquisition of equipment for the automatic turning of "topping" tablets, eliminating handling in the packaging process.

- Design, installation and commissioning of new Cubits/Bites cutting machines, offering greater productivity and efficiency, with a direct impact on reducing production losses.
- Installation for loading liquid chocolate into tanks. Construction of the infrastructure to fill the tanks with dark and milk chocolate and thus make the transport of these raw materials to Artenay more efficient.
- Inkjet encoders. Replacement of the old equipment with more efficient equipment for printing batches and expiry dates.
- Installation of remote viewing cameras in the stacker cranes of the automated warehouse, reducing machine downtime and avoiding work at heights.

#### 📍 Artenay



#### ✓ Acquisition of new equipment:

- Installation and implementation of packaging equipment for the Sollich bar line and creation of a double packaging line for the Togum line, with a direct impact on increasing production capacity
- Installation of two storage tanks for storing dark and milk chocolate. With this investment it will be possible to receive the chocolate from the tanks, store it and pump it to the lines where it will be tempered and consumed.
- Acquisition of two pumping equipments adapted to the new raw materials used in the preparation of syrups.
- Improvement of the facilities: refurbishment of the rest and meal room.

# New digitalisation model

The current organisational structure responds to the Group's strategic challenges. Our challenge is to guarantee the provision of IT services (availability, capacity, continuity and security), ensuring that people have access to the most useful services.



## Main axes of the Delaviu-da CG Digital Transformation Model

### Culture Change:

- New technological models as a natural extension of our individual and usual environment, in our private life.
- Setting of communication plans of the new services to all people (workshops, procedures, etc.).
- Availability of close, complete and available support.

### Relationship with customers:

- Active listening to the needs of each business area, and of every single person.
- The user's experience and needs as goals of our service provision.

### Business models:

- Analysis of trends in the technology market, for each ongoing service.
- Study of the weaknesses, strengths, opportunities and threats of all the technological services of the company.
- Adaptation of the optimal services available to our business archetype.

### Products and services:

- Continuous improvement of processes and services in production.
- Establishment of a shared, collaborative, and documented knowledge base reflecting the content and management of services.
- Automation of workflows for current services.

## Main Actions

- Training and adaptation to new technological models.
- Increase in personal competencies in different areas.
- Development of skills, abilities and new service management techniques.
- Adoption of reference frameworks for best management practices (ITIL, P3O, Agile, LEAN, etc.).
- New technological infrastructures (Artenay).
- New models of collaborative services (TEAMS, SharePoint, Microsoft 365, etc.).
- Modern mobile platform (next generation Smartphones).
- Outsourced professional support of the User Service Centre, which has enabled all new capabilities to be expanded.
- Updating the mobility communications contract (cost reduction and increasing coverage).
- New architecture of workplaces for maximum mobility (teleworking, etc.).
- Development of the IT Security Master Plan
- New hardware architecture of our ERP (SAP).
- Updating our defence (cybersecurity) to an artificial intelligence-based platform, with new layers of coverage against cyber-attacks.

## Cybersecurity

In 2019-2020, we continued to make progress in building an environment that prevents and is prepared for incidents that put the organisation at risk.

To this end, we have established an independent body, the Security and GDPR Office, consisting of an internal and external team (experts in cyber security, data protection, GDPR, lawyers and HR managers). This body is responsible for managing and enforcing all the resources needed to make the organisation as secure as possible.

Similarly, security continued to be improved in relation to physical access to information systems, data communications, websites, cloud services, applications and the workplace.



## Management of operations concerning the Covid

During the most critical phase of the pandemic, our priority was to guarantee the continuity of our activity, as well as the service levels and the commitment to our customers.

In this context, we worked very closely with our suppliers to ensure the supply of raw materials and other materials to avoid production line stoppages. We have also worked closely with logistics operators to ensure that our products arrive safely and on time at the points of sale.

Internally, health and safety protocols were tailored to the needs of each production plant, and daily meetings were held between the planning, logistics, trading, purchasing and supply departments to analyse market behaviour and the effects caused on the sales of our products.

Before the state of alarm was declared in Spain, a **Crisis Committee** was created and established as the body responsible for implementing measures for the prevention, control and monitoring of the health crisis.



The Systems department also played a prominent role in COVID's response and management capacity, making anticipation a fundamental principle of the actions of the department. Prior to the declaration of the State of Alarm in Spain, this area had already deployed the necessary communications and systems infrastructure to be able to maintain 100% of the activity of the offices and industrial facilities in a teleworking mode. Only personnel directly linked to the production plants were physically presents in the facilities. All systems remained in operation with a 100% service rate.



# Food quality and safety

## High-quality products and services

Our Food Quality and Safety Policy reflects the Group's commitment to ITS stakeholders, especially customers and consumers. This commitment requires us to consistently respond to their expressed and implicit needs, to offer safe and high-quality products and to innovate to adapt to consumer tastes and preferences.

We have a system of food safety and quality management in our two plants, capable of meeting the main international standards, legal requirements and commitments made to our customers.

**We have maintained the BRC and IFS certifications with the highest qualification**

Food Certifications	Spain	France
IFS Food	x	x
BRC Food	x	x
Product certifications	Spain	France
RSPO*	x	x
UTZ**	x	x
BIO	x	x
Fairtrade***	x	

\*Palm oil.

\*\*Cocoa. In the next financial year, we will switch from UTZ certification to Rainforest certification, as the two organisations (UTZ and Rainforest) have merged and are now called Rainforest Alliance.

\*\*\*Some private label cocoa products.

In line with previous years, the quality and food safety objectives for the year were geared towards maintaining the level of complaints and certification levels and reducing the number of foreign material complaints.

## Main Actions

- Maintenance of BRC and IFS certifications in our two plants.
- Harmonisation of the food safety risk analysis systems of both factories. This risk analysis is the fundamental tool we have for approving new raw materials, ensuring that possible risks have been identified and that we have the appropriate means to control them (analysis plans for both raw materials and finished products, requesting additional guarantees from suppliers, etc.).
- Unification of quality and production control records, which allows us to gain in efficiency.
- We continue to be immersed in the modified atmosphere packaging project, the purpose of which is to identify the film that is more impermeable to the entry of oxygen (responsible for the rancidity of the almond fat).
- Extension of the BIO certification to allow us to directly import BIO raw materials from non-EU countries. Buying at source allows us to have greater control over raw materials, better traceability and lower raw material acquisition costs, which can translate into better prices for our customers.
- Computerisation of the record of process controls which facilitates work and data management. In addition, we eliminate the time and the space spent on storing paper records.
- In response to the crisis caused by COVID 19, the way of working was adapted in order to be able to provide the same level of service to internal and external customers.

No complaints were received through the complaints channel during this financial year.

# Complaints and incident management

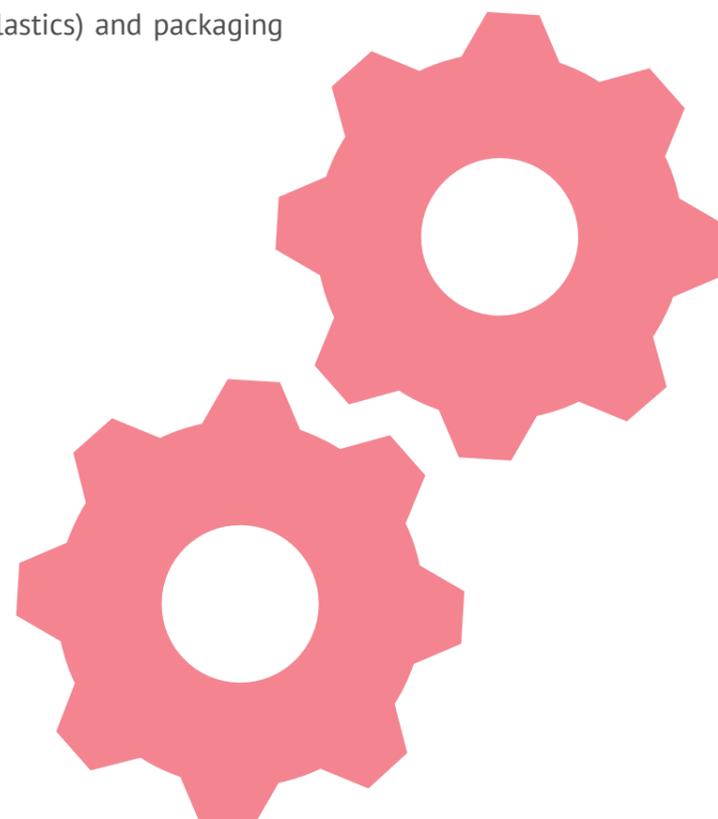
At Delaviuda Confectionery Group, we have a procedure that establishes how potential complaints from customers and consumers are managed.

Most complaints are received through the Customer Service Department and social media. Once the reasons that motivated the complaints have been analysed, the Quality Department is responsible for responding to the customer.

Within the Group we distinguish between complaints related to seasonal products (seasonal production) and bars (all-year production).

Complaints per million kilos produced	Spain		France	
	2018-2019	2019-2020	2018-2019	2019-2020
Seasonal products	3,90	4,06	-	-
Bars	9,17	10,06	14,00	17,02

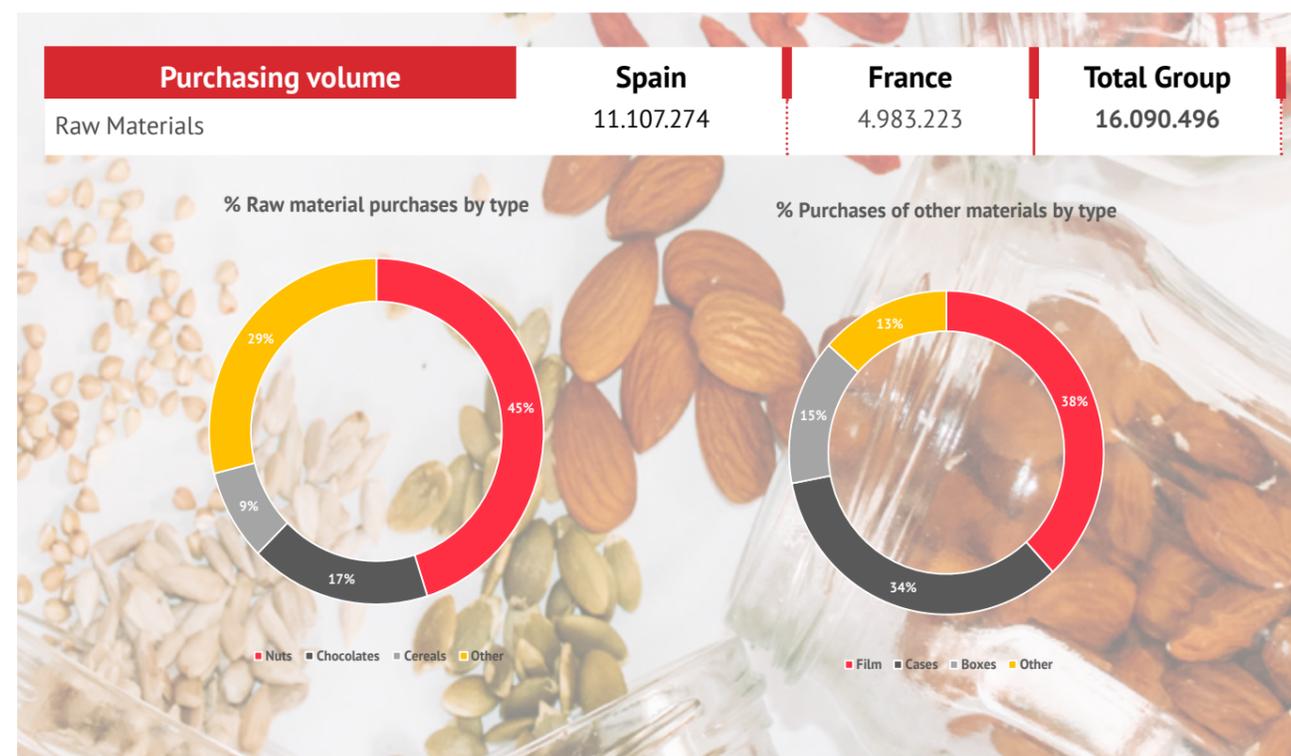
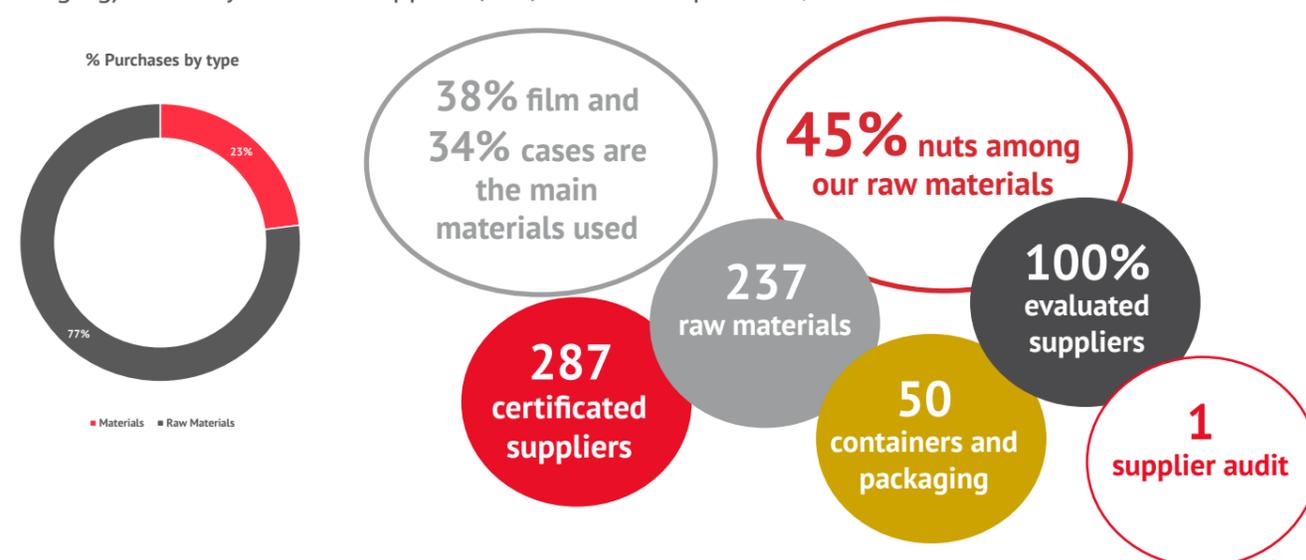
In Spain, the main reasons for the complaints related to seasonal products are non-compliance with specifications, the presence of foreign bodies, defects in packaging, texture and marking, among others. In the case of bars, both in Spain and in France the presence of foreign bodies (plastics) and packaging defects were the most frequent complaints.



# Management of raw materials and other materials

In order to offer our customers and consumers safe and high-quality products, at Delaviuda Confectionery Group we demand the highest standards of quality and food safety from our suppliers, as well as optimal service levels.

In line with the typology of our business, our main suppliers are those of raw materials and materials (packaging) and they are local suppliers, i.e., located in Spain and/or France.



## Main Actions



Actions focused on guaranteeing the supply of raw material during the last months of the 2019-2020 financial year, coinciding with the situation generated by COVID19. Approval and implementation of a protocol that allowed us to know the level of affectation of the pandemic during each month, as well as to monitor subsequent developments.



Search and purchase of new raw materials and other materials for the development and launch of new products.



Signing of a long-term contract that guarantees the supply of quality almonds at a fixed price.



Participation at international fairs in order to identify new market trends and increase our pool of suppliers.



Commitment to sustainable sourcing.



Approval and evaluation of suppliers.

We have a Group-wide supplier approval and evaluation system, whose main objective is to guarantee the safety and quality of our products.



**50% of cocoa butter and 51% of cocoa paste are UTZ and/or Fairtrade certified**



**100% of palm oil is RSPO**



## Almendralia

### Our commitment to growing almonds in Spain

*“From the outset, our aim has been to achieve sustainability in the supply of the almonds we consume, as well as maximum traceability and quality of our main raw material.”*

Almendralia was born with the challenge of vertically integrating our main raw material: almonds. Through this project, we guarantee part of the supply of our essential raw material: almonds, and we reinforce traceability as a key element to ensure the quality and freshness of our products. Our goal is to manage 2,000 hectares of almond plantation and cultivation in the Iberian Peninsula.



Thanks to our long experience producing almond-based products, we have in-depth knowledge of this nut, which allows us to take our expertise to the origin of the chain.

In addition, Almendralia generates positive social and environmental impacts for society. On the one hand, we generate employment in rural areas; and, on the other, we minimise the ecological impact of transportation by reducing the distance between the place of harvest and the place of production.

### Some milestones

**2015.** Beginning of the project after two years of analysis of the fundamental areas of almond cultivation: agronomic aspects of the new cultivation techniques, suitability of the different regions of the Iberian Peninsula, potential adaptation of California cultivation systems, sustainability of supply and demand, risk analysis, varietal selection...

**2016-2017.** Preparation and planting of more than 70,000 almond trees in our farm located in the Tiétar Valley (Extremadura). This farm has an area of 200 hectares.

**2019.** First harvest. We use the first homegrown almonds for the manufacture of our branded products.

**2020.** Expected increase of 40% of our own almonds in the 2020 harvest compared to 2019.



# Environment

## Investing in a cleaner environment

Our environmental commitment, beyond compliance with applicable environmental legislation, is materialised through the implementation of investments that reduce our energy consumption, through improvements that have an impact on reducing the use of packaging and through proper waste management.

During the 2019-2020 financial year, the company's environmental goals focused on generating an environmental culture, reducing the amount of waste generated, controlling the most significant energy consumption and designing environmental planning according to the Group's needs.

Environmental Performance	2018-2019	2019-2020
Electricity consumption	11.634.930 kWh	12.355.230 kWh
Diesel C consumption	516.433 ltr.	586.054 ltr.
Diesel consumption	48.112 ltr.	31.963,8 ltr.
Emissions	4.711 Tn CO <sup>2</sup> equivalent	4.156,94 Tn CO <sup>2</sup> equivalent
Water use	20.092 m <sup>3</sup>	21.340 m <sup>3</sup>
Hazardous waste	2,33 Tn	4,7 Tn
Non-hazardous waste	973,65 Tn	1.646 Tn

### Energy efficiency

At Delaviuda Confectionery Group we continue to implement measures and initiatives to improve energy efficiency.

#### Some actions

- Partial replacement of the refrigerant gas in the cooling system of the Aasted line. Elimination of the possibility of fluorinated gases leaking into the atmosphere, as we now work with water and glycol.
- Renewal of the cooling tunnel in the fruit portion line. This technology is more energy efficient and uses glycol water instead of fluorinated gases.
- Installation of air curtains at strategic locations to minimise currents of air that cause air conditioning losses in the production rooms.
- Renovation of the automatic vents in the warehouse roof, resulting in better air tightness and reduced air conditioning losses.
- Renewal of the lighting in the production area with LED technology, which saves part of the energy consumption.
- Replacement of diesel with propane in the new hard turrón roaster burner to improve its energy efficiency.

### Energy consumption

Energy consumption	2018-2019	2019-2020	%Variation
Electricity consumption	11.634.930 Kwh	12.355.230 Kwh	6,1%
Energy intensity	0,71 kwh/kg produced	1,51 kwh/kg produced	1,12%
Natural gas consumption	3.244.157 Kwh	3.040.844 Kwh -	0,06%
Propane gas consumption	61.896 ltr.	57.423 ltr.	-0,07%
Diesel C consumption	516.433 ltr.	586.054 ltr.	0,12%
Diesel consumption (fibre)	48.112	31.963	-0,5%

### Waste management

The reduction of waste and the promotion of its recycling to prevent it from ending up in landfills continue to be priorities on which we are constantly working.

We have several authorised waste managers who collect and process the waste generated, providing the necessary documentation to certify its destruction, conversion or use.

Waste by type	2018-2019	2019-2020
Non-hazardous waste	973,65 Tn	1.251 Tn
Hazardous waste	2,33 Tn	6,11 Tn

**926.900 Kgs**  
of waste recycled

**31%**  
materials

**74%**  
organic waste



Cutting-edge and...

...impactful  
innovation

“Cutting-edge innovation is one of our key growth drivers, enabling us to continue to make progress on our strategic challenges”.

# Towards a culture of cutting-edge and transversal innovation

La innovación disruptiva es el eje central de crecimiento que nos ayuda a avanzar en nuestros tres pilares estratégicos. Se trata de un concepto que trasciende más allá del desarrollo de nuevos productos. Nuestra ambición es que llegue a cada rincón de la empresa, retar el “statu quo” y encontrar una forma mejor de hacer las cosas.

Hasta la fecha, nuestra apuesta por la innovación disruptiva en algunos productos nos ha permitido ser el **player de la Navidad que más disrupción propone al consumidor** en ese periodo del año. La innovación también se traslada al ámbito comercial, en el que estamos apostando por impactar de una manera diferente, tratando de emocionar en la experiencia de compra de nuestros productos, llegando a más sitios de la mejor manera, expandiéndonos más allá del retail tradicional y obteniendo una mayor visibilidad en el punto de venta, entre otros aspectos.

Asimismo, hemos seguido apostando por la mejora continua de nuestros productos y formatos con el objetivo de seguir ofreciendo productos ricos y buenos sin sacrificar el sabor, y atendiendo a la demanda de los consumidores que optan por productos naturales y más saludables.

## Innovation model

Our business plan requires us to have the best talent. In this sense, the Delaviuda Confectionery Group has a model of competence that defines our own style and culture.

Delaviuda Confectionery Group has an R&D centre located in Sonseca (Spain), made up of 12 professionals with specialised training and extensive experience in the food industry (engineers, master chocolatiers, pastry chefs...).

As a remarkable novelty, the two R&D teams (Manufacturer’s Brands R&D and Artenay Foods R&D) have been unified and integrated into the Quality Department, which has been renamed as the Quality and Development Department.

The Development area team works closely with other departments of the Group, giving support to various customers and suppliers, and attending international fairs to capture new trends. This allows them to gain a global view of the needs and demands of the industry, which they then apply to new developments.

In order to guarantee the monitoring of ongoing projects, there is a Monitoring and Innovation Committee, which is responsible for promoting and supervising innovation throughout the Group. This committee is made up of managers from different departments and itinerant staff, which allows for a global view of the project.

For some time now, two trends have been developing and are expected to continue to do so: the demand for healthy and indulgent products, and the unstoppable snacking trend focused on developing products for snacking moments.

In this context, our products continue to meet the demand for snacks, healthy products (sugar reduction, fat reduction, chocolate with a high percentage of cocoa, high fibre and/or protein content, or BIO products), as well as groups with specific nutritional needs (mainly gluten-free products). In addition, we are working on the search and use of new ingredients with healthy properties to meet the demands of our customers, especially in France and Northern Europe.



# El almendro all year-round

## Our most relevant deseasonalisation project

Our deseasonalisation strategy is based on three pillars: selling our products in international markets, developing healthy snacks outside the Christmas market and continuing to work on new product categories.

Two years ago, we launched the “all year-round” project with the El Almendro brand, introducing the **Cubits** and **Nut Bars** ranges to the market. A rich and healthy snack proposal based on almonds, which brings together all the expertise and know-how of the brand in the treatment of this nut.



### Leaders in nut bars

According to the analysis from the IRI consultancy firm at the end of the year, El Almendro's bars performed very well, achieving a 49.4% growth in value, nationally, compared to the previous year, positioning the brand as the number one in the nut bar segment.



### Repositioning El Almendro All Year-Round (EATA)

- More attractive designs for the consumer.
- Adaptation of the formats of Bars and Cubits.
- Betting on the bar shelf to promote Cubits as a healthy snack.
- Sampling actions to advertise the new image.



# Major launches 2019-2020

## Crunchy chocolate Bites El Almendro



A new option for consuming crunchy chocolate, which has allowed us to boost the crunchy chocolate segment. In zip bag format and with three varieties: 70% dark chocolate, milk chocolate and blond, it is a unique convenience format, to be consumed anytime and anywhere. And what's more... it's gluten-free.



## We're expanding the "turrón sticks" family



The turrón sticks were launched on the Christmas 2018 market with three flavours, Traditional, Caramel with salt and Caramel with milk chocolate, as a light and attractive way of consuming turrón, more in line with the new tastes of today's consumer.

This is the most successful innovation in the field of turrón and Christmas specialities, reaching the Top 3 of innovation, according to the consultancy firm IRI.

For this year, the brand has gone one step further by offering a new recipe for chocolate turrón sticks with soft turrón that will delight the palates of turrón lovers.

## Chocolate turrón Sticks

The chocolate turrón Sticks have become Delaviuda's big bet to reinvent the category of chocolate turrón and pralines, covering current trends to attract new consumers.

The "stick" format is also presented as a good way to taste the chocolate praline. The range was launched with different flavours: dark chocolate turrón with caramel, 70% dark chocolate turrón, milk chocolate turrón with hazelnut and milk chocolate turrón with almond.



## Panettones

We relaunched the Panettones range. With a softer and more tender texture, for the occasion we have opted for two delicious flavours: classic with fruits and chocolate.



# Product Development

## Consolidating our most innovative proposals for Christmas 2020

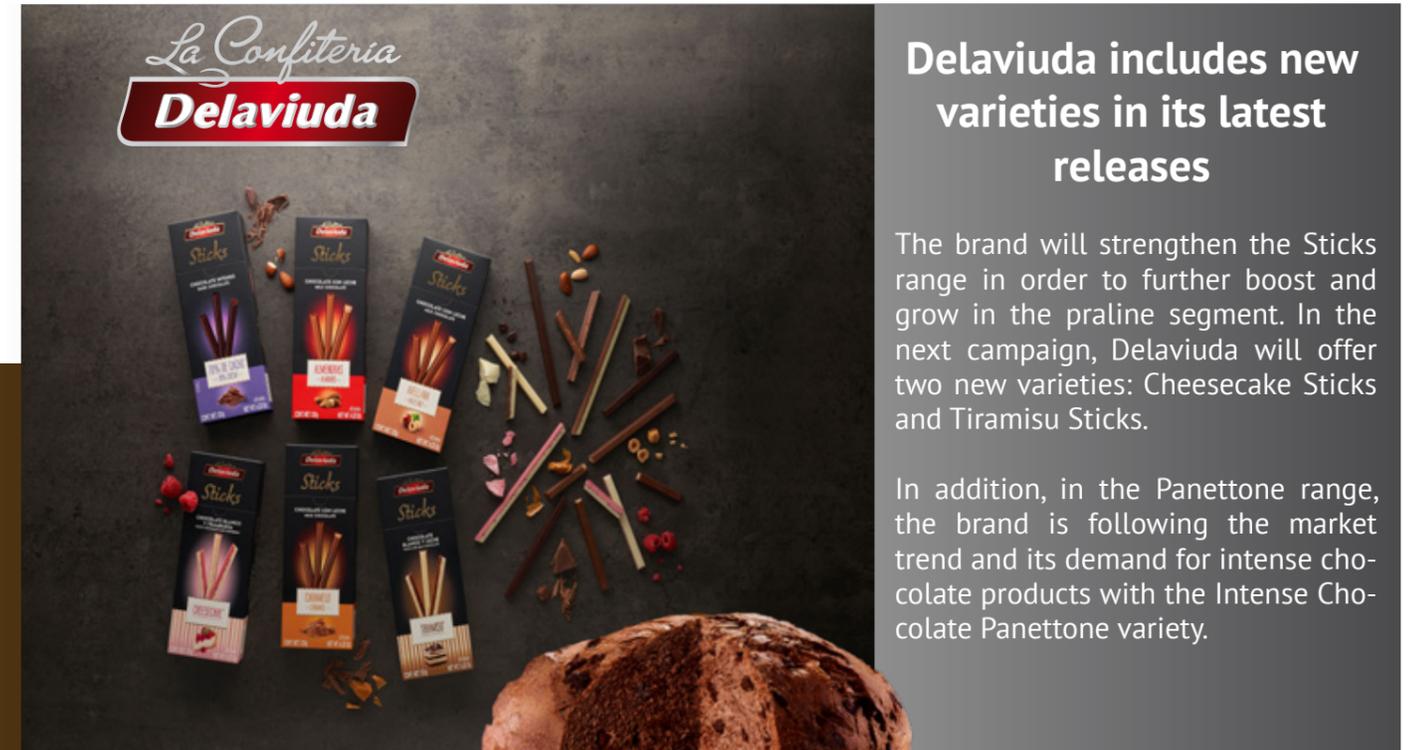
The snacking of turrón to make its consumption more convenient is our great commitment to cutting-edge innovation. During this year, the main goal of our product development work has been to strengthen Delaviuda's Sticks range with new varieties, as well as the design of new product formats and packaging.



### Turrón in portions, a more convenient consumption

The brand presents individually wrapped portions of hard and soft turrón. A more practical consumption proposal for the most emblematic turróns.

In addition, consumers will also be offered the most universal turrón - the crunchy chocolate turrón - in portions, to be enjoyed anywhere and at any time with the Classic Crunchy Chocolate and 70% Cocoa Crunchy Chocolate portions.



### Delaviuda includes new varieties in its latest releases

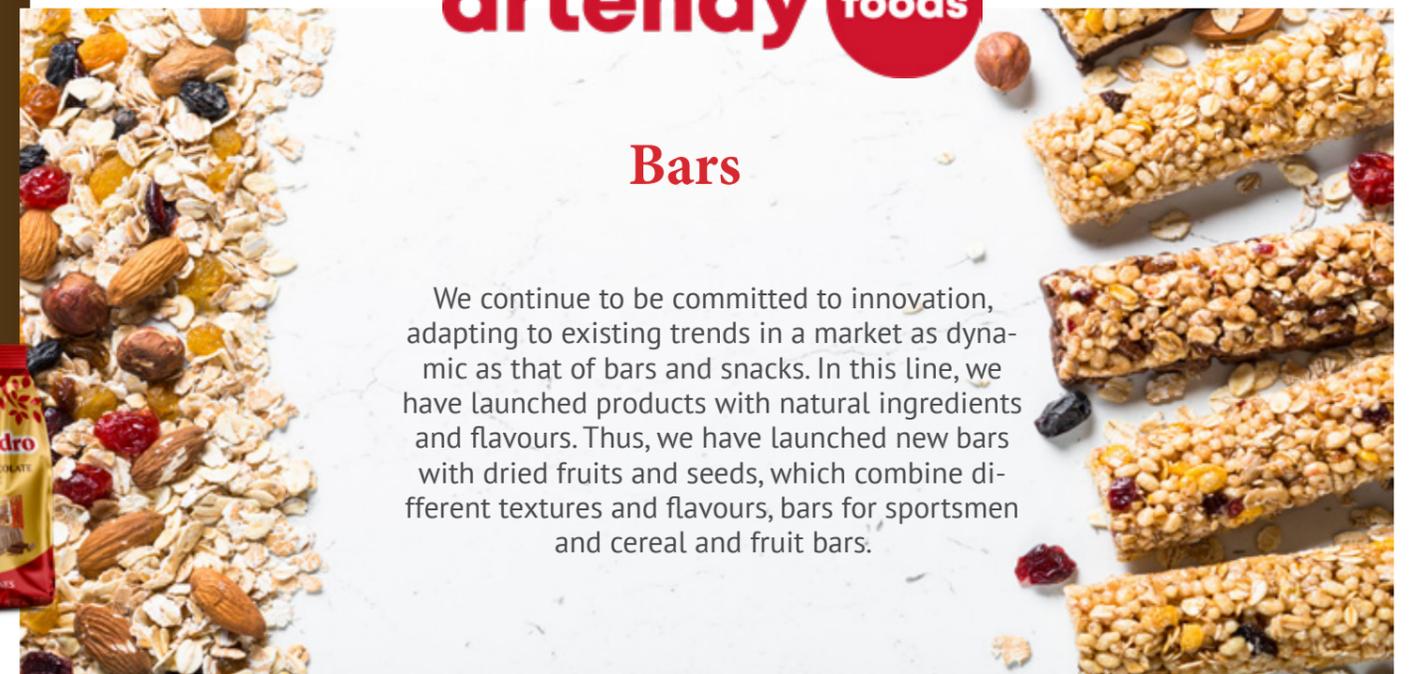
The brand will strengthen the Sticks range in order to further boost and grow in the praline segment. In the next campaign, Delaviuda will offer two new varieties: Cheesecake Sticks and Tiramisu Sticks.

In addition, in the Panettone range, the brand is following the market trend and its demand for intense chocolate products with the Intense Chocolate Panettone variety.



### Bars

We continue to be committed to innovation, adapting to existing trends in a market as dynamic as that of bars and snacks. In this line, we have launched products with natural ingredients and flavours. Thus, we have launched new bars with dried fruits and seeds, which combine different textures and flavours, bars for sportsmen and cereal and fruit bars.



A hand is shown in silhouette, reaching upwards with fingers spread. The background is a soft, warm sunset or sunrise over a body of water, with the sun low on the horizon. The overall mood is hopeful and aspirational.

# Active for change

“Through our motto ‘Making the world a sweeter place’, we are committed to being part of the change we want to see in Society”.

At Delaviuda Confectionery Group we are committed to being part of the change we want to see in society. Making the world a better and “sweeter” place.

Aware of the magnitude of this ambition, we do our bit through social impact, proximity and health care initiatives or by collaborating with the neediest in situations as complex as the coronavirus... In this way, we try, year after year, that our claim “Making the world a sweeter place” becomes a reality for specific people and circumstances.

## Active in the improvement of society

The Delaviuda Confectionery Group is all about people. At Delaviuda CG, we want to accompany and bring hope to as many households as possible. That’s why we continue to support groups in need by donating our products. During this year, we have collaborated with associations such as the Madrid and Toledo Food Banks, Caritas, the Red Cross and soup kitchens near our facilities. In total, the Group has donated 100,936 kg of products.

### Coping with the Coronavirus

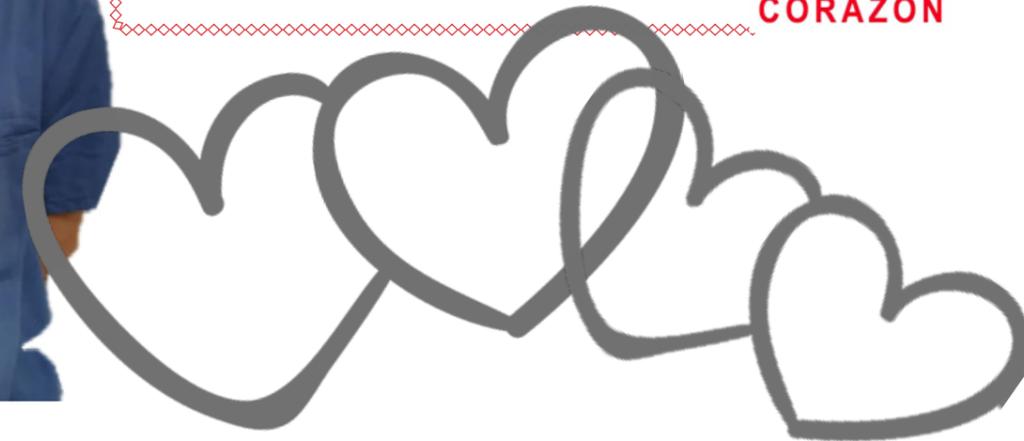
In response to the urgent need to protect our health professionals, we donated **6,700 gowns, 36,000 leggings and 98,000 caps** with disposable masks to the **Virgen de la Salud Hospital Complex in Toledo**.

In addition, we donated more than **7,000 bars** of El Almendro to the field Hospital enabled in **IFEMA** (a symbol of Spanish society’s fight against COVID-19) in the hope of giving extra energy to the health professionals and patients there.

From France we also delivered **300,000 bars** to the following hospitals and institutions: **Centre Hospitalier Régional d’Orléans La Source, Samu Orléans, La Source, Caserne Pompiers Orleans, La Source, Caserne Pompiers Chevilly, Fédération Française de Sauvetage et de Secourisme and Banque alimentaire du Loiret**.



We are grateful to receive recognition from... #Empresasconcorazón by Caritas Diocesana de Toledo as one of the companies committed to the fight against the coronavirus emergency.



### Doing our bit

#### Great Food Collection Campaign of the Madrid Food Bank

Like every year, some of the employees of our Madrid offices wanted to show their solidarity by participating in the Great Food Collection organised by the Madrid Food Bank.

An “andayero” (fan of the radio programme “Anda ya”) in Portland. El Almendro’s campaign “vuelve a casa por Navidad” with the radio station “los 40 principales”

This year we launched our “Vuelve a casa por Navidad” campaign, together with one of the radio programmes with the greatest impact on young audiences, “Anda ya”, broadcast by “los 40 Principales”. Among the listeners was Cayetano, an “andayero” resident in Portland who had not been able to celebrate Christmas with his family for 5 years and managed to do so thanks to the contest we launched on this programme. In addition to the emotion of meeting his family, there was the emotion of the minutes of Keru Sánchez’s programme, with the election of the winner and his version of his story.



## Active with the future of our youth

At Delaviuda Confectionery Group we are committed to the future of young people and, above all, to the sustainability of employment in times of uncertainty.

### Partnership agreement with YMCA

YMCA is a non-profit organisation, run by volunteers, that seeks to improve society through the comprehensive development of youth, creating opportunities, reducing their vulnerability and strengthening their environment. Currently this organisation has 23 centres in Spain.

As a result of our active collaboration with this entity, we have incorporated one person from their employment programme to our staff.

### YMCA employment webinar

The Human Resources Department of Delaviuda Confectionery Group participated in this webinar on youth employment organised by the NGO YMCA Spain. The “NMarcha” project, which is part of this organisation’s employment programme, aims to facilitate the professional integration of young people, one of the segments of society most affected by unemployment in our country. During the online meeting dedicated to this project, issues such as recommendations to be taken into account when preparing a curriculum vitae, conducting interviews or training on the main job search platforms were discussed.

### Participation in the I Speed Job Dating AECOC

In this online meeting, 25 young university students connected with the Human Resources area of 14 mass consumer companies. Over the course of two sessions, the students held virtual 10-minute meetings with the companies in order to understand which profiles are the most valued by the companies and to apply to start a professional career in the sector. The Human Resources Department of Delaviuda Confectionery Group participated in the initiative, contributing its experience and knowledge on how to face job opportunities in the sector.

### Other participations

As in previous years, we attended the annual meeting of the Castilla-La Mancha University Employment Fair. We also participated in the Red Cross Employment Plan Dialogue Table in Illescas (Toledo).



## Active in health and sports

Throughout this year we supported 14 sporting events in which more than 26,300 people participated.

- IV Popular Race “La Nocturna Sonsecana”
- Race “La Parisienne”
- Race les “Foulées roses”
- Hiking route “Hemiruta Alora”
- Race “San Silvestre Sonsecana”
- Race Against Gender Violence - “corral de almaguer”
- V Popular Race VI Solidarity March for DIABETES
- III CANICROSS AMAFI
- Madrid Synchronized Skating Gala
- Sonseca Basketball Club
- Football Federation of Castilla- La Mancha
- Sonseca Football Tournament
- Cross Sonseca Duathlon
- A race for equality



Five of our colleagues from Artenay joined the “**Theleton**” solidarity race. A 42 km relay race, the proceeds of which went to support research into rare diseases. Our team finished in 24th place!



# Active participation

At Delaviuda CG we actively participate in forums, associations, fairs and other types of meetings to share experiences, knowledge and trends that enrich the sector, community and environment to which we are linked.

## Supporting business growth

Our CEO has personally participated in two events aimed at business growth:

- **III CEAPI Ibero-American Congress.** It is the largest Ibero-American business meeting organised by the Consejo Empresarial Alianza por Iberoamérica (CEAPI), which in this edition brought together more than 550 presidents of business groups and members of Ibero-American business families.
- **Conference Organizaciones en crecimiento** (Growing Organisations) organised by the Asociación para el Progreso de la Alta Dirección (APD) (Association for the Progress of Senior Management) and Caixabank in Toledo “Liderazgo Exponencial. Líderes con Estrategia” (Exponential Leadership. Leaders with Strategy).

In addition, we have participated together with the Spanish Compliance Association (ASCOM), in the Compliance group in the Industrial Sector. And in the webinar organised by Cajamar: “Agri-food exports in the face of Covid uncertainty” where aspects such as internationalisation strategies were discussed in this situation of uncertainty were discussed.

## Participation in associations and business forums...

- **Cre100do.** Initiative promoted by the Bankinter Foundation for Innovation, the Ministry of Economy, Industry and Competitiveness, ICEX and the Círculo de Empresarios, which aims to contribute to the development of the Spanish middle market through excellent companies.
- **CEAPI.** A business council made up of 140 presidents of the largest Ibero-American companies, which is committed to strengthening the network of relationships and the Ibero-American business space.
- **AECOC.** Association that brings together all the agents in the value chain, from producers to logistics operators and distributors to provide value to the consumer.
- **Foro Inserta de Castilla-La Mancha.** A space for advising, designing and proposing measures for the professional integration of people with disabilities.
- **ASCOM.** The first professional association of these characteristics in Spain, in response to the need to create a common space for Compliance professionals in our country.
- **Produlce.** Association whose mission is to represent the interests of manufacturers of sweets and confectionery.
- **Asociación Netmentora Madrid.** Non-profit business association, whose objective is to contribute to social development and economic growth by supporting the creation of companies and employment by entrepreneurs.
- **Calidalia.** Company that brings together the main food and mass consumption companies in Spain and operates as a purchasing centre.
- **Family Business Association of Castilla-La Mancha** founded in order to facilitate the continuity of the most important family businesses in the region through the improvement of the legal and tax environment, and the promotion of training, among others.

- **Federation of Employers of Toledo.** Organisation that provides advice and support to the business fabric of the region.
- **Alliance 7.** French Federation of food products that offers a support service in the areas of social issues, quality and food safety, sustainable development and the environment.
- **Economic and Social Council of the Sonseca City Council.**



## Participation in trade fairs. Picking up trends and presenting news

- **Anuga, Cologne (Germany).** One of the largest food and beverage fairs, held biennially and which celebrated its 100th anniversary this year.
- **TFWA, Cannes (France).** International fair presenting trends and opportunities, alliances and business platforms in the duty free and travel retail sectors.
- **ISM, Cologne (Germany).** One of the most important trade fairs specialising in the confectionery and snacks sector, which celebrated its 50th anniversary this year under the title “Everything the heart desires”. In this meeting place with great international visibility, we took the opportunity to present the main novelties and innovations launched with the brands El Almendro and Delaviuda.
- **Gulfood Dubai.** The Middle East’s food fair, which celebrated its 25th edition this year under the slogan “Rethinking food”. It welcomed more than 5,000 exhibitors from over 200 countries and over 100,000 professionals. We presented the new El Almendro Chocolate Turrón Bites and the new Delaviuda Chocolate Sticks.



## Active with our stakeholders

Relationships of trust are built through continuous dialogue and contact. That is why at Delaviuda CG we have communication channels with our main stakeholders: shareholders, employees, customers and consumers, suppliers and society. Through this communication, we are able to identify their expectations and needs, and work to provide the appropriate response.

Transparency has been one of the main areas of action this year. Among others, the publication of the sustainability report, external communication actions and the regular updating of our corporate social networks are noteworthy.

Stakeholders	Communication channels
Shareholders	Meetings of the Board of Directors Annual Accounts Sustainability Report Corporate Website Monthly newsletter
Employees	E-mail Noticeboard Rest area TV Monthly newsletter Suggestion box Corporate Website Annual meeting Sustainability Report Social networks Intranet
Customers	Corporate Website Events Trade fairs Sustainability Report Social networks
End consumer	Corporate Website Social media E-mail Sustainability Report
Society	Website Promotional campaigns Collaboration agreements Events and forums Sponsorships Interviews and stories Press conferences Social Networks
Suppliers	Corporate Website E-mail Sustainability Report Social Networks

## Committed to the 2030 agenda

The decade of action to achieve the goals of the Agenda 2030 proposed by the United Nations awaits us. At Delaviuda Confectionery Group, we are actively committed to the Sustainable Development Goals, especially those related to labour integration, equal opportunities, innovation, health and well-being, and poverty.



- 2 ZERO HUNGER**

**Goal 2. Eradicating hunger, achieving food security and improved nutrition, and promoting sustainable agriculture**

  - Responsible sourcing: RSPO, UTZ, BIO
  - Food safety certifications.
  - Food donation.
- 3 GOOD HEALTH AND WELL-BEING**

**Goal 3. Ensuring healthy living and promoting well-being for all at all ages**

  - Promotion of healthy lifestyle habits.
  - Development of healthy products.
  - Development of products with specific requirements.
  - Campaigns for the protection of health and safety at work among the workforce
- 4 QUALITY EDUCATION**

**Goal 4. Ensuring inclusive, equitable and quality education and promoting lifelong learning opportunities for all**

  - DCG Talent University
  - Training and development of DCG employees
  - Conciliation plan.
- 5 GENDER EQUALITY**

**Objective 5. Achieving gender equality and empowering all women and girls**

  - Contribution to the Solidarity Race for Equality
  - Renewal of the Certificate of Excellence in equality, conciliation and social responsibility issued by the Central Board of Castilla-La Mancha.
  - Equal opportunities policy and plan
- 8 DECENT WORK AND ECONOMIC GROWTH**

**Goal 8. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

  - Participation in business, employment and entrepreneurship forums.
  - Adhering to the AECOC Employability Pact.
  - Concluding the agreement with the YMCA.
  - Initiatives to support employability.
- 9 INDUSTRY INNOVATION AND INFRASTRUCTURE**

**Goal 9. Building resilient infrastructures, promoting inclusive and sustainable industrialisation and fostering innovation**

  - Innovation Strategy.
  - Our own R&D centre and team.
  - Development of innovative products.
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

**Goal 12. Ensure sustainable consumption and production methods**

  - Sustainable sourcing practices.
  - Packaging waste prevention plan (ECOEMBES).
  - Actions to control food waste.
- 17 PARTNERSHIPS FOR THE GOALS**

**Goal 17. Strengthen and revitalise the Global Partnership for Sustainable Development**

  - Participation in Forums.
  - Membership of associations.



**Delaviuda**

Confectionery Group

**Delaviuda Confectionery Group**

Communication and Relations with Stakeholders Area

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