



# **COP –** **Communication** **on Progress**

**A report on the  
implementation  
of the 10 principles  
in the United Nations  
“Global Compact”**

Period:  
June 2020 - June 2021

**Toacker**



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# UN Global Compact

**The UN global compact (GC) is the largest and most important initiative in the world on responsible corporate management. It aims to provide an inclusive and sustainable global economy based on its ten universal principles spanning human rights, labor, the environment and climate as well as preventing corruption.**

The initiative's signatories sign up to the ten principles, which are based on seminal UN conventions, and are committed to implementing them in their own sphere of influence.



# The ten principles at a glance

## Human rights

**1**  
Principle  
Businesses should support and respect the protection of internationally proclaimed human rights; and

**2**  
Principle  
make sure that they are not complicit in human rights abuses.

## Labor

**3**  
Principle  
businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**4**  
Principle  
the elimination of all forms of forced and compulsory labour;

**5**  
Principle  
the effective abolition of child labour; and

**6**  
Principle  
the elimination of discrimination in respect of employment and occupation.

## Environment

**Principle 7** businesses should support a precautionary approach to environmental challenges;

**Principle 8** undertake initiatives to promote greater environmental responsibility; and

**Principle 9** encourage the development and diffusion of environmentally friendly technologies.

## Anti-corruption

**Principle 10** businesses should work against corruption in all its forms, including extortion and bribery.





# The CEO's declaration

Responsible behavior and a sustainable economic activity have always been part of the principles upheld by Loacker, a South Tyrolean family-run business.



Responsible behavior and a sustainable economic activity have always been part of the principles upheld by Loacker, a South Tyrolean family-run business. Equal treatment and opportunities, bearing responsibility for both people and the environment, its careful use of resources as well as fair and correct business activities are indispensable for us and, therefore, deeply rooted in our management guide. We are firmly convinced that objectives such as delivering high-quality products and services, protecting the environment, upholding social and ethical principles and economic success should not represent an element of conflict today, nor for future generations: sustainability means promoting and striking an overall balance between the economy, the environment and one's social responsibility. Sustainable management is never a quick fix, rather always embodies medium-term and long-term plans which constantly come with new challenges forcing us to act. However, it also offers us many opportunities to develop and grow. As a foodstuff producer

delivering pure goodness, we shoulder a unique responsibility for both people and the environment. With our contribution to the set of rules and regulations enshrined in the UN Global Compact, we are taking a further step in the direction of an inclusive and sustainable economy. We are committed to implementing and promoting specific social and environmental standards in line with the ten principles in our spheres of influence.

The following report proves that our family-run business lives the principles of the UN Global Compact day in, day out. We want to continue promoting said principles: in the company's strategic management as well as in everyday life. We thank everyone who wishes to support us in this endeavor.

Ulrich Zuenelli

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# Human rights

<p>Principle</p> <h1>1</h1>	<p>Principle</p> <h1>2</h1>
<p><b>Businesses should support and respect the protection of internationally proclaimed human rights; and</b></p>	<p><b>make sure that they are not complicit in human rights abuses.</b></p>

## Assessment, principles, and objectives

As a responsible family-run business we are bound to act in an ethical way that guarantees the dignity and rights of everyone. We support and respect the UN Universal Declaration of Human Rights as well as the ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work and contribute to respect and implement them in our spheres of influence.

Our corporate behavior has always been characterized by clearly defined values such as fairness, reliability, trust, and honesty: we are committed to guaranteeing sustainable and dignified management. We value positive and open relations with one another, and nurture long-term partnerships with our clients, suppliers, and business partners.

We systematically control the adherence to the law as well as the observance of human rights across the board and along the entire value chain. For this reason, in Auna di Sotto we have opted for the SMETA Audit: this specific audit is the most used method in the world to carry audits in the corporate responsibility. The corporate management guide, the Loacker brand manual as well as the Loacker Code of Ethics and Conduct include, among others, the ethical principles at the heart of our approach with our business partners, suppliers, branches, public administration, political institutions and trade unions, competitors, industry associations and society at large. The Code of Ethics and Conduct represents a binding legal framework for all the Loacker Group's employees and company bodies.



# Implementation and measures

## Controls and reports

The Loacker Code of Ethics and Conduct is an integral part of the organizational, managerial, and control models pursuant to Legislative Decree No. 231/2001. An in-house Supervisory Body has been tasked with monitoring, controlling, implementing, and updating the rules within the Code. Employees are called to report an infraction or a suspected breach of the guidelines. The reports are anonymous and can be forwarded to a dedicated email address, the Supervisory Board, or the person in charge at the company.



Infractions will be met by appropriate disciplinary measures.

## Supplier selection and management

Depending on availability, our suppliers come from the region, Italy, Austria, and Germany. Raw goods which cannot be grown in Europe are sourced from Western Africa, South America, the Caribbean, and the islands in the Indian Ocean. We mostly purchase raw ingredients from producers and agree to long-term agricultural cooperation with farmers. When it comes to a potential human rights infringement, the biggest risk for Loacker is represented by its suppliers as it cannot directly oversee them. We therefore make a responsible selection of our partner companies: beside product quality, price or supply conditions, respecting the Loacker Code of Ethics and Conduct is also part of the selection criteria. We are fully aware of issues relating to the infringement of human rights and child labor and are engaged in tackling these risks in the more susceptible countries. We publish a report analyzing the risk in specific countries based on the Human Development Index as well as geopolitical, macro-economic, climate, and logistical developments. We invest in our personal contacts and exchange best practices with organizations engaged in creating better conditions on the ground. Some notable examples are the German Society for International Corporation (GIZ), its Italian counterpart "Agenzia italiana per la cooperazione allo sviluppo (AICS)", as well as the Farmstrong Foundation and the International Cocoa organization (ICCO).

## Creating and protecting local sources of income

Loacker's production sites were consciously built across areas which feature a weak agricultural and industrial landscape. Locals are provided with a safe source of income or an additional job beside

agriculture in the South Tyrolean and East Tyrolean regions. Together with Brimi – Milchhof Brixen (an agricultural cooperative of dairy farmers in the Valle Isarco/South Tyrol catchment area), Loacker planned the first South Tyrolean dry milk plant in 2018, which is productive since end of 2019. In the future, milk and whey from the Alps will be used to produce sweet whey, skimmed milk and full fat milk powder for Loacker products. Processing regional milk and whey increases the value chain for local farmers. During the reporting period, Loacker and Brimi founded Dolomites Milk GmbH: the corporate outfit will act as the

owner and manager of the dry milk plant as well as be involved in its development.

Loacker also relies on its own hazelnuts plantations in Tuscany. It supports farmers in Tuscany, Lazio, Friuli Venezia Giulia, and Veneto by means of contracts. Long-term supply partnerships as well as consultancy services in the Loacker Agro Center of Competence provide young farmers with new professional perspectives in a region which is threatened by internal migration. We came to an agreement with Banca Intesa Sanpaolo: our partners will receive an advantageous loan to kick off their new activity.

### Employee training

All Loacker's workforce is appropriately trained to carry out their tasks and roles in the correct manner and to respect the Code of Ethics and Conduct as well as all other legal and internal regulations. All new members of staff receive the relevant information during induction and can read their rights and obligations in the induction manual.



# Measuring results

Principle

1

Principle

2



## Compliance

Every employee is called upon to report compliance infringements to the Supervisory Board, which was created for this purpose in 2017, or to the people responsible for this area. During the reporting period, no report was made on the infringement of human rights or against the Code of Ethics and Conduct.

## Meetings: farming contracts

Five meetings were organized during the reporting period for farmers taking part in the

hazelnut project: the number of participants per event averaged 70 people.

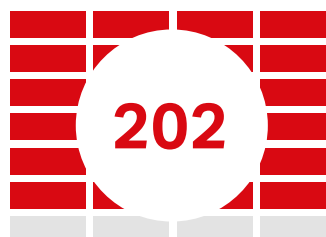
Up until now, long-term sourcing contracts were established with around 40 agricultural companies in Tuscany, encompassing around 500 ha; further sourcing contracts are being prepared in other regions of Italy. The plan for next year is to support our partner farmers with specific training sessions to grow the hazelnut plantations to ensure farmers will grow high-quality products in line with Loacker's growing guidelines.

## Induction

Session hours



Participants









# Labor



## Assessment, principles, and objectives

As an international company we are in contact with people from different cultures every day. Mutual respect, tolerance, openness, and understanding are indispensable prerequisites when approaching one another. We do not tolerate discrimination in any shape nor form against people insofar as their gender, origin, religion, opinions, sexual orientation, language, nationality, age, or disabilities are concerned. Loacker categorically shuns every form of forced labor or child labor as well as other forms of exploitation in its production plants as well as when dealing with its suppliers or branches.

Our management is based on clear responsibilities and relies on everyone's participation: we treat each other as equals and value everyone's opinion. We create a working environment where our employees act independently and nurture a "circular culture": depending on individual skills, people take an active responsibility in their department. We require and promote industry-specific and personal development via targeted training offers. We are an active player in our society and support its development thanks to targeted measures and social projects. We recognize the right of association and the right to collective bargaining as well as fair and equal salaries.

As an international company, all our activities are carried out in line with national and international standards and norms, yet we always go the

extra mile when labor regulations come into play. Health and safety is a key priority: our health and safety management measures encompass preventive strategies and people. We employ a "zero accidents" policy and are committed to offering a safe working environment as well as avoiding health risks and work accidents.

These fundamental principles are enshrined in the Loacker management guides, the Code of Ethics and Conduct as well as corporate policies.

## Implementation and measures

### Collective bargaining and salaries

We implement relevant national collective bargaining agreements and standard wages across all departments. Our minimum standards are based on adhering to current national labor regulations and minimum income. When it comes to additional corporate performance we do not differentiate between full-time or part-time employees. A work council is also active in Loacker's Austrian office.

### Complaints

We do not tolerate discrimination, child labor or forced labor in any shape or form: all employees who do not respect the norms of our Code of Ethics and Conduct or are witness to an infringement must report straightaway to the Supervisory Body, the person responsible for complaints, or the HR Department. Every complaint will then be assessed by an internal taskforce and disciplinary measures will be taken against any form of discrimination or breaches against the Code.

### Equal opportunities

New vacancies are published using a standardized process; if interested, employees or potential candidates can apply regardless of their gender, origin, religion, opinions, sexual orientation, language, nationality, age or disabilities. We offer equal opportunities to all employees and the opportunity of making a career in the company with promotions ranging from managerial positions to industry expert roles. The assessment of a worker's performance is carried out every year during an "employee development interview" and is a fair, objective, and accountable process. We promote the development of young people with a wide offer in training, professional



development opportunities, internships, and entry-level positions for high-school graduates. We face the challenges of a changing demographic with training offers for long-time employees. We guarantee work-life balance by offering part-time working opportunities; people with disabilities are offered an inclusive working environment.

# 3

Principle

# 4

Principle

# 5

Principle

# 6

Principle



### **Health and safety management system**

Health and safety at work are one of our top priorities. We guarantee and comply with the legal requirements as well as providing for safety at work and promoting health; the basic principles and measures relating to health and safety are included in

our Corporate Policy. The legal requirements are not the only element behind the implementation of said measures, as we are also BS OHSAS 18001 certified (certification issued by the British Standard Occupational Health and Safety Assessment Series). A Health and Safety Committee is available at every location to constantly guarantee and improve health and safety

at work. The managers and responsible employees ensure measures are adhered to and implement preventive measures, too.

### **Employee training: health and safety**

All employees working in Italy and Heinfels must complete a comprehensive and transversal basic training on health and safety. Moreover, the Loacker Academy's training program also offers several sessions on, among others, prevention and health, work-life balance, ergonomics at work, resilience, and time management.

## Measuring results

### Complaints

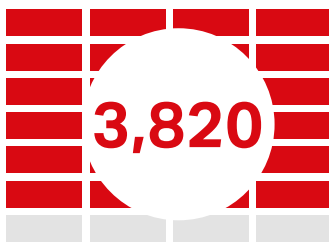
Every employee is called to report infringements against the equal opportunity principle, discrimination, or a breach of labor regulations. No complaints were submitted during the reporting period.

### Reports and controls: health and safety

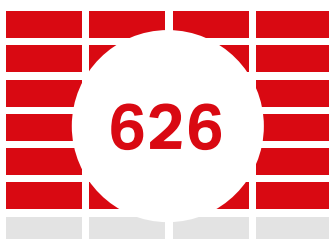
We optimize, monitor and control health and safety regulations implementing the following measures: regular external and internal audits, carrying out risk assessments, registering and assessing work accidents and "near misses", company visits, ergonomic and safe layout of the working spaces as well as raising awareness and implementing training sessions for employees.

### Health and safety training sessions

Hours



Participants



### Wellbeing and prevention

People are considered in their entirety – their physical and psychological components as well as their social health. The Human Resources Division coordinates measures to promote health. These measures are developed together with the Office for Safety at Work, Safety Speakers, Occupational Physicians, and members from Management. The aim of regular surveys is to strengthen physical and psychological health, by assessing, among others, topics such as monitoring of psychological stress; the same aim is shared by training sessions and awareness raising campaigns. However, managing health and safety is not only circumscribed to the working environment of our employees and to avoid accidents at work. It also encompasses preventive measures and considers people in their entirety. Therefore, we offer our employees numerous possibilities to keep healthy and to increase their personal wellbeing. The office workspaces were devised to be ergonomically fit for purpose, and employees receive tips on behavior which will boost their health when working in front of a screen. The Production Divisions feature shift work or work on an assembly line: we focus on providing regular shifts to reduce health complications. Health training as well as informative sessions on work and life balance or resilience empower our employees to focus on their health.

### Loacker and its multigenerational workforce

During the reporting period we carried out an employee survey on "Change of values and co-operation among different generations". We questioned our workforce's different generations on their values and their implementation in the company. All employees perceived the regulations concerning working hours, teamwork, or multigenerational cooperation as positive.

### Development of a management guide

During the reporting period, a large-scale process was kicked off to draft a management guide with the contribution of Loacker employees. This model, combined with the code of Ethics and Conduct and the corporate guide, represents a binding fundamental basis for all management in the company. Other measures will include drafting a management handbook as well as developing a tailored training program for managers. The Leadership guidelines were developed with employee participation. In addition to the corporate mission statement, these guidelines are a binding basis for all managers in the company. The supplementary management handbook deepens the operational aspects of management and was given to all managers. The guidelines and the handbook are available to all employees. The tailor-made training program for managers is based on the contents of these documents.



3

Principle

4

Principle

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Principle

6

Principle

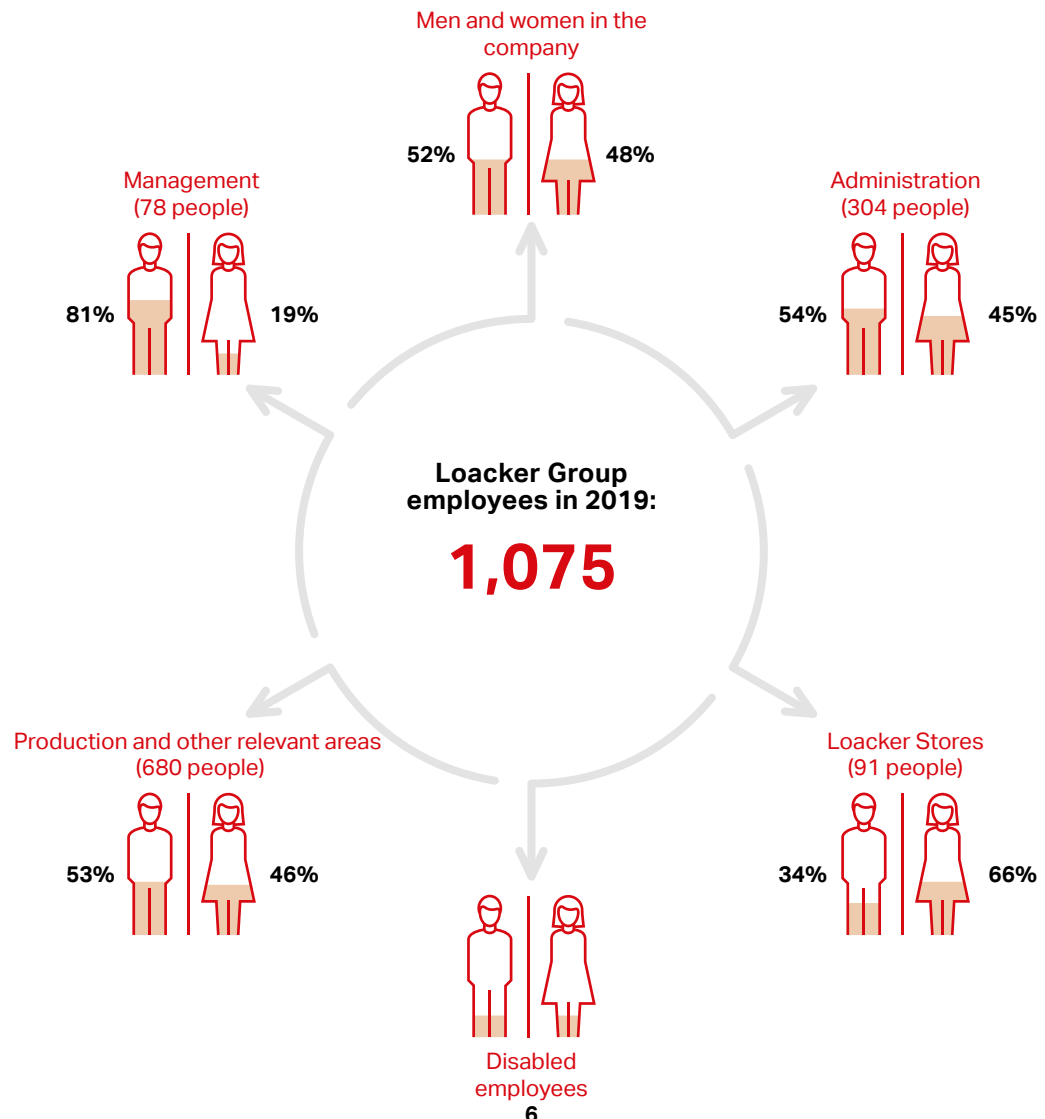


### The Randstad Award as most desired employer in north-eastern Italy

In 2015 and 2016, Locker received the Randstad Award for eastern Italy. According to the survey, Locker met the 10 most important criteria which make out desirable employers: a competitive salary and social contributions, the opportunity of having a career, a strong management, a pleasant working environment, a safe working environment, work-life balance, financial stability, interesting tasks during the working hours, good training standards, and social responsibility.

### Working contracts

98.4% of employees are part of a collective bargaining scheme or on minimum wage.









# Environment

Principle	<b>7</b>	Principle	<b>8</b>	Principle	<b>9</b>
	<b>businesses should support a precautionary approach to environmental challenges;</b>		<b>undertake initiatives to promote greater environmental responsibility; and</b>		<b>encourage the development and diffusion of environmentally friendly technologies.</b>

## Assessment, principles, and objectives

We are firmly convinced that objectives such as delivering high-quality products and services, protecting the environment, upholding social and ethical principles and economic success should not represent an element of conflict today, nor for future generations. Protecting nature by means of our corporate initiatives is both our duty and a challenge we face every day due to our responsibility toward the environment.

We systematically integrate corporate environmental protection measures and are committed to green and resource-efficient

production; we avoid or try to minimize the negative effects our business may have on the environment; we endeavor to reduce the use of resources and increase resource efficiency when producing our products and during transport. We also pay attention to sourcing a high number of sustainable, organic raw materials.

Every decision-making process systematically considers environmental criteria, implements green technologies, and constantly improves environmental protection within the Locker group. We promote the understanding for

green issues and questions and raise awareness of these matters in a targeted manner among our employees and stakeholders.

## Implementation and measures

### **The environmental protection management system**

As of 2001 the Loacker production plants have been certified pursuant to ISO 14001, the international environmental management system, and are subject to a yearly audit. National and regional documents and regulations are also respected. Our transversal environmental protection management system focuses on a preventive culture which is systematically planned, monitored, and streamlined. We are in constant contact with external suppliers and business partners to achieve the required synergies for the constant improvement of the environmental protection management system.

### **Loacker sustainability report**

We published the first Loacker sustainability report in 2015, following preparatory work and dialogues with our stakeholders. It also documents overall fundamental values, measures, and results in environmental protection.

### **Green energy**

100% of our electricity comes from green energy sources, namely reusable energy sources such as water and wind. Moreover, during May 2011, we installed a photovoltaic infrastructure which produces more than 66,000 kWh of electricity. We still need gas to heat our ovens, used to produce wafers. Unfortunately, existing technology does not allow us to replace it with another greener alternative. In June 2018, we switched from propane gas to methane in the Auna di Sotto plant, sourcing it from the public grid: this allows us to achieve savings to the tune of 40,000 kilometers of transport, which was the distance covered by our vans transporting propane gas up until now.

### **Saving energy: heat recovery**

The dispersed heat from the baking process is used in a targeted manner in all our production facilities: indeed, heat recovery installations siphon the heat from the oven for heating purposes and prepare warm water. We only use oil to cover peaks in production levels. Thanks to heat recovery we saved approximately 2.4 million liters of fuel oil between 2013 and 2018; this equals approximately 7,500 tons less CO<sub>2</sub>.

### **Emissions**

Our company's activities have a small emission footprint. Modern technologies allow us to minimize levels across our production sites, so much so that they are below the required legal thresholds. To reduce fumes produced by cars' exhaust pipes, we increased our fleet of vehicles with two additional e-vehicles. Employees will be able to use these for taking care of outdoor areas as well as for business trips. The e-vehicles are recharged with electricity at our docking stations: as all our electricity is sourced from green energy sources, driving with this system produces a net zero carbon footprint.

### **Water use and wastewater**

Water quality plays an important role in production. We require water to make our dough, and it has to be flawless. This is also why we built the Loacker Production Plants in locations featuring a considerable amount of drinkable water. This is just one of the many reasons why protecting water is one of our top priorities and concerns. In Heinfels, besides the already existing water network, we created our own "tap" to access the sources of drinkable water; this allows us to supply and have independent control of the source water. We keep

wastewater pollution as limited as possible: in Heinfels and Auna di Sotto we installed sludge, fat, and oil filters before the materials end up in the sewage system. Readings prove our wastewater is biodegradable. We ensure we use water parsimoniously, and we do so by using water-saving technologies in our bathrooms.

### **Waste and recycling**

Our waste policy focuses on not creating waste in the first place and to recycle as many resources as possible. The waste we do generate is separated into different groups, such as paper and cardboard, plastic or wood and is then sent to be recycled. 56% of our waste is paper and cardboard, followed by 13% plastic and 9% wood. The majority of our remnants can therefore be recycled. Only two percent of the entire waste production is composed of polluting waste, for example oils filtered from wastewater. We send polluting waste to specialized service providers who guarantee their safe disposal.

### **Saving and optimizing packaging**

Thanks to several different measures, over the course of the last years we have reduced the amount of packaging and optimized current packaging solutions. We standardized the packages to ensure that more products could be placed within the same package. Wafer products are primarily packaged in specially developed packaging wrappers for long-lasting baked goods. Display packaging and outer packaging, transport packaging solutions as well as other displays are made using cardboard. In cooperation with our largest packaging suppliers we managed to reduce the CO<sub>2</sub> footprint in primary packaging by 2%. In 2018, we invested in a second new stretcher in Heinfels after a material use test. This covers palettes with a stretch film to be protected during





loading. The new machine allows us to save approximately 3 tons of plastic film a year.

Moreover, we are currently working hard to reduce and optimize the recyclability of packaging materials. Thanks to a new type of heat-sealing film we want to achieve an improved recycling capability and a significant reduction of materials. Even as far as cold-sealing films are concerned, we are currently looking at ways to achieve savings. As soon as both projects are completed, we will be saving approximately 15-20% of the entire amount of films, in other words a total of 300,000 kg of films.

### **Purchasing raw materials and supplier selection**

We source our raw materials directly from producers and sustainable companies whenever possible, or we enter into long-term contracts with farmers. When selecting our suppliers, one of the assessment criteria is proving they have a standardized quality management and environmental management system in place (which also covers transport, packaging, and disposal of the material after it has served its primary use), a sustainability certification, organic certificates, an IFS certification as well as a transparent supply chain.

### **Transport and logistics**

Avoiding and reducing CO2 emissions as well as air and sound pollution when transporting goods and people is a key goal of our environ-

mental protection management system. At the forefront of the optimization process we have implemented measures which aim to reduce empty cargo and increase transport optimization. When selecting our logistics and transport suppliers we consider their measures when it comes to sustainability and protecting the environment, i.e. the layout of their fleets, environmental certifications, or KPI transparency. In cooperation with our transport partners we pay attention to use trucks employing natural gas. This results in saving 20% in CO2. We also assess the use of trucks using liquid nitrogen gas (LNG) which would reduce emissions by 100%. The car fleet of our transport partners is made up exclusively of trucks belonging to the Euro 6 category. To reduce the number of trips, containers with a greater capacity are used more than any others. By using special containers, we increase loading capacity by approximately 15%. We pay attention to optimal truck loads and group the deliveries for our production plants. By creating a precise arrangement plan, we avoid dead time for trucks which in turn will not require any unnecessary, energy-intensive cooling of the trailers.

### **Green mobility and e-mobility**

Avoiding the use of private vehicles as well as boosting green transport is promoted by Locker thanks to different measures, e.g. the use of company shuttle buses for our employees reduces traffic on the roads. During the reporting

period, three electric cars were purchased primarily to be used on business trips. Several eco-friendly electric vehicles were purchased for the sales trips to the two companies in Tuscany (220 and 150 ha). The Locker locations of Auna di Sotto and Heinfels were fitted with two docking stations each for e-cars which can be used for free by employees, visitors, and suppliers.

### **Green agriculture**

We avoid using pesticides to ensure a sustainable growing culture on the hazelnut plantations in Tuscany. A 1.5-m wide strip coasting the row of trees is kept free mechanically from any weeds: the soil is loosened, and the surface capillaries are interrupted to maintain humidity levels in the soil constant, ensuring trees can make use of it for longer periods of time. Irrigation water can thus be saved. The measures to guarantee a green agriculture policy are documented by agriculture protocols.

### **Lean management: targeted resource use**

The lean management project delivers basic and continuous training to employees at a recognized Institute for Lean Management in Austria. During the training sessions, employees will develop practical optimization projects to promote sustainable work in the company.

## Measuring results

### **Yearly environmental report**

We register our key figures relating to energy use as well as CO2 emissions every year and document the findings in our corporate environmental report. We use these numbers to create improvement measures for the efficient and green use of resources.

### **Energy audits**

An external audit team registers and analyses data on energy requirements, use, sourcing and

creates an energy balance sheet for each location every four years. The data assessment and interpretation are documented in the audit report which also contains practical measures to optimize energy efficiency or the whole process. The energy audit report published by external experts proves to Loacker how its production sites in Auna di Sotto and Heinfels use energy efficiently and that the company wants to increase its savings measures in the future.



## Key figures\*



### Waste and recycling

Recycled remnants:

94%



### Heat recovery

Fuel oil savings banks to heat recovery:

611,816 l



### Electricity use

Electricity during the reporting period was provided using

100% green electricity.



### CO<sub>2</sub> reduction:

CO<sub>2</sub> savings by heat recovery:

1,939 t

CO<sub>2</sub> savings by green electricity:

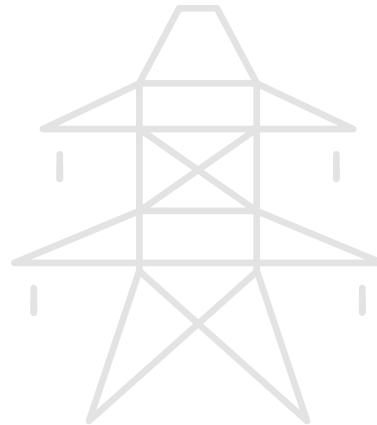
4,447 t

CO<sub>2</sub> savings via photovoltaic installations:

8 t

Total CO<sub>2</sub> savings:

6,395 t



### Lean Management

Employees who took part in a training session:

163

Projects:

124

\*The key numbers were taken from the 2018.







# Anti-corruption

## Principle 10

businesses should work against corruption in all its forms, including extortion and bribery.



## Assessment, principles, and objectives

Loacker stands for fair, transparent, and honest business practices: we do not tolerate corruption in any shape nor form. This includes extortion, bribery or illegal benefits.

We are an independent company and not affiliated to any political party and do not accept direct or indirect donations to favor political parties, movements, subcommittees, or political rep-

resentatives. As a local family-run business with a rich history in the region we are committed to our locations. We take our social work seriously and contribute to sustainable development projects on the ground. Our corporate responsibility also includes engaging in the social and cultural life of our regions, and we pitch in by shaping the narrative to ensure it becomes a worthy and modern principle.

## Implementation and measures

### Controls and reports

In 2017 Loacker implemented an organizational, managerial, and control model pursuant to Legislative Decree 231/01. The model monitors the adherence to laws and in-house rules as well as the Code of Ethics and Conduct insofar as anti-corruption is concerned. Should a conflict of interests arise among the Board of Directors, management or other employees, they are duty-bound to report said issue to the relevant person and the Supervisory Body.

Every business operation must be correctly registered, approved, traceable, appropriate, and coherent. When exercising one's duties, accepting presents, payments, material benefits or other benefits in any shape or form from clients, suppliers, civil servants, or other third parties is not allowed. Insofar as public authorities and institutions are concerned, all employees and members of company organs are duty-bound to act in accordance to the law and in a transparent way, maintaining the principles enshrined in the Code of Ethics and Conduct.

To control the adherence of these guidelines, Loacker established a report and control

process. It also created an in-house Supervisory Body consisting of an external lawyer, a corporate consultant, and the head of the Loacker legal department: it is tasked with monitoring, controlling, and implementing as well as updating the Code of Ethics and Conduct. Employees are called to report a breach or a suspected infringement of the Code of Ethics and Conduct or other legal regulations in writing or orally to the Supervisory Body or the relevant person in the company. Employees are also duty-bound to control that suppliers and branches follow and respect the ethical guidelines in the Code of Ethics and Conduct in their unit or department. Measure will be swiftly adopted should genuine doubts arise relating to unethical behavior.

### Data protection and information security

Protecting data and information provided to use by our employees, clients, suppliers or business partners is our top priority. Several security measures based on ISO 27001 reduce the risks of data misuse and guarantee overall data security. Every employee with a computer will receive training on data protection during our IT security management module.

### Employee training

We raise awareness among our employees by sending regular information via newsletters, our employee magazine, or training sessions. The core principles on anti-corruption and data security are taught to every new employee during their induction and will also be repeated in their induction brochure.

## Measuring results

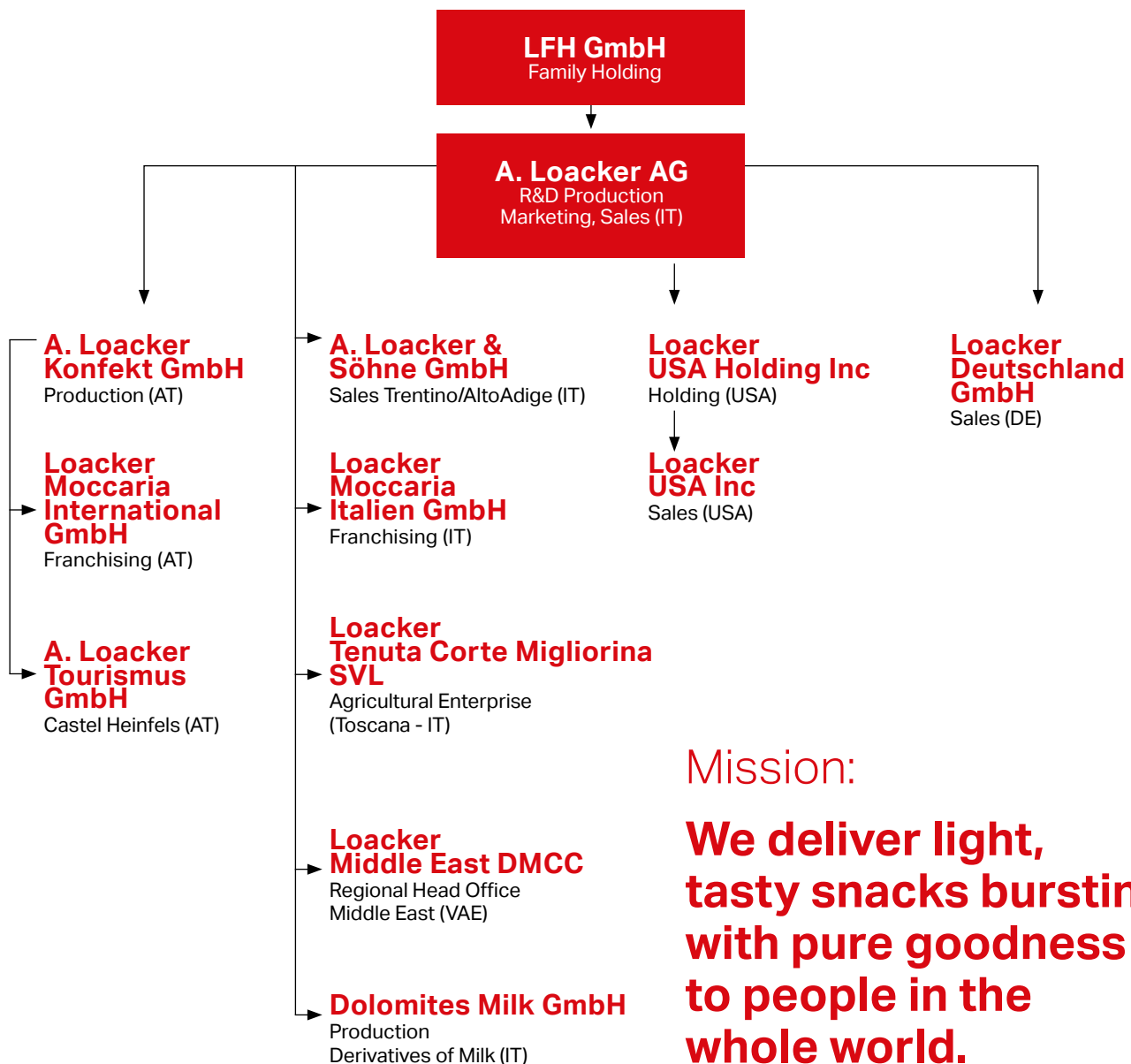
During the analyzed period no reports, complaints, pecuniary or other fines were implemented due to a breach of the legal framework relating to anti-competitive behavior, among others corruption or the establishment of a cartel or monopoly.



# Company profile

Alphonse Loacker founded the family-run business in 1925. Over the course of the years it went from a small regional bakery to a brand recognized in the whole world whose wafer and chocolate specialties bring joy to clients in more than 100 countries. The two production plants which create

wafer and chocolate specialties are in Auna di Sotto/Unterinn (South Tyrol/Italy) and Heinfels (East Tyrol/Austria). In Tuscany Loacker also relies on two hazelnut plantations. Moreover, Loacker manages seven Loacker Stores including their Loacker Cafés and Brand Shops.



Mission:

**We deliver light, tasty snacks bursting with pure goodness to people in the whole world.**

# Product portfolio

Loacker's product portfolio encompasses wafer specialties, chocolate snacks, chocolate bars, refined patisserie specialties and chocolate with flavored ganache. All Loacker wafer and chocolate specialties are prepared using

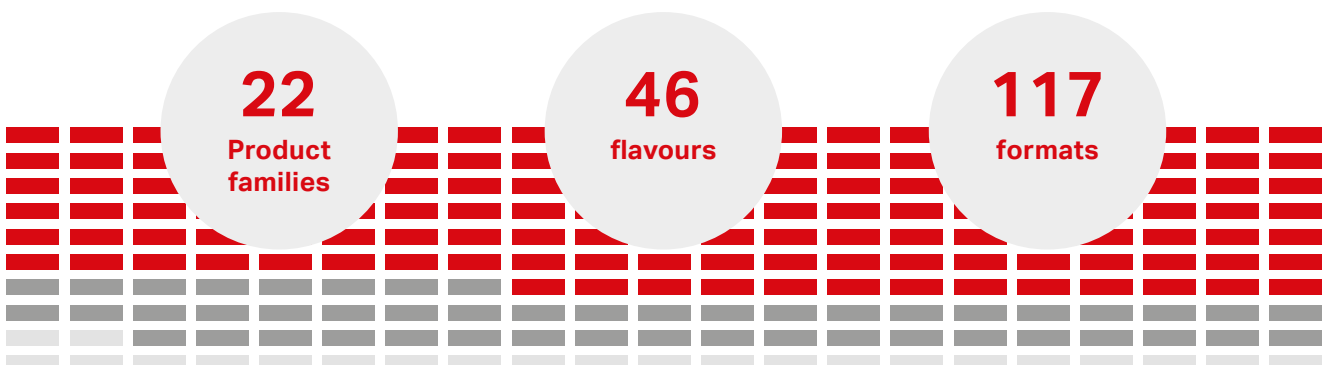
high-quality ingredients and do not feature:

- colorings
- preservatives
- hydrogenated fats
- aromas
- genetically modified ingredients

## Strategic business fields (SBF)

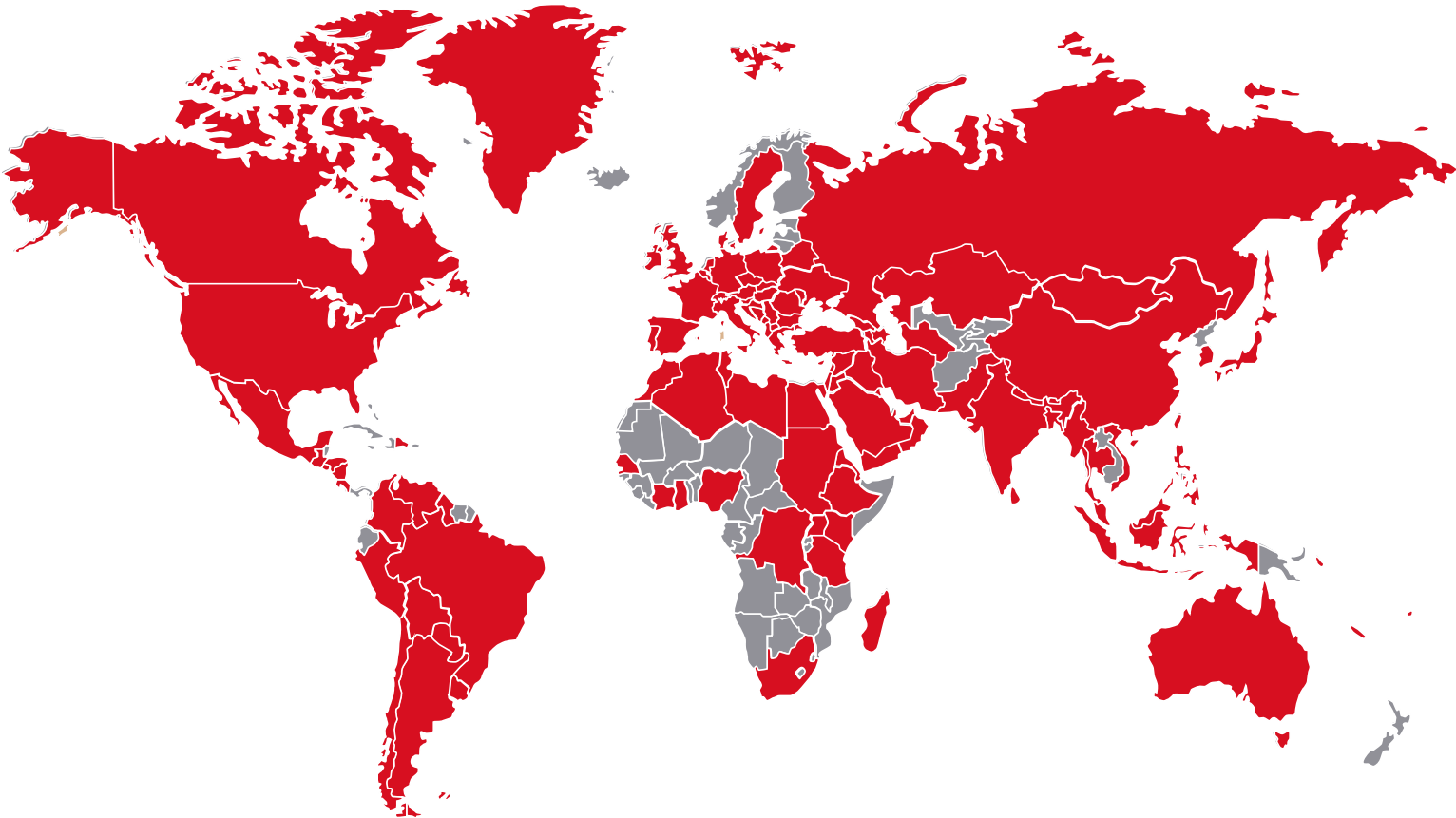


## Product Varieties



# Markets

Locker products can be purchased in over 100 countries in the world. The strongest markets outside Europe are Saudi Arabia, South Korea, Israel, China, and the United States. Italy represents its strongest market; indeed, Locker is the wafer leader on the national market and boasts a 57% market share.





# Certifications



# Awards



**Sweets Global Award**  
"Honours outstanding personalities"  
2007



**Sapore dell'Anno**  
"Flavor of the Year"  
2012; 2013; 2014

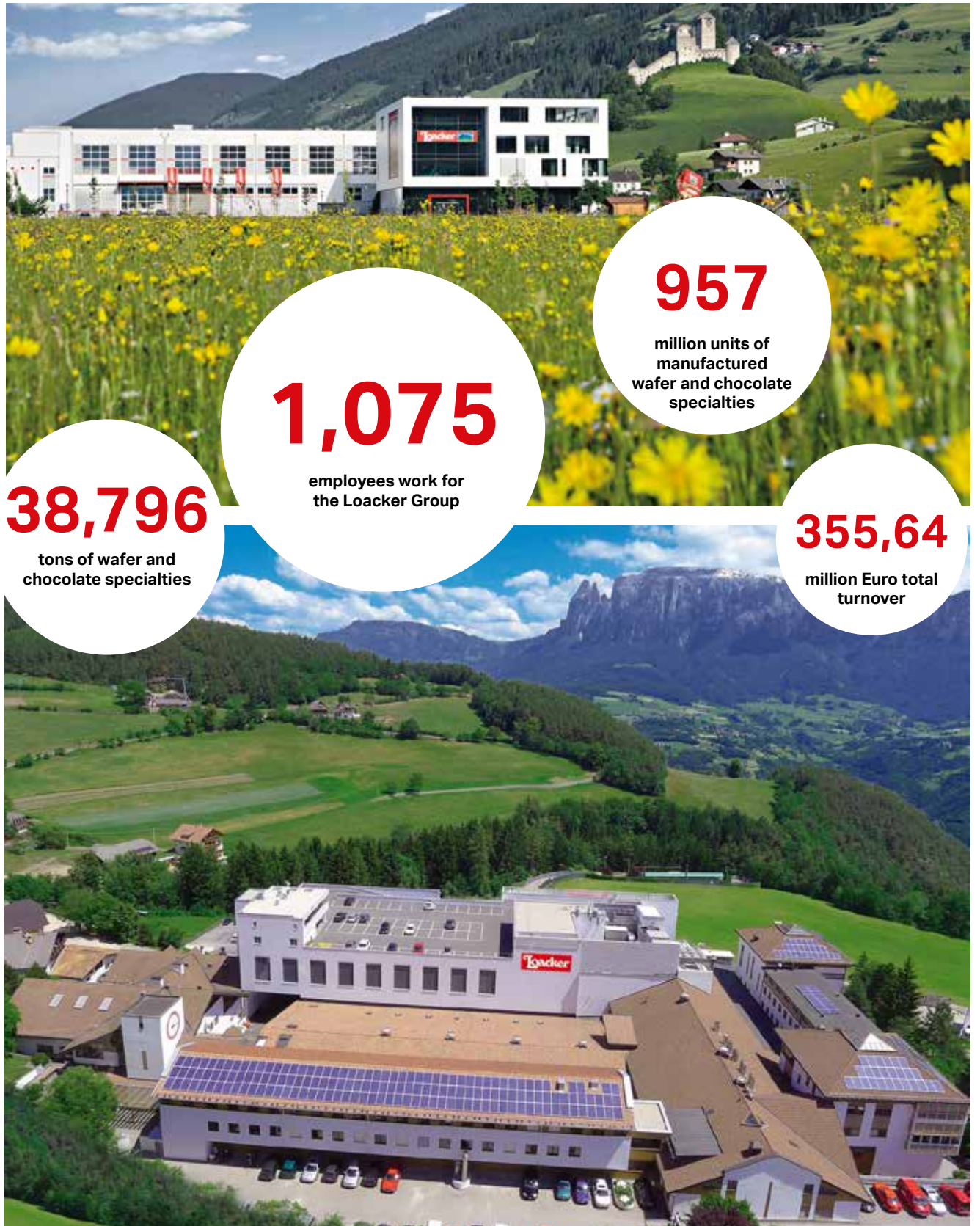


**Randstad Award**  
"The most attractive employer" in North-East Italy  
2015; 2016



**Product of the Year – Italy**  
2017:  
Locker Cacao & Milk,  
2018:  
Locker Chocolate Bars

# Overview



**38,796**

tons of wafer and chocolate specialties

**1,075**

employees work for the Loacker Group

**957**

million units of manufactured wafer and chocolate specialties

**355,64**

million Euro total turnover

Che bontà!™

Pure goodness! ピュアな美味しさ!  
لواكر نقاء الطبيعة, لواكر طعمها الخيد  
¡Qué bueno! Natürlicher Genuss!  
לואקר זה טעים, לואקר זה מדהים!  
자연에서 온 순수한 맛! Saveur pure!