



2020 CONSOLIDATED **NON-FINANCIAL**
INFORMATION STATEMENT

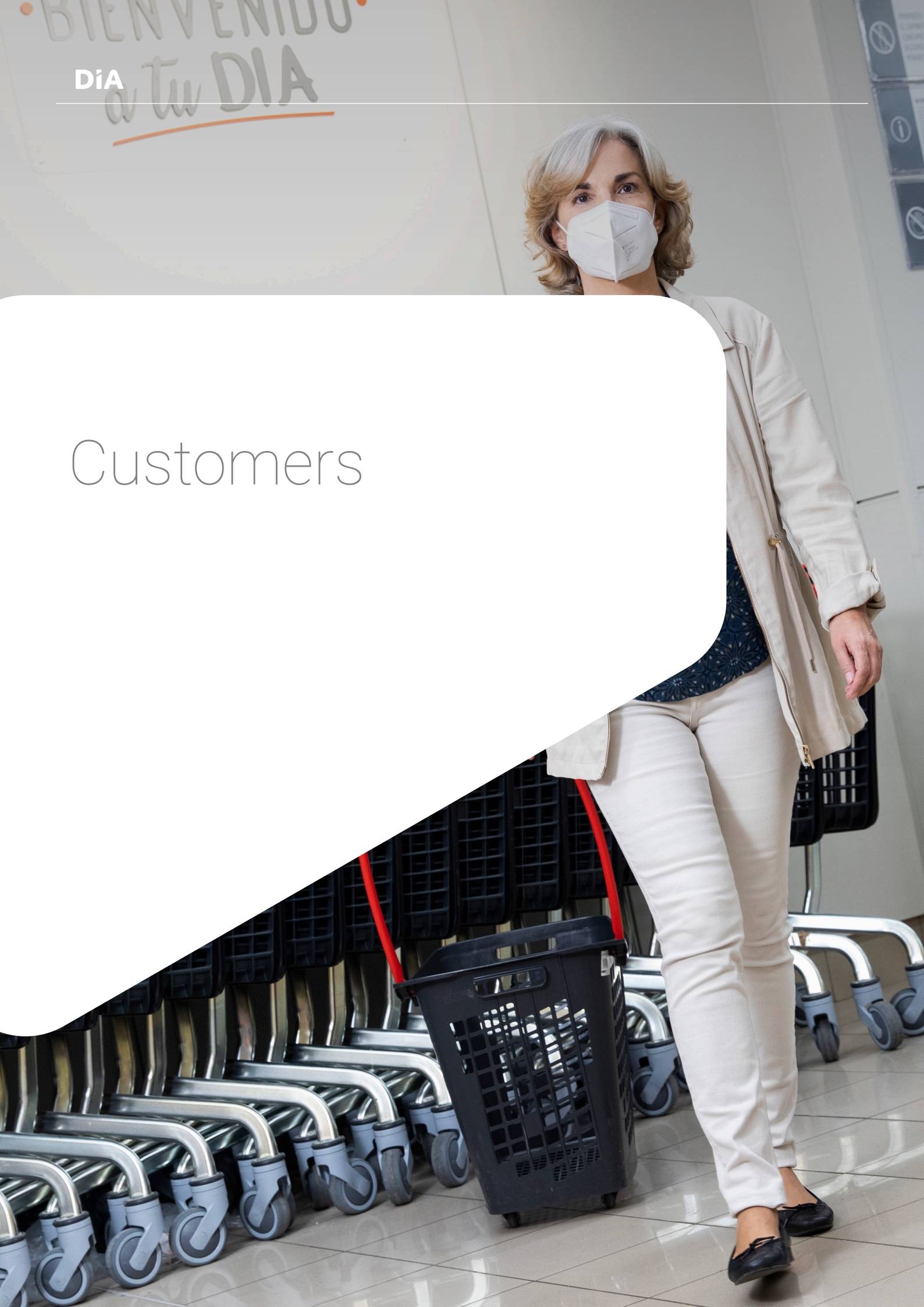
Distribuidora Internacional de Alimentación, S.A. and its subsidiaries have prepared the consolidated non-financial information statement in accordance with the requirements of Act 11/2018 of 28 December, amending the Code of Commerce, the consolidated Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Act 22/2015 of 20 July on the Auditing of Annual Accounts, with regard non-financial reporting and diversity. This report is part of DIA Group's 2020 Consolidated Directors' Report.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

DÍA

BIENVENIDO
a tu DÍA

Customers



Customers

DIA's aim is to be "**closer every day**" to its customers and this year, more than ever, each and every employee (from shop teams to senior management), as well as franchisees, suppliers and other supply chain partners, have been exceptionally involved so that **DIA Group** could respond to its customers' needs during this unprecedented situation.

Given the special circumstances, DIA Group has concentrated on guaranteeing supplies and also on rolling out safety measures in stores that provide a safe environment for customers, employees and franchisees.

- **Guaranteeing supplies** has been key, particularly during lockdown. To this end:
 - **DIA, its suppliers and the other supply chain partners** have made a particular effort to ensure the supply and volume of products required in this new situation.
 - **Store and warehouse teams** have been strengthened to guarantee operations and ensure that all sales points are open to the public.
 - The on-line sales service has been substantially boosted by the opening of **new order preparation points (dark-stores)** and via agreements with new logistics service providers.
 - For customers unable to get to a store or to manage on-line orders, the customer services team offers an **over-the-phone sales service**.

All of these measures enabled the company to meet the needs of over 20 million families during the lockdown caused by the state of emergency in Spain. .

- **Providing a safe environment for customers and employees** has been, and continues to be, one of the key issues for DIA Group during the pandemic. For this reason, activity at the company's more than 6,000 stores is subject to customer and employee protection measures that go beyond what is required by law and include:
 - Increased cleaning and disinfecting in stores, particularly of surfaces.
 - Proper ventilation of premises.
 - Disinfecting stores using ozone.
 - Social distancing among individuals.
 - Reduced capacity.
 - Preferential opening hours for the over 65s.

- Screens installed at tills.
- Employees using masks, face screens, plastic gloves and hand sanitizer.
- Customers provided with plastic gloves and hand sanitizer.
- Special signs informing customers of the in-store protocols in place (use of masks, gloves, social distancing, among others).
- Safety measures announced over PA system.
- Card payments encouraged over cash payments.
- Contactless home delivery protocol (online orders).
- Procedure to follow in the event of possible COVID-19 cases in-store.

These protocols and their effectiveness have been regularly audited by the occupational risk prevention service, adapting them when necessary to guarantee everyone's safety.



Main lines of communication with customers

DIA Group has used different channels to communicate with and listen to its customers:

- Customers who are members of ClubDIA receive an **online questionnaire** after each shop, asking them to quickly rate their shopping experience.
- Customers can also use the **ClubDIA app to voluntarily rate their shopping experience**, the application itself or to directly contact DIA Group with queries, suggestions and complaints.
- The **online shopping pages** and their corresponding applications (DIA online) can also be used by customers to rate products and fill in a customer services contact form.
- The Group uses **social media** for business and corporate communications. The Group has accounts on the most popular platforms in all the countries it operates in, including Facebook, Twitter, Instagram and YouTube. This year over 250,000 queries, complaints and suggestions about stores, products, opening times, online services, etc. have been assigned a manager, addressed, analysed and responded to.
- **Customer support services:** in 2020 we have dealt with over 400,000 queries, informal and formal complaints and suggestions about stores, products, opening times and online services (compared to 250,000 in 2019), which have been addressed and analysed so as to be able to respond well to the customer.

Key customer-related risks

DIA's raison-d'être is supplying customers with the products that meet their choice, quality and price requirements in an environment (either in-store or online) that provides an adequate level of service and shopping experience.

Failing to meet customer requirements (in terms of choice, quality, price, service or shopping experience) could result in customer losses and could even have reputation or brand value consequences. Another key risk identified is a failure to meet internal food safety requirements and standards, which could affect a customer.

Key policies governing customer relations and their functions

- **The Corporate Food Safety and Quality Policy:** aims to develop a trust-based relationship with customers via a system that guarantees adequate production, processing and management of all products offered by the Company.

In accordance with this policy, the Company:

- Sets out the **requirements that suppliers and products must meet in order to be approved** (prior to being placed on the market). In Spain and Portugal, all suppliers must have an IFS or BRC certificate at all factories where DIA-brand products are produced. In Brazil and Argentina, this certificate can be replaced with an equivalent audit report undertaken by DIA.
- **Defines and undertakes an analytical control plan of goods received on its platforms**, guaranteeing that the product meets the specifications set out in the development stage: In 2020, DIA Group performed a total of 348,485 product analyses as part of its control plan (compared with 624,718 the previous year). As part of this process, the company uses a machine learning tool that optimises its internal control and guarantees the detection of non-conforming products using a smaller number of analyses.

- **Ensures product safety and quality control throughout the supply chain, supervising the storage, transport and sales processes** by performing warehouse and store audits: These audits monitor and assess matters such as order and cleanliness, the cold chain, traceability, good hygiene practices and correct product rotation. 8,872 audits have been performed in 2020 (compared with over 3,474 audits last year)
- **The Customer Marketing and Communication Policy:** based on respect for commitments to customers, honest verbal and written communications and integrity in all professional corporate activity within this context. To this end, customer communications are based on the general principles of transparency, proximity, equality and quality.
- **The Corporate Information Security Policy:** aims to define the guidelines for ensuring the confidentiality, integrity and availability of information. Employees, staff and external collaborators who need to access the Company's information systems must comply with this policy. Although this policy applies to all stakeholders, it is mentioned here because of the special impact it has on the protection of clients' rights.



As well as the special efforts made to offer customers solutions to the challenges of the pandemic, in 2020 DIA Group continued working on various projects to improve customer satisfaction, including:

- **Culmination of a new Store Operating Model (SOM)** undergoing constant change to provide customers with the best shopping experience thanks to:
 - Fresher products.
 - Better customer care.
 - More organised stores.
 - Fewer product shortages.
 - Shorter queues.

- **Execution of a new Logistics Operation Model (LOM)** enabling the Group objective of being “closer every day” to customers to be met. To achieve this, all logistics processes have been analysed, from the receipt of goods to their in-store delivery. DIA Group has created a simpler and more efficient working model, whereby every task makes sense and leads to better service based on:
 - **Quality service for stores:** ensuring that goods are delivered on time and correctly to our stores.
 - **Availability of goods:** striving for zero shortages at warehouses so as to be able to guarantee that stores are supplied correctly.
 - **Correct location:** full traceability of all our goods, from arrival at the warehouse until they reach their destination.
 - **Order and cleanliness:** ensuring order and cleanliness throughout warehouses and on transport.
 - **Regulations:** compliance with all regulations, such as cold chain and expiry dates, is key to respecting service quality.
 - **Occupational safety and risk prevention:** alignment with safety and occupational risk prevention criteria.
 - **Maintenance:** correct maintenance, both preventive and corrective, of facilities and machinery.
 - **Efficient supply chain processes:** achieve excellence in all areas, based on excellence in each warehouse area.

Both model the SOM and LOM models have proved satisfactory in Spain and are expected to be rolled out in other countries over the coming months.

Under the idea of simplification, and in order to standardise the customer offering and to boost sales, a new product range has been designed, unifying the numerous existing ranges into one single product range for all stores with four variations depending on the size of the sales area.

In 2020, significant work has also taken place to renew own-brand products so as to make the Group's various brands benchmark products in terms of range, quality and market price. The new quality **DIA** brands, based on adapting each product to current customer likes and requirements, have also led to a change in image through renewed packaging.

At the same time, **DIA Group** continues working to meet the commitments voluntarily adopted in the Spanish national plan to improve food composition as part of the NAOS strategy (nutrition, physical activity and obesity prevention) by the Spanish agency for food safety and nutrition (AESAN), so as to give customers the best nutritional options.

Lastly, as already mentioned, 2020 has seen online sales expand significantly, with a focus on delivering orders to the greatest number of customers as quickly as possible. The Company has activated the online service in Brazil and Portugal and has improved the service offered in Spain and Argentina. To do this, stores have been turned into small warehouses called dark-stores and agreements have been reached with delivery services to cover the final mile. As a result of all this, online sales doubled in 2020.

