



*Cada día  
más cerca*

**Consolidated  
non-financial  
information  
statement**

**2023**

**Distribuidora Internacional de  
Alimentación, S.A. y Sociedades  
Dependientes**

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



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# 1

## Letter from the Dia Group Global CEO

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## LETTER FROM THE DIA GROUP GLOBAL CEO

This year, 2023, has been key for the future of the Dia Group. The business's good performance endorses the trust of our customers and ratifies the success of our strategy focused on proximity. This year, we fulfilled our strategic priorities and made the right decisions to simplify our portfolio. This will allow us to focus our efforts on markets where we have the potential to grow under a single 'Dia' banner.

At the same time, in these current uncertain times, our determination has been to fulfil Dia's historic commitment to households: offer a varied, high-quality assortment at affordable prices. A proposal that can provide solutions adapted to the budget of each household, with the ease and agility offered by our large network of neighbourhood stores and our online channel. This has been achieved thanks to the great effort of our team, our franchisees and suppliers. Driven, individually and collectively, by the passion we share for customer service, we have worked to make Dia's purpose a reality: to be closer every day to offer great quality to everyone.

I would like to thank the exceptional work and commitment shown every day by each and every one of the people who make up the Dia team in stores, warehouses and offices; our franchisees and their teams, and our suppliers.

In Spain and Argentina, the business is entering a new phase: we have completed the turnaround, accelerated the growth of our e-commerce and expanded our franchise network. These steps allow us to close another stage and begin an organic growth stage focused on customer satisfaction, with the renewed ambition of being their preferred neighbourhood and online store.

We end 2023 with significant progress in market share at a comparable surface area in Spain and consolidating our leadership in proximity at a national level in Argentina.

At a Group level, we have met our key objectives, which confirm that we are on the right path. The Group's like-for-like sales were 3.1% higher in 2023<sup>1</sup>, with a 10.7% increase in Spain<sup>1</sup>. Adjusted EBITDA was 192 millions of euros, 15.3% higher than in the previous year, and we improved the net result by 94 millions of euros, reducing the loss for the year to 30 millions of euros<sup>1</sup>.

The Group faces 2024 with its sights set on developing the proximity economy, and promoting a diverse and inclusive culture. We know that generating value for our customers and the neighbourhoods and communities in which we operate allows us to further our objectives and build a solid business with a future. This is something we want to do with levers that provide leadership and differentiate Dia: our commitment to facilitating access to healthy food, promoting employment and entrepreneurship and working towards a more inclusive and diverse society.

In the coming months, we will continue to focus on mitigating the effect of inflation on the shopping basket working closely with all our value chain, while adding new initiatives to our digital ecosystem and strengthening the Club Dia proposition.

We are aware that work is still to be done, but we can hold our heads high knowing that every day we are the favourite store of more and more customers thanks to a differentiating value proposition and a team committed to delivering a first-class customer experience.



Our determination has been to fulfil Dia's historic commitment to households: offer a varied, high-quality assortment at affordable prices.

**Martín Tolcachir**  
Dia Group Global CEO



<sup>1</sup>Excluding the sale of the stores transferred to Alcampo in Spain, the sale of the Clarel stores and the sale of the Minipreço stores in Portugal.



## 1.1 Our Management Committee

The Management Committee is made up of 10 professionals of five nationalities who, united by a clear vision and roadmap, have assumed the internal and external challenges that have driven the business and Dia's relationships with its social and economic ecosystem. This responsible leadership model begins with the CEOs of each business unit to provide a cross-cutting impact and is consolidated in a Committee that, aligned with the vision of the Board of Directors, builds a culture of closeness that breaks down barriers and works closely and honestly.



**Martín Tolcachir**  
Dia Group Global CEO

**Guillaume Gras**  
Dia Group CFO

**Antonio Serrano**  
Dia Group Strategy Director

**Pilar Hermida**  
Dia Group Communications and  
Sustainability Director

**Patricio Morenés**  
Dia Group Legal and Compliance Director

**Ricardo Álvarez**  
CEO Dia Spain

**Agustín Íbero**  
CEO Dia Argentina

**Marcio Barros**  
CEO Dia Brazil

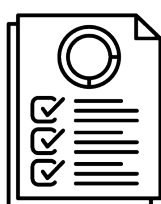
**Miguel Silva**  
Dia Portugal Operations Director and Board of Director's  
Spokesperson (CA)

**José María Jiménez**  
Clarel CEO

# 2

## Basis of preparation of the NFIS

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## BASIS OF PREPARATION OF THE NON-FINANCIAL INFORMATION STATEMENT

This Consolidated Non-Financial Information Statement (hereinafter, "NFIS") is part of the 2023 Consolidated Management Report of Distribuidora Internacional de Alimentación, S.A. and the subsidiaries that make up the Group (hereinafter, indistinctly, "Dia", "Group", "Dia Group", "company", or "Company") and is issued annually<sup>2</sup>. It comprehensively, clearly and transparently sets out the Company's business strategy and integrates its financial and non-financial information, showing those issues that are significant to the Group, influenced by:

- The Company's response to the legal requirements of Law 11/2018 of 28 December 2018 on non-financial information and diversity, as well as Law 5/2021 of 12 April amending the consolidated text of the Capital Companies Act and the EU 2017/C215/01 guidelines for reporting performance on non-financial information and its climate supplement integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- The recommendations of the "Guidelines for Preparing the Management Report of Listed Companies" from the National Securities Market Commission (hereinafter, "CNMV").
- The Global Reporting Initiative (GRI) standards as a benchmark framework for non-financial reporting.
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment which, in its first delegated act, establishes the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable.
- Commitment to the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs) approved by the United Nations General Assembly, which Dia integrates into its Strategic Sustainability Plan.

With this "integrated" approach, the information on the Group's financial position is supplemented by the information needed for an understanding of the impact of the Dia Group's activity in regard to environmental and social matters and those relating to its employees.

The NFIS was prepared by the Dia Group's Board of Directors and signed by all its members.

A significant part of the report is structured around the company's main stakeholders, detailing current communication channels, key risks, related policies, associated indicators and the main actions taken.

In accordance with Article 49 of the Commercial Code, the NFIS is externally verified under a limited assurance review,

A non-financial information reporting system has been used to collect the data for this report, with managers in each country (Spain, Portugal, Argentina and Brazil) periodically reporting on the indicators in the fields required by Law 11/2018 – and other indicators – that are used as a management tool for the Group.

For any general enquiries about this report, please contact the Financial Reporting and Communication Departments at Calle Jacinto Benavente 2A, 28232 Las Rozas (Madrid), or send an email to [comunicacion@diagroup.com](mailto:comunicacion@diagroup.com).



A significant part of the report is structured around the company's main stakeholders, detailing current communication channels, key risks, related policies, associated indicators and the main actions taken.

<sup>2</sup> As in the previous year, all companies comprising the Dia Group are included in this report. The treatment of companies accounted for using the equity method is the same as that adopted in the financial section of the directors' report. The figures included in this report contain the activities, which are considered as discontinued in the Group's consolidated annual accounts (Portugal and Clarel), unless expressly specified otherwise. Annex 2 includes the main KPIs of the Group without those two business units. When the indicators refer to the company's value chain (essentially the Dia Group franchise network and suppliers), this fact is appropriately mentioned.



# 3

## Dia Group: Business model and strategic pillars

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## BUSINESS MODEL AND STRATEGIC PILLARS

To be closer every day in order to offer great quality accessible to all is the Group's renewed purpose and the guiding force behind the strategy of building a business model that seeks to create value, meeting the day-to-day food and hygiene needs of all families, regardless of where they live and their individual requirements. This value is endorsed by Dia's more than 14.1 million loyal customers worldwide.

Based on an analysis of the competitive context in which it operates and identification of its strengths, the Company defines a set of systems and activities to transform these assets into value created for customers, shareholders and other stakeholder.

### 3.1 Dia Group Presentation

Dia Group (Distribuidora Internacional de Alimentación S.A.) is the leading network of proximity stores with over 5,400 establishments in Spain, Argentina, Brazil and Portugal. Founded in 1966 in Madrid, Dia opened its first store in Madrid in 1979. Its head office is located in Las Rozas de Madrid. The company has been listed on the continuous market of the Spanish stock exchange since 2011 and has the fourth largest market share in Spain<sup>3</sup>

With its history spanning 45 years, the Dia Group's extensive experience in local food distribution has allowed it to become what it is today:

- The neighbourhood and online store that affords an easy, fast and comprehensive shopping experience, with a wide range that gives prominence to fresh and locally sourced products and high-quality Dia private-label products at affordable prices.
- A team that is diverse by nature, committed to an inclusive environment with equal opportunities for all, free of labels and prejudices and that shares Dia's purpose and values. Together, we are moving forward with the aim of being our customers' favourite neighbourhood and online store.
- Another neighbour in the communities where we operate, working towards a positive impact on the economy and society by boosting the local economy with employment and entrepreneurship opportunities.

In 2023, the Dia Group achieved global net sales of 5.720 millions of euros in 2023 (5.934 millions of euros in 2022),<sup>4</sup>

At year-end, Dia operates 5,408 company-owned<sup>5</sup> and franchised stores in four countries (5,699 in 2022), of which 2,880 are already operating under the new store model in Spain, Argentina and Brazil.

Dia directly employs 28,776 people globally (33,423 in 2022) and adds 2,048 franchisees and their 17,110 employees to its ecosystem. Franchising is a strategic pillar for Dia. At the end of 2023, they accounted for 54% of the global store network (52% in 2022) and are a key ally in rolling out the proximity strategy and to ensure that Dia reaches all types of neighbourhood and municipality, providing a differential value proposition.



The Dia Group also relies on 2,881 local suppliers (2,800 in 2022) from whom it makes 94% (95% in 2022) of its purchases locally. The suppliers are chosen following stringent quality and food safety criteria to enhance its wide range and develop Dia products, which are synonymous with high quality at affordable prices. Together, and thanks to a logistics distribution system with over 20 warehouses in four countries, customers are offered a full assortment that focuses on fresh produce, combines private-label and manufacturer brands and adapts to the needs of customers at local, regional and national levels.

Supported by the strategic pillars of our business, we provide our 14.1 million loyal customers around the world access to healthy, quality food with a first-class in-store and online experience and we promote actions that make it easier to learn about and follow healthy eating habits, the raison d'être of our Eating Better Every Day programme.

<sup>3</sup> Kantar Worldpanel 2023

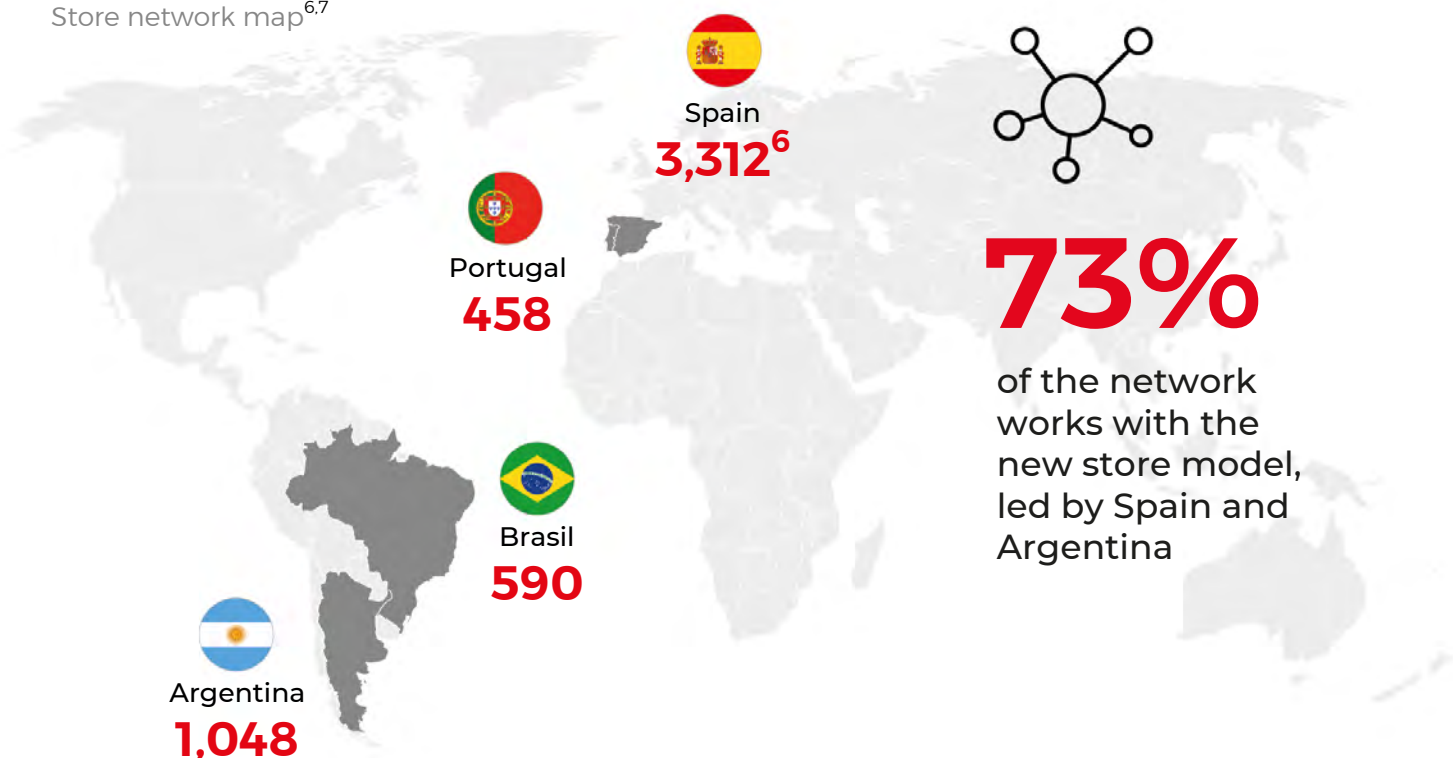
<sup>4</sup> Excludes the sale of the transferred stores in Spain, the sale of the Clarel stores and the sale of the business in Portugal.

<sup>5</sup> Includes Dia stores in Spain, Argentina and Brazil, and excludes Minipreço stores in Portugal and Clarel stores in Spain. The decrease compared to 2022 is mainly due to the sale of 233 stores to the Auchan group.



## 3.2 Dia Group in the world

Store network map<sup>6,7</sup>



Dia Team

**28,776**

people in stores, warehouses and offices



**2,048**

franchises globally



They manage

**54%**

of the store network



They contribute

**17,110**

to the Dia ecosystem



**14,1M**

Loyal Club Dia customers



**3,1%<sup>7</sup>**

LfL growth



**5,720 M €<sup>7</sup>**

Net Sales



**+3,000**

Dia private-label products renewed



**192 M €<sup>7</sup>**

Adjusted EBITDA



**76%**

Improve Net Result

<sup>6</sup> Includes Clarel in Spain

<sup>7</sup> Includes Dia stores in Spain, Argentina and Brazil and excludes Minipreço stores in Portugal and Clarel stores in Spain.



### 3.3 Milestones for 2023

#### JANUARY

- Dia strengthens its network of institutional alliances by joining Forética, Seres Foundation, Club de Excelencia en Sostenibilidad and Corporate Excellence and the Business Network for Diversity and LGBTI Inclusion (REDI).

#### FEBRUARY

- Opening of the 1.000 store in Argentina



- Natural yogurt "Dia Láctea" win "Flavor of the year" award in Spain

#### APRIL

- Annual Retailer 2023 Award in Argentina for Martín Tolcachir, CEO Global of the Dia Group.
- Dia Brazil enters the ABRAS ranking of the best supermarket for the first time, in 15<sup>th</sup> place.
- 100 Best Ideas Award from "Actualidad Económica" for the Vegedia dessert range in Spain
- "Importing is important" campaign in to support Ukrainian suppliers

#### MAY

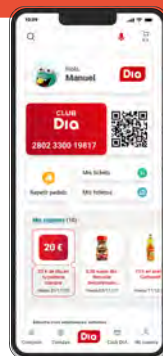


- Launch of the global program "Comer mejor cada día"
- Launch of the new website dia.es in Spain
- Launch of the new Dia Argentina App, the first in the sector to offer mobile shopping in the country



#### JUNE

- Launch of the Dia App in Spain
- "Mares para Siempre" award, granted by MSC, for Dia Spain's support for an MSC Communication on Sustainable Fishing



#### JULY

- Dia Spain signed the II Equality Plan for women and men



#### SEPTEMBER

- Dia Spain obtains the Zero Waste seal from SAICA Natur in its logistics centres in Illescas, Mérida, Dos Hermanas and Zaragoza, bringing the number of facilities with this recognition to eight



#### NOVEMBER

- Presentation of the new Strategic Sustainability Plan 2024-25.

- Launch of the Dia Group's Diversity Strategy



- Intrama "Somos Diversos" (We are Diverse) Award for Dia Spain for facilitating the integration of people with disabilities into the workplace and society.
- Dia Spain receives the TikTok España 2023 Award in the Gastronomy and Travel category.

#### DECEMBER

- Dia Argentina enters MERCO's ranking of the 100 most reputable companies for the first time, occupying 51st position overall and 4th at a sector level.
- Product of the year award for the Vegedia range of desserts in Spain.



### 3.4 Business context: trends and risks affecting the food retail sector

Changes in consumer behaviour associated with new lifestyles, their preferences for certain shopping channels or their perception of value can create attractive business opportunities for companies such as the Dia Group.



Some of the **key trends** in this respect are described below:

#### Proximity

According to a study analysing the challenges facing the sector, proximity and the quality/price ratio are the main reasons affecting people's decision to choose a food store, followed by the possibility of finding everything in one place. Also some challenges affecting social patterns such as an ageing population, smaller households and shortage of time for such essential tasks as shopping, lead to smaller shopping baskets and more frequent visits to stores, which would tend to benefit proximity store formats.

#### Price sensitivity

In recent years, the food retail sector has suffered tensions generated by rising costs due to difficulties in the supply chain for certain products and geopolitical conflicts. In this context, price sensitivity on food and other goods becomes a very significant factor in consumers' purchasing decisions (smaller purchases, searching for offers and promotions to compensate for the higher prices of some products or choosing private-label goods, among other things).

In this context, private-label goods have gained a particular significance due to offering an alternative to the manufacturer's brand with a winning price-quality ratio. In Spain, the positive trend of the last decade has continued to grow since 2022. According to AECOC data, the weight of the private-label goods is already 44.4% of the total (taking into account all product families) of consumption at the end of Q3 2023. This figure exceeds markets such as Germany (40.9%) and the UK (43.6%) where the penetration of these products has traditionally been higher<sup>8</sup>.

#### Convenience

"Shortage of time" is another of the phenomena currently faced by society, linked to changing habits of consumers, who increasingly favour online purchases. The bulk of online customers also shop in physical stores, so "digital proximity", based on the complementary relationship of the physical and online channels, is a relevant factor to take into account when trying to understand this phenomenon. Also, customers make their product choices mainly on the basis of what they have previously seen in the store, thus reinforcing the relationship between these two channels.

#### Health and well-being

Better nutrition has always been part of health and well-being, but now that relationship is more obvious than ever and there is great interest in taking care of health through the food we eat.

#### Responsible companies

In the current context of uncertainty, trust and responding to the challenges in terms of sustainability are that basic pillars that will ensure a company's future. To be a responsible company, and for society to notice this, to retain the ability to attract and link all stakeholders and reinforce their trust, generating a virtuous circle for the business<sup>9</sup>.

<sup>8</sup> Cinco Días "Spain, a white label paradise: its weight greater than in the United Kingdom and Germany

<sup>9</sup> Expansion. "[Confianza y sostenibilidad, claves para la reputación](#)".



The **risks inherent in the food sector** also define the competitive context faced by Dia. The most significant risks are set out below:

#### **Economic instability**

Economic instability, mainly the high rate of inflation seen in recent years in countries where the Group operates, affects both consumer income (through higher unemployment rates and reduced purchasing power) and operating costs. Many of the Dia Group's private-label and national brand products include highly volatile ingredients, such as wheat, maize, oils, milk, sugar, proteins, cocoa and other commodities. Any increase in commodity or supply prices, such as electricity or gas, can trigger price increases that may affect the company's gross margins or reduce income due to a drop in the average number and size of customer transactions.

#### **Highly competitive environment**

Competition has intensified, worldwide and in all sectors, and threats have grown. In the food retail sector, and more specifically for Dia, risks are considered to comprise not just the entry of new competitors, but also that of substitute products and the possibility of losing bargaining power (and proximity) with customers and suppliers.

#### **Proliferation of new health, environmental and trade regulatory requirements and their lack of standardisation across different regions**

Regulatory changes may require the reformulation of certain products in order to comply with new standards, the discontinuation of certain articles that cannot be reformulated, the creation and maintenance of additional records or different labelling; in regard to store operations, changes have to be made continually to anticipate and/or adapt to new local rules in each country (regarding prices, opening hours, environmental aspects, etc.).

#### **Difficulty in responding to changes in customer attitudes and purchasing preferences**

On top of the new demands in terms of value, quality, more sustainable products, price and variety, we now also have new preferences in regard to shopping channels, adding an extra layer of operational complexity to companies' necessary adaptation to satisfy their customers' tastes.

#### **Volatility of international markets**

The Group's exposure to international market volatility is centred on its businesses in Brazil and Argentina. In Brazil, economic growth has slowed and Argentina's economy has suffered from economic, social and/or political instability and hyperinflation and high country risk.



### 3.5 Pillars of transformation for value creation

Taking into account the sectoral context and the Group's strengths, Dia's business strategy over the coming years is built on the following basic pillars:



Ongoing development of an attractive commercial value proposition, capitalising on proximity and customer awareness.

- The transformation of the network to the new store model satisfies this objective. The new Dia stores are more accessible, modern and bright, organised in such a manner that facilitates and streamlines the shopping experience and offers a full range, giving a key role to fresh products and a balance between manufacturer brands and Dia products. Of the 3,956 Dia stores in Spain, Argentina and Brazil, 2,880 operate under the new model; 73% of the network.
- Thanks to Club Dia, the pioneering loyalty card in the sector in Spain, the company also has the opportunity to learn the tastes and needs of customers in detail and adapt its commercial offering, including personalised promotions to ensure their needs are met.



**Boosting e-commerce:** The Dia Group has committed to digital and technological transformation, a highlight being the implementation of new forms of delivery through the online channel which improve the customer experience, such as express delivery, programmed delivery options and in-store pick-up as well as alliances with partners to boost this channel. The online channel is a lever that enables the Dia Group to strengthen its commitment to proximity food distribution at the while at the same time responding to its customers' needs and demands. The move towards the omnichannel approach allows personalisation of the buying experience and strengthening of relations with customers. In 2023, efforts centred on continuing to strengthen logistics and the technology and product teams, with a view to accelerating the roll-out of the digital offering. . To expand delivery options, partnerships with third parties (Glovo, Just-eat, Amazon, Pedidos Ya, Rappi), in-store pick-up and scheduled deliveries have been added.



**Development of an improved franchise model and an increase in the number of franchises.** The company has opted for a new partnership based on a simpler and more transparent relationship, better payment terms and greater help and support for the franchisee. The ultimate objective is to incentivise sales and attract highly professional franchisees, making the Dia franchise the most competitive model in the food retail sector. This model has been rolled out in the Spanish, Portuguese and Argentine networks.



**Private label:** Dia was a pioneer in introducing private-label products in Spain more than 40 years ago. The Group develops high quality private-label products and offers competitive prices due to its sales volumes, extensive experience, strong supplier relations and potential savings in marketing and advertising costs. Food safety, the nutritional quality of its private-label products and access to food must be noted, which have become a priority in the Dia Group's Sustainability Plan. Since 2020, more than 3,000 Dia products have been renewed and launched; modern, attractive products that combine high quality and affordable prices, reconnecting with customers' trends and tastes.



Consumers have already started to change their attitudes, and now we, the major chains, must accompany them, promoting ever more mindful buying to strengthen local economies and reduce the ecological footprint

Javier López. CFO Dia Spain

# 4

More sustainable  
every day

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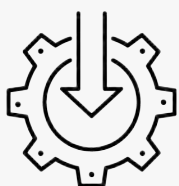


## MORE SUSTAINABLE EVERY DAY

### 4.1 Materiality analysis

The process of identifying the priority actions of the Strategic Sustainability Plan 2021-2023 was carried out taking into account the dual materiality analysis carried out in 2016 and subsequently reviewed by means of internal analyses in 2018, 2020 and 2022 as the basis of analysis, identifying both the impacts, risks and opportunities that the Dia Group's activity may entail for society and the challenges and implications imposed by the social reality on the company's business model.

To this end, various contributions or inputs were analysed and taken into account:



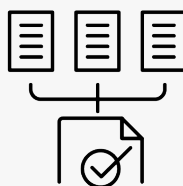
#### EXTERNAL

**Benchmark** of the main competitors.

#### Stakeholders' expectations

Indirect identification of short- to medium-term expectations of the main stakeholders, through business representatives who have direct contact with customers, employees, franchisees and suppliers. Although this first Sustainability Plan 2021-2023 prioritised attention to these stakeholders, the visions of other groups were also incorporated, not only by studying the main sustainability indices and standards, but also through the opinion and diagnosis of a group of eight independent experts with extensive experience in sustainability. In this way, the direct demands of the main stakeholders in the short to medium term were combined with a longer term time frame.

**Materiality study** suggested by the various sustainability indices and standards for the food retail sector, in particular the Dow Jones Sustainability Index and the Sustainability Accountability Standards Board (SASB)..



#### INTERNAL

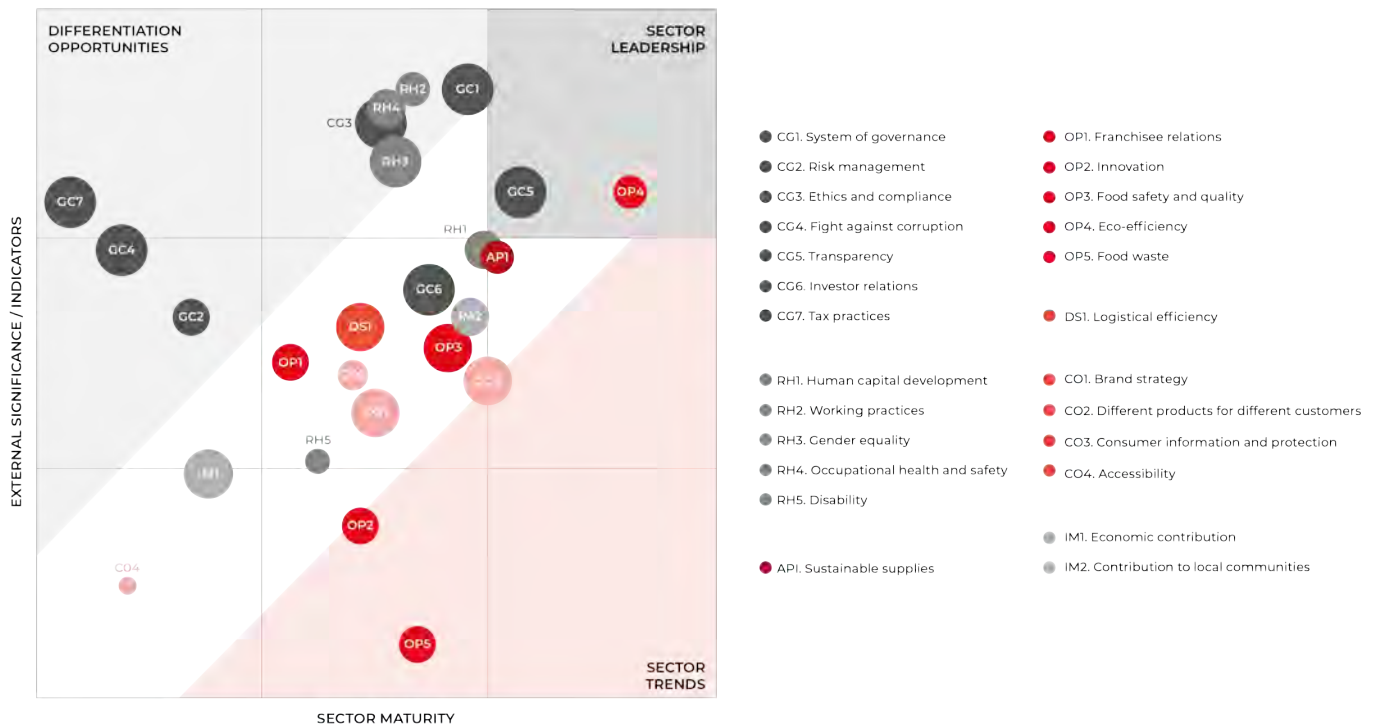
**Interviews with the heads** of the main corporate departments, and with the CEOs of each country.

#### Key internal documents

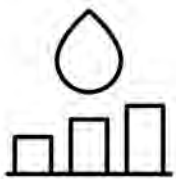
Such as the risk map, the business plans of the various countries and the Company's recent purpose and strategy.

As a result of this analysis, of the twenty-five potential issues originally assessed, fifteen priorities or material issues were selected to form the basis of the Strategic Sustainability Plan 2021-2023 and can be viewed in the image in the following section. These issues relate to sustainability risks (operational, compliance or reputational risks) and opportunities for value creation, and they span the company's entire value chain. The matrix resulting from the process is shown in the following image:



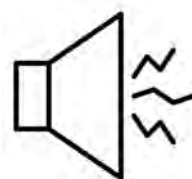


The issues required by Law 11/2018 that are not material to Dia and for which no information is provided in this report, are:



### WATER CONSUMPTION

This resource is used exclusively for cleaning and not for production purposes in Dia stores and consumption is not therefore considered to be significant. Nonetheless, the company supports and promotes the responsible consumption of water by means of internal communication and by raising employees' awareness of good practices. In addition, the company is developing an application to read water invoices in order to have evidence that shows that the cost is not material in relation to total expenses in the income statement at Group level.



### LIGHT AND NOISE POLLUTION

The impact is minor, since store lights are completely turned off when the stores are closed and the logistics centres are not located in residential areas. In any case, Dia Spain has improved the management of noise from unloading even more by changing the goods transport method from metal to wooden pallets.



Of the twenty-five potential issues originally assessed, fifteen priorities or material issues were selected to form the basis of the Strategic Sustainability Plan 2021-2023



## 4.2. A sustainable business model

Sustainability is a value-driver for the Dia Group and a way to realise the purpose of being closer to people every day to offer great quality accessible to all and create value in neighbourhoods. This purpose is the guiding star for the day-to-day work of the Company, whose ambition is to be one of the most competitive companies and a benchmark in the food retail sector.

This is set out in the Dia Group's 2021 [Sustainability Policy](#) Sustainability Policy, which updates and summarises the previous Corporate Social Responsibility and Environmental policies, and the purpose of which is to lay out the principles and mechanisms for action that enable the company to realise its desire to be "closer every day" to its stakeholders.

One of the main instruments for making this vision a reality was the involvement in the definition of the Strategic Sustainability Plan of the CEOs and sustainability leaders of each business unit, the Management Board and the Appointments and Remuneration Committee.

The Board of Directors approved the Dia Group's first Strategic Sustainability Plan 2021-2023 in February 2021.

This Plan defines commitments, actions and performance indicators for the most significant issues for the Group, ensuring proactive management of both sustainability risks and opportunities.



It deals with **15 themes**, starting out from our greatest strength: **proximity**

		Food safety
		Nutritional profile of private-label products
		Accessibility of food
		Sustainability of raw materials
		Human rights management in the supply chain
		Development of teams and employees
		Employees' health and safety
		Diversity and inclusion in employment
		Franchisee relations
		Supplier relations
		Packaging
		Waste management and food waste
		Climate change
		Business ethics
		Support for the community



## OUR PATHS OF ACTION

### 3 GOOD HEALTH AND WELL-BEING

#### Food gap

To help millions of families at risk of poverty to break through the food, geographical and socio-economic gap, (eating healthily and cheaply).

### 8 DECENT WORK AND ECONOMIC GROWTH

#### Inclusion in employment

To contribute to minimising the economic and social crisis by hiring and training people in vulnerable situations.

### 10 REDUCED INEQUALITIES

#### We're neighbours

To contribute to supplying the population by making fresh food available.



DIA's employees and franchisees **are the drivers of this transformation**



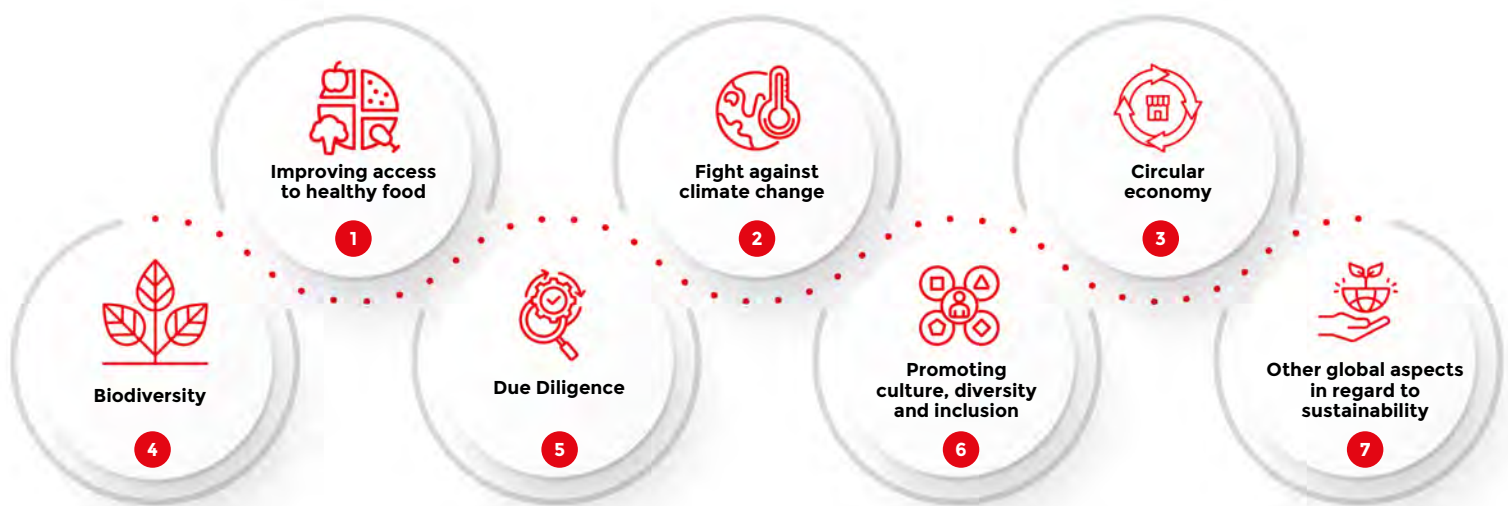
To ensure the implementation of this sustainable vision, a governance model has been defined in which the Sustainability function reports directly to the CEOs, both at Dia Group level and in each of the business units. Furthermore, the Board of Directors, through its two committees, also regularly supervises performance in this matter, to see the degree of advancement of the implementation of the measures provided in the Plan and the attainment of objectives.

The Strategic Sustainability Plan 2021-2023 is a roadmap that sets out the sustainability paths and priorities for 2021-2023.

Dia strives to contribute to the Sustainable Development Goals (SDGs) of the United Nations, as part of its new culture of management around sustainability.

The Dia Group therefore focuses on three key lines of work: contributing to mitigating the food gap from a geographical and socio-economic standpoint; generating value in neighbourhoods with employment opportunities, giving particular emphasis to including vulnerable groups in the labour market; and promoting entrepreneurship through its franchises.

### Actions taken in the context of the Strategic Sustainability Plan 2021-2023



During 2023, certain actions carried out under the Strategic Sustainability Plan 2021-2023 deserve to be highlighted:

#### 1 Proximity through **improved access to healthy food**:

- By means of education, dissemination, physical approach and the creation of healthy habits, which found expression through various initiatives: creation of blogs, recipes, workshops, broadcast campaigns, etc. Furthermore, a project was carried out to distribute products in certain rural areas, and we collaborated with the University of Zaragoza on a study of nutritional deserts in the province of Teruel, gaining insight into the barriers that impede access to a healthy diet in areas considered nutritional deserts.
- Sales of fresh products continue to grow in all Group countries as a percentage of the total. The expansion of the online channel in all countries provides access to great quality food at affordable prices to ever more people.
- The Company took an in-depth look at the barriers impeding access to a healthy diet among the most deprived classes, presenting its results to the scientific community, and tested programmes for confronting this challenge in Argentina and Portugal.

**2** In regard to the **fight against climate change**, we continued to carry out numerous initiatives, such as:

- We continued to move ahead with the Plan Renove in stores. One of the measures is the replacement of refrigerant gases with more sustainable alternatives (including an in-store pilot scheme with CO<sub>2</sub>)
- Employee training and awareness-raising on the Dia Group's Internal Energy Efficiency Manual for operational improvement in stores and warehouses.
- Continue with the electrification and modernisation of the logistics fleet (especially in low-emission zones, optimisation of routes and frequency of distribution and collaboration with third parties), and the first electric lorry was launched.

**3** In regard to **circularity**, the following can be highlighted:

- We continued to move ahead with the elimination of virgin plastic in DIA brand product packaging.
- Significant reductions were achieved in both the proportion of waste sent to landfill (which is now transformed into new products or recovered), and the proportion of food waste.

**4** In regard to **biodiversity**, the following can be highlighted:

- Involvement with external working groups:
  - EU Deforestation Regulation Workshop,
  - Spanish Business and Biodiversity Initiative
  - Biodiversity Foundation (F.S.P.)

**5** In regard to **Due Diligence**, in the last few years progress has been made in:

- Creation of a [Human and Labour Rights Policy](https://diacorporate.com/en/corporate-policies/) by the Group: <https://diacorporate.com/en/corporate-policies/>
- Identification of suppliers at risk of violating Human Rights, based on criteria such as their origin or the type of product.
- Completion via a platform of a questionnaire on Due Diligence by suppliers, with the questions covering aspects of human rights, labour rights, health and safety and the environmental impact of their facilities, allowing us to establish action plans for those that show relatively high-risk.
- Signing up by franchisees and suppliers to the Group's clause on Human Rights in the relevant contracts.

**6** Various initiatives were also carried out with great success on **diversity** as it relates to employees, to promote a diverse and inclusive culture:

- We work to achieve proactive management of diversity and labour inclusion of people at risk of exclusion. By working with various NGOs we were able to hire 1,000 people from vulnerable groups in Spain, Portugal and Brazil, compared with 730 in Spain alone in 2022. In addition, 426 people from these groups (compared with 578 the previous year) had work experience in stores and warehouses as part of the training processes to improve their employability.
- Country-specific diversity diagnoses were carried out and diversity committees set up, involving top-level managers to establish objectives and purpose-built plans, trends and surveys of suppliers' and customers' opinions).

**7** Progress was made in 2023 on preparing a new Materiality Analysis. Which a Working Group called "ESG Champions" was formed, taking account of Senior Management, and it was complemented with an analysis of external sources (benchmarking of competition, sector analysis, market trends and surveys of suppliers' and customers' opinions). With this knowledge, we determined the challenges and priorities that help understand the ecosystem and the ESG context, as well as taking a more in-depth look at:

- Stakeholders' trends and demands
- Regulation (particularly EU)
- ESG standards
- Benchmarking of top competitors
- Strategic priorities

## Main Indicators of the Sustainability Plan (2021-2023)


	KPI	Result 2023	Result 2022	Objective 2021-2023
	Suppliers' satisfaction	2.6	0.75	Improvement compare to the previous year
	Franchisees' satisfaction	39.28	36.25	Improvement compare to the previous year
	Customers' satisfaction	49.26	47.12	Improvement compare to the previous year
	Percentage of approved suppliers in terms of food safety	94%	89%	100%
	Reformulated products to improve nutritional profile	99%	82%	>95%
	Hiring people from groups at risk of exclusion	60%	48%	30%
	Supplier adoption of the DIA Group's Human Rights Policy	94.0%	92.0%	90.0%
	Reduction in the proportion of virgin plastic used in private-label products versus 2020 (Spain)	20%	n.a.	25%
	Reduction in CO2 footprint	(5.0)%	3.0%	(5.0)%
	Confirmed reports of discrimination and harassment	4	9	—
	Confirmed reports of corruption	—	—	—
	Kg of produce donated	more than 954,000 kg	more than 869,765 kg	N/A

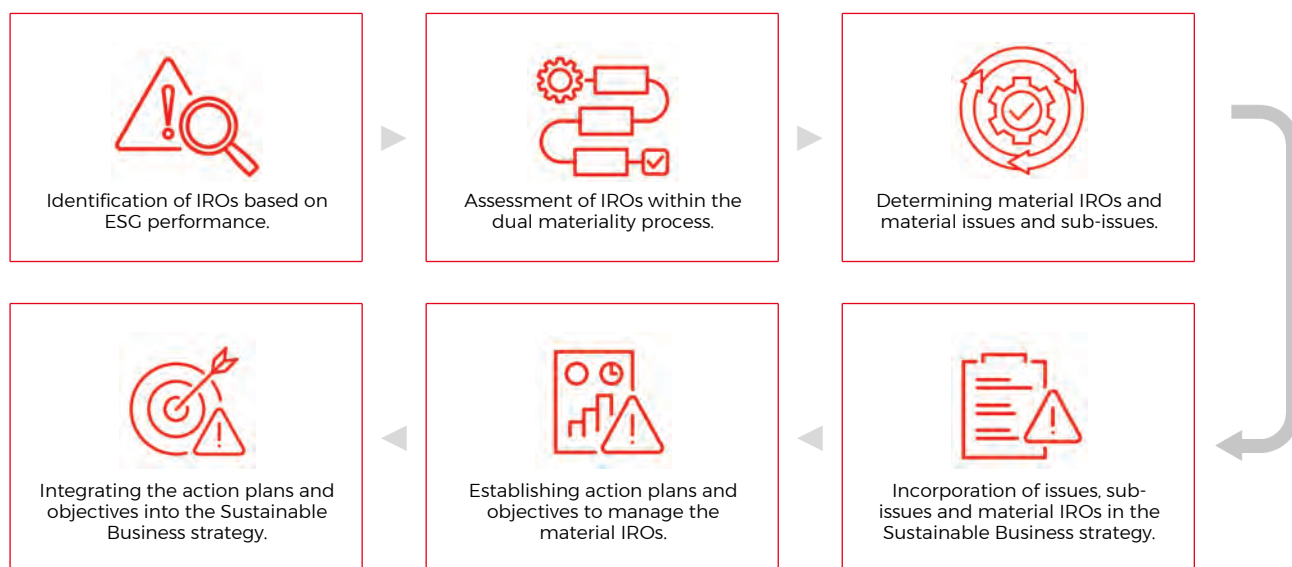
Table 1. Most notable indicators of the Sustainability Plan 2021-2023 and results during 2023.

## 4.3 Next steps

### 4.3.1 Dual Materiality Analysis

In preparing the new Strategic Plan 2024-2025, a Dual Materiality analysis has been performed, which takes into account the Group's strategy and objectives, the Sustainability strategy and the requirements of various reporting and sustainability frameworks, such as the Global Reporting Initiative (GRI), Law 11/2018 on Non-Financial Reporting and Diversity and Directive 2022/2064 on companies' sustainability reporting (CSRD).

Within the CSRD framework, Dual Materiality is critical for the Dia Group as it identifies the Impacts, Risks and Opportunities (IROs) faced by the Company and assesses their relevance to all stakeholders. It also makes it possible to view the most significant issues that need to be addressed, and thereby define and establish appropriate management through action plans and objectives.



During 2023, the Dual Materiality analysis and IRO identification required the collaboration of various departments, such as Finance, Sustainability, Internal Control and Infrastructures. Based on this initial analysis,

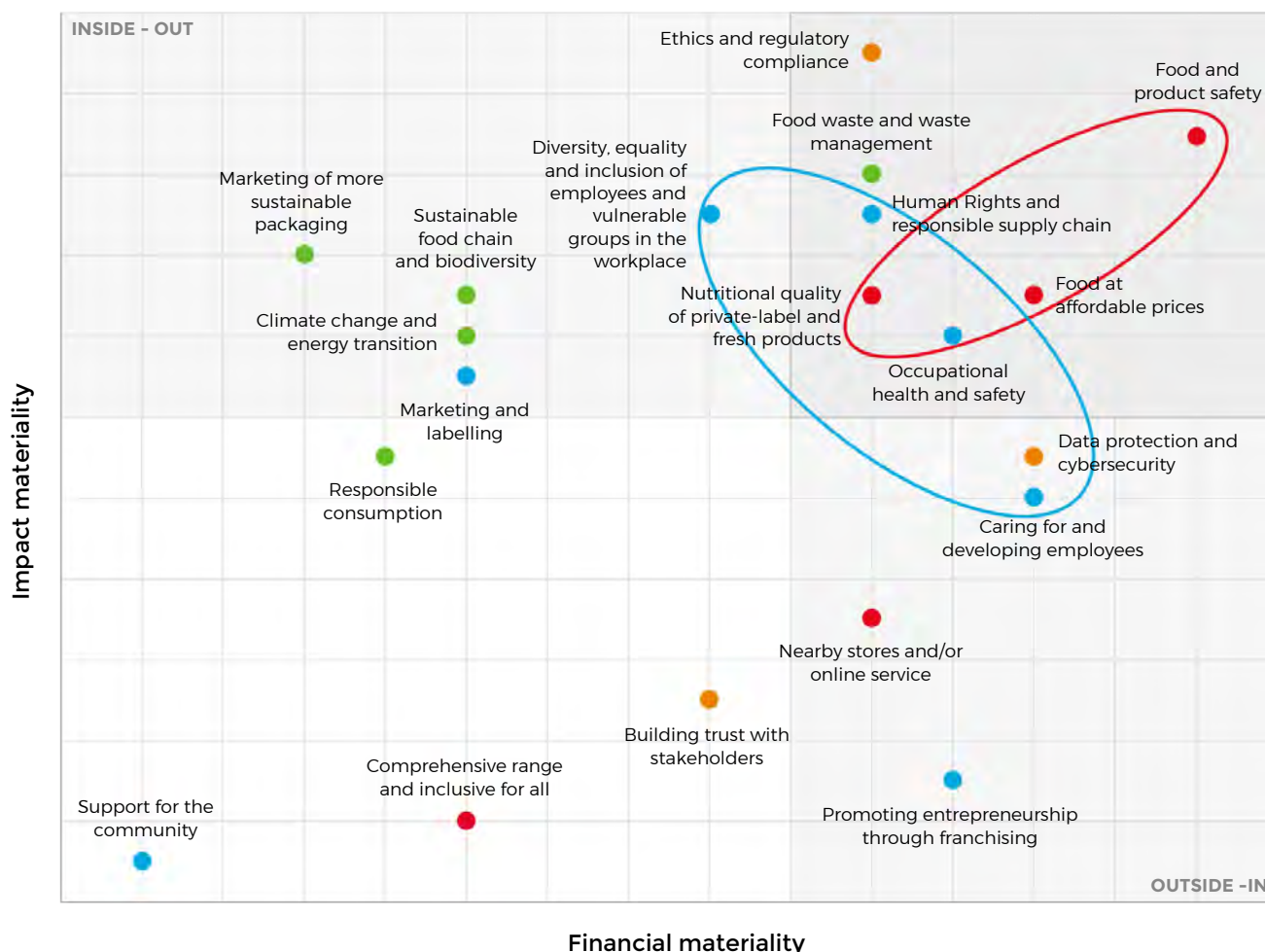
the Group has determined the material European Sustainability Reporting Standards (ESRS) in accordance with the aforementioned CSRD Directive:

Cross-cutting ESRS		Material for the Dia Group
ESRS 1	General Requirements	N/A
ESRS 2	General Disclosures	N/A
Environmental ESRS		Material for the Dia Group
ESRS E1	Climate Change	Yes
ESRS E2	Pollution	Yes
ESRS E3	Water and Marine resources	Yes
ESRS E4	Biodiversity and ecosystems	Yes
ESRS E5	Circular economy	Yes

Social ESRS		Material for the Dia Group
ESRS S1	Own workforce	Yes
ESRS S2	Workers in the value chain	Yes
ESRS S3	Affected communities	Yes
ESRS S4	Consumers and end-users	Yes
Governance		Material for the Dia Group
ESRS G1	Business conduct	Yes



As a result of the above analysis, the Group's Dual Materiality Matrix for 2024-2025 has been obtained:



## Main conclusions from the dual materiality analysis



3 of the 5 topics linked to the Dia Group's **purpose** are among the **highest priorities** on both axes: **Food Safety, Nutritional Quality of the private-label brand and Food at affordable prices.**



These topics are also in the **TOP 4** of the **most important topics for customers in all markets.**



**In second place** in terms of importance are **social topics related to our employees** such as Diversity, Care & Development and Health & Safety, **and from the value chain** with the Human Rights of suppliers.



**Regulation "spikes" the importance of other environmental and governance topics** such as Ethics and regulatory compliance, Climate change and Sustainable packaging, among others.

Food waste is the only environmental topic that appears in the top quadrant, likely also due to its social and economic implications.

At the same time, the Dia Group is working on adapting its Information Systems to allow for more automated and digital reporting, which will reduce the time needed to compile the information and increase the reliability and quality of the data reported, in line with the Financial Information and with the Group's strategic objectives.

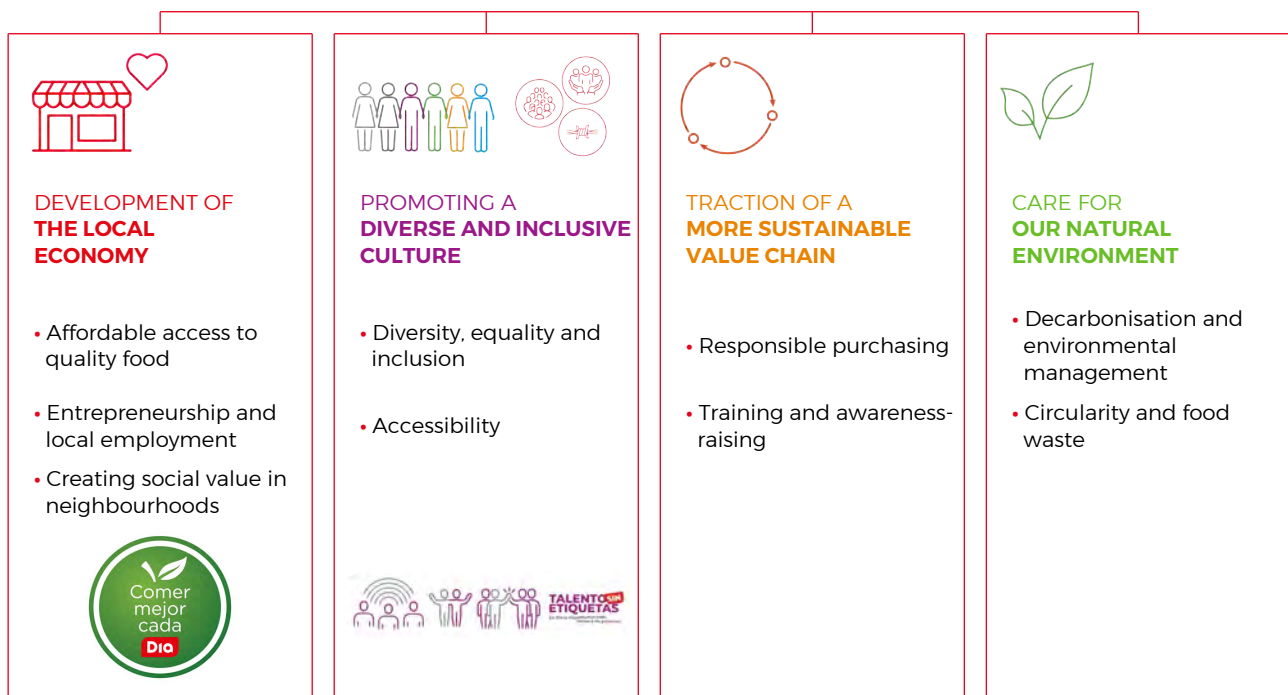
### 4.3.2 New Strategic Plan 24-25

The analysis of Dual Materiality described above served as the basis for the new Strategic Sustainability Plan 2024-2025 "Every day counts", which has gone from ensuring compliance with ESG regulatory aspects to "own and differentiating" leadership. This has been leveraged on

the "Closer every day" proposition, and on what differentiates the Group within the "Social" sector, prioritising proximity and diversity, and using Sustainability Governance as a cross-cutting lever.



*Cada día  
más cerca*



**CROSS-CUTTING LEVER: GOVERNANCE AND SUSTAINABILITY**

These four axes set the basis and standards for the 2024-2025 objectives, guaranteeing a minimum threshold of sustainability in all aspects (Environmental, Social and Governance) and giving more visibility to they strengths of the Dia Group to enhance its recognition as a responsible company. strengths of the Dia Group to enhance its recognition as a responsible company.

The main objectives of the Plan are:

AXES	COMMITMENTS	OBJECTIVES	ACTION PLANS
 <b>DEVELOPMENT OF THE PROXIMITY ECONOMY</b>	<b>COMMITMENT #1</b> Facilitate <b>access to healthy, quality</b> food so that everyone can eat better every day	<ul style="list-style-type: none"> <li>• ↑ % fresh sales share</li> <li>• ↑ % online sales</li> <li>• ↑ % sales of EBED categories (focus on fresh) in selected neighbourhoods/ municipalities</li> </ul>	"Eating better every day" programme (EBED)
	<b>COMMITMENT #2</b> Stimulate <b>entrepreneurship</b> and employment through our ecosystem of <b>franchisees and local suppliers</b>	<ul style="list-style-type: none"> <li>• ≥95% purchases from national suppliers</li> <li>• Increase in the number of franchisees</li> <li>• Increase in the number of multi-franchise franchisees</li> </ul>	"Employment" network: Revitalisation of the local business fabric
	<b>COMMITMENT #3</b> Through our activity, <b>promote a positive social impact in the neighbourhoods</b> and areas where our stores are located	<ul style="list-style-type: none"> <li>• N.º of beneficiaries (donations, Dia Academy, etc.)</li> <li>• N.º of initiatives or campaigns of a socio-economic nature</li> </ul>	"Umbrella" programme social value
 <b>PROMOTING A DIVERSE AND INCLUSIVE CULTURE</b>	<b>COMMITMENT #4</b> To ensure equality in a more diverse, inclusive and accessible environment	<ul style="list-style-type: none"> <li>• To increase in the ratio of women in management positions (levels 1 to 5)</li> <li>• To increase in hiring of senior and unemployed people</li> <li>• To increase DE&amp;I training hours and number of participants</li> <li>• 100% digital channels aligned with accessibility criteria</li> <li>• 100% new build stores aligned with accessibility criteria in Spain</li> </ul>	DE&I Plan for employees  Improve accessibility
 <b>CARE FOR OUR NATURAL ENVIRONMENT</b>	<b>COMMITMENT #5</b> To progress in the <b>decarbonisation</b> of our business and supply chain	<ul style="list-style-type: none"> <li>• Development of a Scope 1 and 2 Emissions Reduction Plan*</li> <li>• Incorporation of Scope 3 emissions measurement*.</li> </ul>	Emissions reduction plan
	<b>COMPROMISO #6</b> Increasing the <b>recyclability</b> of our packaging and the <b>circular economy</b>	<ul style="list-style-type: none"> <li>• 100% recyclable, reusable or compostable MDD packaging in Spain</li> <li>• ↓20% virgin plastic MDD packaging, fresh and ancillary material vs 2020 in Spain</li> <li>• 100% "Zero waste" warehouses in Spain</li> </ul>	Circular economy
	<b>COMMITMENT #7</b> Reducing <b>food waste</b> with strategies based on prevention and redistribution	<ul style="list-style-type: none"> <li>• Preparing a Food Waste Prevention Plan</li> <li>• ↓30% food waste in 2030 vs 2020</li> </ul>	Food waste prevention and management plan
<b>TRACTION OF A MORE SUSTAINABLE VALUE CHAIN</b>	<b>COMMITMENT #8</b> Mobilise our <b>value chain</b> towards a <b>sustainable management model based on responsible production standards</b> .	<ul style="list-style-type: none"> <li>• Draw up responsible sourcing standards for MDD</li> <li>• Establish Human Rights Due Diligence system and activation in certification system</li> <li>• Integrate ESG criteria (deforestation priority) into procurement policy</li> </ul>	Food chain standards  ESG criteria for suppliers
<b>SUSTAINABILITY GOVERNANCE</b>	Drive a cultural change that integrates sustainability into all our business decisions and builds trusting relationships with our stakeholders	<ul style="list-style-type: none"> <li>• Improve customer, supplier and franchisee NPS ratings</li> <li>• Improved ESG Reputation within IGR</li> </ul>	Sustainability governance

\*Note: Scope 1 (direct emissions from combustion in stationary and mobile sources, e.g. company cars, air conditioning/cooling equipment, transport and distribution of goods from suppliers to warehouses and from warehouses to stores); Scope 2 (indirect emissions from electricity use) and Scope 3 (indirect emissions from the value chain)



# 5

Quality food  
accessible to all



## QUALITY FOOD ACCESSIBLE TO ALL

"Dia's proximity" is not just a physical concept. Proximity means offering the best service to customers, knowing them in depth and adapting this service as far as possible to their tastes and needs; it also means offering the best omnichannel experience and being the best in last mile delivery; and of course, proximity means offering the best products, and the freshest and most seasonal products, at the best price. This is the context in which food safety, the nutritional quality of its private-label products and access to food have become a priority in the Dia Group's Sustainability Plan.

### Main communications channels with customers

The Dia Group uses various channels to communicate with and listen to its customers:

- Social media for sales and corporate communications. The Group has profiles on the most popular platforms in all the countries in which it operates, including Facebook, X, Instagram, Tiktok, LinkedIn and YouTube.
- Dia Club, from where customers can voluntarily rate their shopping experience, both in-store and online in real-time. Over the course of 2023 in Spain, more than 470,000 customer enquiries were recorded, with responses that proved crucial for improving our customers' experience and satisfaction. In Argentina, for example, customer satisfaction is monitored in real time, allowing action plans to be drawn up on a daily basis. This initiative, made possible thanks to a significant technological component, has achieved very positive results both in customer engagement and in their level of recommendation
- The Customer Service department attended to and analysed 759,856 communications in 2023 (nearly 758,565 in 2022<sup>10</sup>), of which 279,366 were claims and complaints (about 244,149<sup>10</sup> in 2022). The increase of communications and complains, is mainly due to the fact that the new App is under adaptation period and the increase of the e-commerce activity. It is worth highlighting the fact that 96% of these complaints were resolved following appropriate analysis. The main types usually concern incidents relating to DIA Club, online purchases and in-store purchases.

Dealing with the queries and incidents that may arise from the customer service system is a cornerstone, both for improving the customer experience and trust and for continuously improving operations, which is why we work constantly to perfect it.

In Spain, the Customer Relations Centre (CRC) attended to more than 300,000 customers in 2023. The Centre makes three main contact channels available to its customers, offering an omnichannel and consistent model of attention: telephone, email and WhatsApp

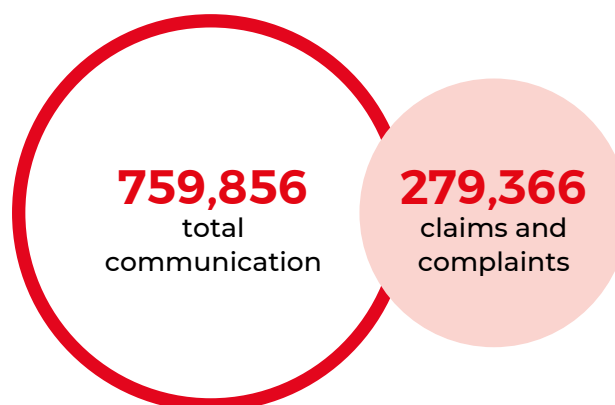
The telephone channel continues to be the main means of communication: 62% of contacts recorded were through this means. However we saw a very significant increase in the use of digital channels during the year, particularly

WhatsApp (up by 8 percentage points on the 2.9% of 2022).

Communication with customers through the CRC is the basic pillar both for improving the customer experience and trust and for continuously improving operations, which is why we work constantly to perfect it. In Spain, the Group is immersed in an Overall Service Transformation Plan, centred on achieving excellence in customer satisfaction and an increasingly robust and competitive service.

In 2024, we will also continue working on improving our customers' self-management capabilities.

### Customer Service Attention Department (CSA) 2023



### Customer Service Attention Department (CAS) 2022



<sup>10</sup> 2022 figures have been corrected due to an operational mistake

### Main policies governing customer relations

- [Corporate Food Quality and Safety 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 Group.
- [The Policy on Marketing and Communication with Customers](#): based on respect for commitments to customers, honest oral and written communications and integrity in all the Company's actions in this

context. In this way, the guidelines for customer communications are based on the general principles of transparency, proximity, equality and quality.

- **The Corporate Information Security Policy**: aims to define the guidelines to ensure the confidentiality, integrity and availability of information and must be complied with by all employees, both internal and external, and by franchise personnel needing to access the Group's information systems.

## 5.1. Eating better every day

Eating better every day is the programme promoted by the Dia Group at a global level with the commitment to contribute to mitigating food barriers and making it easier for everyone to follow a balanced diet and take conscious decisions about their food.

Dia advocates that everyone should have access to healthy food, regardless of where they live or their budget. Because we know it is key to physical and emotional well-being. Driven by our purpose, we have transformed our business to focus on what matters to us most: people. Dia is a neighbour in the neighbourhoods where it is present, and we like to meet the needs of our neighbours to generate a positive impact through a key lever for households: food.

The Group officially launched this programme in May 2023, which joins the initiatives carried out to facilitate access to healthy and affordable food for all households together. To gain a better understanding of the barriers that prevent people from eating healthily, Dia promoted studies in 2022 with academic partners such as the University of Zaragoza in Spain, the University of Cordoba in Argentina and the University of Rio de Janeiro in Brazil. These studies helped to find a key point of connection for all countries in which Dia operates: that once access to food is guaranteed (geographic and socio-economic), knowledge is the point that allows someone to follow healthy habits.

In this vein, work was done together with the University of Zaragoza in 2023 to generate greater knowledge about supply options in underpopulated areas and the quality of their inhabitants' diet. This knowledge, together with the experience acquired by the company in its online expansion and in rural last-mile delivery, will set the course for Dia to develop a plan to reach more families in rural areas, so that all of them, wherever they live, can have access to high quality products.

Eating better every day is a key pillar of the Sustainability Plan, is present in all four countries in which Dia operates (Spain, Portugal, Brazil and Argentina) and its commitment is to ensure that all citizens can access varied, high-quality food, suited to their diverse needs and lifestyles, as well as on facilitating a change in eating habits.



The commitment of Eating better every day is to ensure that everyone has access to a wide range of high quality food, as well as promoting a change in eating habits.



Accessibility, Knowledge and Habits are the three levers with which Dia makes it easier for people to eat better every day. Because we know that eating well is important, we make it easy.

- **Accessibility:** Dia's business model promotes access to healthy eating from two viewpoints: geographically, thanks to the capillarity of its proximity stores and the reach of its online channel; and socio-economically, with a wide and varied assortment, which gives prominence to fresh products, and Dia private-label products at affordable prices.
- **Knowledge:** to promote this pillar of the programme, the Group has alliances with academic partners and experts who endorse the content disseminated through the various communications channels under the programme's umbrella. In 2023, with the help of the research group Growth, Exercise, Nutrition and Development (GENUD) at the University of Zaragoza, the content available on Dia Spain and Argentina channels and social networks has been developed, which includes guides for following a balanced diet, easy, quick recipes in video and text formats and other guidelines and tips to support those who opt to gradually shift their eating habits towards a healthy diet.

- **Habits.** Aware that the basis of healthy eating is the ability to adopt and maintain good habits, the Group has challenged itself to make it easier for its customers to choose the most suitable foods to follow a healthy diet. The initiatives developed include increasing the range of fresh products, with greater prominence in store and in the sales catalogue, and the renewal of the quality and categories of Dia private-label products, with the inclusion of foods whose consumption is usually deficient and which contain high value nutrients, such as nuts and dried fruit. Weekly promotions are also created that facilitate daily or weekly shopping in all categories that enable healthy eating. Finally, the Group carries out actions focused on disseminating nutritional information that facilitates knowledge and the adoption of healthy habits.

Looking to the future, within its Sustainability Plan framework, Dia will prioritise the actions of the Eating better every day programme with the aim of being closer to households to facilitate access to high quality food at affordable prices, in line with its purpose, and to raise awareness of healthy habits and disseminate them so that everyone feels that it is easy.



## 5.2. Food safety

The Dia Group's [Food Safety Policy](#) sets out the general principles governing the company's activity in this area. In addition to this policy, a mandatory internal standard was approved in 2022 to standardise minimum food safety requirements at Group level.

This body of regulations is based on two main pillars:

- Controls and checks on food safety in product development. It defines the requirements for ensuring that the production process meets the quality and food safety guarantees required by the Dia Group of all its suppliers of products manufactured under its private labels.
- Food safety control of products and processes from the reception of the goods until they reach the consumer.

In terms of controls at production centres, in Spain and Portugal all suppliers must have a certificate accepted by the Global Food Safety Initiative at all factories where Dia's private-label products are manufactured.

In Brazil and Argentina, this certificate may be replaced with an equivalent audit report issued by Dia. In 2023, 91% of suppliers at a Group level (89% in 2022) were approved in terms of food safety (416-1). Although this percentage is very high, especially taking into account the transformation process in which the Company is involved and the fact that many of these approvals are not counted because they coincide with recertification periods, the Dia Group's objective is for all its suppliers to exceed this control point. Dia also has internal and external control plans (with approved laboratories) that provide extra control over the whole process.

Once the product arrives at Dia's facilities, it is subjected to a product safety and quality Control Plan, as well as the monitoring of other essential store and warehouse aspects, such as order and cleanliness, the cold chain, traceability, good hygiene practices and correct product rotation through audits. In 2023, 5,800 audits were performed (6,287 in the previous year)<sup>11</sup>, including processes to ensure control of the maintenance of the cold chain throughout the Group and the freshness of the fruit and vegetables on offer in stores. The percentage of punctuation for the evaluates aspects varies between 72% for "Store and product presentation" to 88% for "Freshness of products" in Spain and Portugal.



<sup>11</sup> In 2023, there was a change of criterion for calculating the indicator. Previously, we reported the visits (customer viewpoint) made by sales as well as the internal audits on food safety, whereas in 2023 the figure relates only to internal audits on quality (food safety), which are carried out by an external firm. The data for 2022 has therefore been restated with the same methodology



### 5.3. Nutritional quality of the Dia brand

The relationship between a good diet and people's health is an undisputed fact these days. For this reason, the following stand out among the initiatives developed by the Dia Group:

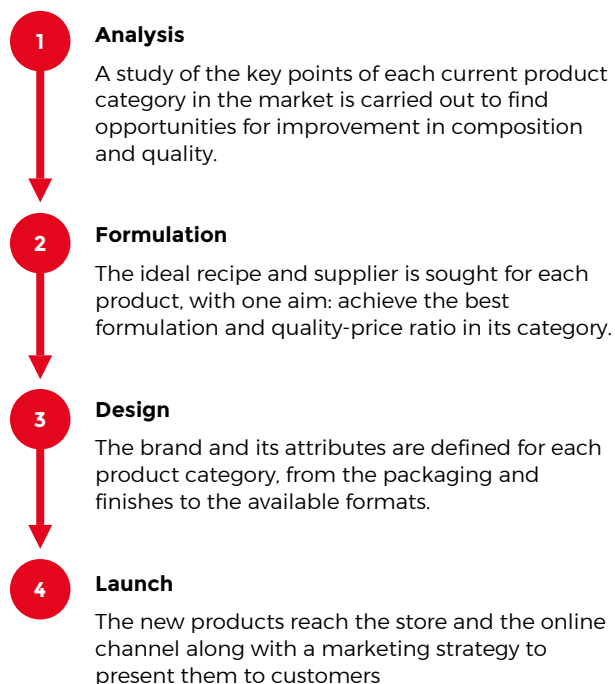
- The reformulation of numerous private-label products with the aim of reducing the sugar, salt and fat content, as well as other nutritional improvements, which has been achieved systematically in all countries in which the Group operates. Some examples of this are bakery products in stores with no additives and vegetable milk with no sugar added.
- Dia's concern with offering its customers products with an enhanced nutritional profile is reflected in the launch of articles such as palm oil-free crisps and in the efforts to revamp and promote certain categories (pulses, canned fish, frozen vegetables or dried fruit and nuts, for example) which we do not eat enough of in general terms according to the EAT-Lancet Commission's reference diet.

Moreover, in all the countries in which the Group operates, significant funds have been invested to ensure that all stores offer the freshest possible fruit and vegetables, placing them as a central focus in the store layout.

- Furthermore, there are various reformulated products under the premise of "Nueva calidad Dia" ("New Dia quality") such as "Dia Láctea" yoghurts, awarded "Flavour of the Year 2023", Vegedia vegetable-based desserts recognised by more than 10,000 consumers as "Product of the Year 2024" in the Innovation category, in Spain in both cases. In Portugal, "Producto do Ano 2023" was given to the veggie burger "Mr. Veg"; the turmeric bread and the spelt bread "Fornada do Dia". It also received recognition as "Sabor do Ano 2023" for the organic olive oil "VivOliva", and the canned tuna in virgin olive oil "Mari Marinheira", among others.



The Dia Group is internally responsible for the entire process of developing new products, which is divided into four main phases:





# 6

Another  
member of the  
neighbourhood

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CLUB  
**Dia**

**dia**es



## ANOTHER MEMBER OF THE NEIGHBOURHOOD

Its network of 5,408 stores, mainly in the proximity format (5,699 at year-end 2022) allows the Dia Group to have a real presence in the various neighbourhoods and to understand their reality first-hand. The way in which Dia strives to be close to its customers by offering services that meet their needs was explained in the previous chapter.

This chapter shows how employees form part of this Dia community, which is built up from each store, and how the company interacts with the most disadvantaged groups in these areas

### 6.1. Human capital

The Dia Group has a diverse workforce numbering 28,776 at the end of 2023 (33,423 at year-end 2022<sup>12</sup>). Of all Dia professionals, over 67% work in Europe (Spain and Portugal) and 33% work in Latin America (Argentina and Brazil), compared with 71% and 28% respectively in 2022.

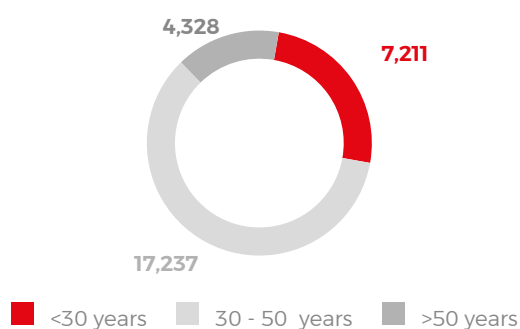
The Company's workforce is smaller than in 2022, due essentially to the restructuring of the store network to strengthen the company's proximity strategy and the increase in franchised stores globally.

Workforce by country at 31 December (405-1)

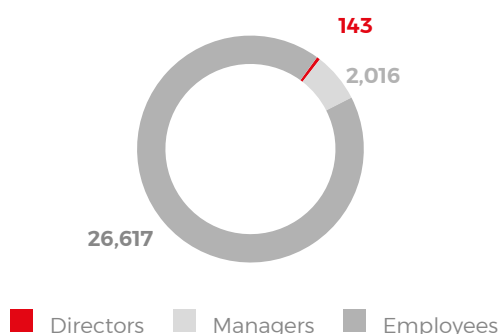
			Directors		Managers		Employees	
			2023	2022	2023	2022	2023	2022
DIA GRUP TOTAL	Men	<30 years	2	—	78	83	2,998	3,198
		30-50 years	76	82	691	905	5,011	5,505
		>50 years	23	22	221	224	1,009	1,301
	Women	<30 years	2	—	67	83	4,064	4,233
		30-50 years	24	26	736	909	10,699	13,005
		>50 years	16	14	223	212	2,836	3,621
	TOTAL		143	144	2,016	2,416	26,617	30,863

Tabla 2: total number of employees and distribution by sex, age, country and professional category. Directors, franchisees and other external workers have not been included in this breakdown. Due to review and detection of errors, the 2022 figure has been restated by 2 employees

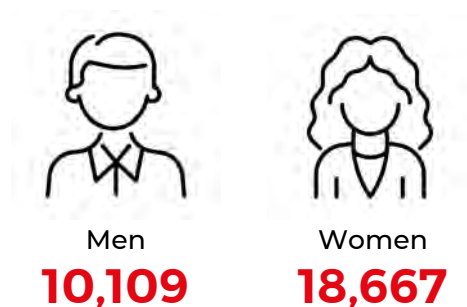
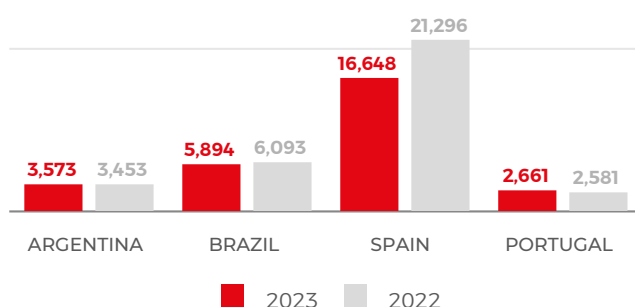
Dia Group's workforce by age, 2023



Dia Group's workforce by professional category, 2023



Dia Group's workforce by country, 2023



<sup>12</sup> Has been restated 2 employees in 2022

## Main communications channels with employees

There are various channels for communicating with employees, the majority of which encourage two-way communication. The main channels are as follows:

- Corporate website and apps for employees: an area for promoting communication, generating professional knowledge, sharing free time and disseminating corporate information as well as an access point for employee applications.
- Informative newsletters adapted to the needs of each Business Unit: to share good practices, business information and strategy developments with all Group employees, as well as promoting their engagement, encouraging them to make recommendations and fostering their sense of belonging. The operational teams also receive bulletins with relevant information for the proper performance of their work.
- Start of the use of new communications channels with employees, such as the implementation of a new corporate portal in Argentina and WhatsApp messages. Furthermore, some 95% of employees are registered on the Dia Group Portal and can access both the app and the portal. .

- Regular surveys to ascertain employees' opinions on various subjects (ranging from specific initiatives to annual or bi-annual engagement surveys, according to the preferences and needs of each Business Unit). When the action so requires, these channels, whether they are managed internally or via a third party, guarantee anonymity and total privacy regarding the responses given by employees.
- Regular channels and spaces for communication between senior management and employees to improve trust, create closer ties with leadership and to share business developments and progress made in the transformation process. These meetings are face-to-face, online or a hybrid and their frequency changes depending on the business unit.

## Main policies governing employee relations and their functions

- **Corporate Human Resources Policy:** includes the Dia Group's commitment to create jobs and to develop professionals within the context of the Company's corporate values. This Policy also aims to further Dia's long-term commitment to generating pride and a sense of belonging, adapting to the different cultural, employment and business contexts in each of the countries where it operates.

## 6.1.1. Responsible approach to quality employment

Almost all of Dia's workforce are on permanent employment contracts (95.37% in 2023, compared with 95.85% in 2022) and most of them are full time (79.28% in 2023, compared with 79.83% in 2022), as shown in the following tables:

Total employees by contract type and working hours at 31 December

	2023	2022
Permanent	27,455	32,029
Temporary	1,321	1,394
<b>TOTAL</b>	<b>28,776</b>	<b>33,423</b>
Full-time	22,825	26,684
Part-time	5,951	6,739
<b>TOTAL</b>	<b>28,776</b>	<b>33,423</b>

Table 3: total number of employees by contract type and working hours. Directors, franchisees and other external workers have not been included in this breakdown. As temporary contracts in Spain, those that are due to circumstances of production and temporary substitution are reported. As a result of errors detected upon review, the figure for 2022 has been restated by 2 employees

## Average annual contracts by sex (number)

	2023			2022		
	Men	Women	Total	Men	Women	Total
Permanent	10,056	18,790	28,847	11,338	21,858	33,196
Temporary	499	1,268	1,768	831	1,802	2,633
Full-time	9,820	14,538	24,358	11,406	17,256	28,662
Part-time	735	5,521	6,256	763	6,404	7,167

## Average annual contracts by age (number)

	2023				2022			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Permanent	6,505	17,784	4,558	28,847	7,133	20,817	5,246	33,196
Temporary	1,063	627	77	1,768	1,358	1,142	133	2,633
Full-time	5,828	14,791	3,739	24,359	6,825	17,461	4,376	28,662
Part-time	1,740	3,620	897	6,256	1,666	4,498	1,003	7,167

## Average annual contracts by professional category (number)

	2023				2022			
	Directors	Managers	Employees	Total	Directors	Managers	Employees	Total
Permanent	142	2,047	26,657	28,847	152	2,428	30,616	33,196
Temporary	—	12	1,756	1,768	1	20	2,612	2,633
Full-time	142	2,018	22,199	24,359	153	2,400	26,109	28,662
Part-time	—	42	6,214	6,256	0	48	7,119	7,167

Tables 4a, 4b and 4c: average annual number of employees by contract type, sex, age and professional category. Directors, franchisees and other external workers have not been included in this breakdown. The data for 2022 has been restated in light of a transcription error that was detected.

In 2023, as in 2022, 100% of employees in Brazil, Spain and Portugal were covered by a collective labour agreement, either at company or sector level (in Argentina this figure was 74.51% of the workforce in 2023 compared with 69% the previous year). The Company also has 810 trade union representatives worldwide (in 2022 this figure was 951). In view of the countries in which the Dia Group operates and the significant number of trade union representatives, there is no perceived risk of basic human and employment rights being violated (such as child labour, forced labour, freedom of association or the right to collective bargaining) no complaints have been received in respect of either the Group's employees or those of its suppliers. Among other instruments, the Group's [Code of Ethics](#) and the Ethics

Channel were created to help safeguard the Dia Group's commitment to respecting these values.

It is worth noting that in December 2022, Dia Spain signed a new collective agreement for 2022-2024, which sets out amendments to the basic salary with increases of up to 8% in two years and extraordinary bonuses for employees in stores, warehouses, offices and structure staff. This agreement, which was negotiated between the Company's management and the workers' legal representatives, strengthens confidence in the future of Dia, representing a firm commitment by the Company to its people.

## Number of dismissals (401-1)

		2023				2022			
		<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Directors	Men	0	11	2	13	0	12	10	22
	Women	0	2	2	4	0	2	2	4
Managers	Men	3	59	30	92	4	82	15	101
	Women	2	43	22	67	4	55	14	73
Employees	Men	536	585	104	1,225	1,146	1,126	142	2,414
	Women	644	1,242	231	2,117	1,317	2,140	315	3,772
<b>TOTAL</b>		<b>1,185</b>	<b>1,942</b>	<b>391</b>	<b>3,518</b>	<b>2,471</b>	<b>3,417</b>	<b>498</b>	<b>6,386</b>

Table 5: number of dismissals by category, sex and age.



In regard to the organisation of work, the working model is the rotating shift system, whereby the company strives to favour work/life balance and to take account of the particular circumstances of each worker. Store opening times are generally Monday to Saturday, except in specific places such as major cities, where some stores are also open on Sundays and holidays. Employees' holidays are established in accordance with agreements reached with the trade unions, which are also reflected in the collective agreements.

Office workers have greater flexibility, with up to three different times to choose from to start their working day. However, as shown in the employee data, a large proportion of DIA Group employees are on permanent full-time employment contracts, reflecting the company's commitment to retaining talent and maintaining a low staff turnover rate.



## 6.1.2 Employee development

In a sector as competitive as food retail, one of the strategic priorities of the Dia Group is not only to attract, but also to retain talent.

The Company has launched a programme to monitor and improve employee satisfaction in all the regions in which it operates, to outline action plans for managing the issues of greatest concern to the Group's employees. As a result of this programme, overall employee satisfaction has improved at a Group level in all four countries.

Among the most important actions carried out in 2023, as in the previous year, were two milestones relating to the objective of achieving greater development of individuals and of "Team Dia": introducing a culture based on a renewed purpose, renewed values and an ongoing commitment to employee training and development. An example of this is the development of a Leadership Plan aimed at developing skills allowing the teams to grow and generating a positive working climate without forgetting the focus on results.

The Dia Group's commitment to proximity has been the driving force behind its reorienting towards a unique

business model that puts people at the centre and takes care of the way it relates to all its stakeholders so as to build relationships with its entire ecosystem based on trust and transparency. This New Dia concept is built on renewed values that permeate all spheres of the organisation: from the management committee to the employees in stores and warehouses. The Dia Group has a large and diverse team of professionals who are results-focussed and, in the spirit of partnership and simplification, offer the best version of themselves every day to achieve continuous growth and the satisfaction of their customers; the real stars of the company's strategy.

The Dia Group also maintained its commitment to supporting employees in their development by providing 325,274 hours of training (370,224 in 2022).

Furthermore, Dia has become the first retail company to offer its franchisees advice and support via its organising entity, Campus Dia and Academia Dia. This entity offers a wide range of qualifications and training, as detailed below.

### Training (404-1)

		Directors		Managers		Employees	
		2023	2022	2023	2022	2023	2022
Men	Hours of training	1,667	1,438	21,613	21,500	98,548	95,934
	Average hours of training	48	54	90	65	50	35
Women	Hours of training	886	448	26,516	31,101	176,043	219,802
	Average hours of training	56	38	108	86	44	34
<b>TOTAL HOURS OF TRAINING</b>		<b>2,553</b>	<b>1,886</b>	<b>48,129</b>	<b>52,601</b>	<b>274,592</b>	<b>315,736</b>

Table 6: annual hours of training and average hours of training by professional category and sex.



Other highlights relating to talent management concern the review of the performance evaluation process and the implementation of a succession and talent development plan, which was further developed in 2023.

Lastly, the company listened to its employees and what they need to be able to improve their work-life balance and decided to continue practices that have had a positive impact on employees. In all countries, a hybrid working model has been formalised for those employees who are central office-based.



The Dia Group's commitment to proximity has been the driving force behind its reorienting towards a unique business model



### 6.1.3. Occupational health and safety

Occupational health and safety, which includes aspects of well-being, is a basic principle of excellence in human resources management and its importance has been emphasised as such in the Group's Strategic Sustainability Plan. The Company is committed to reducing serious accidents, it will achieve by improving employee health and safety management systems.

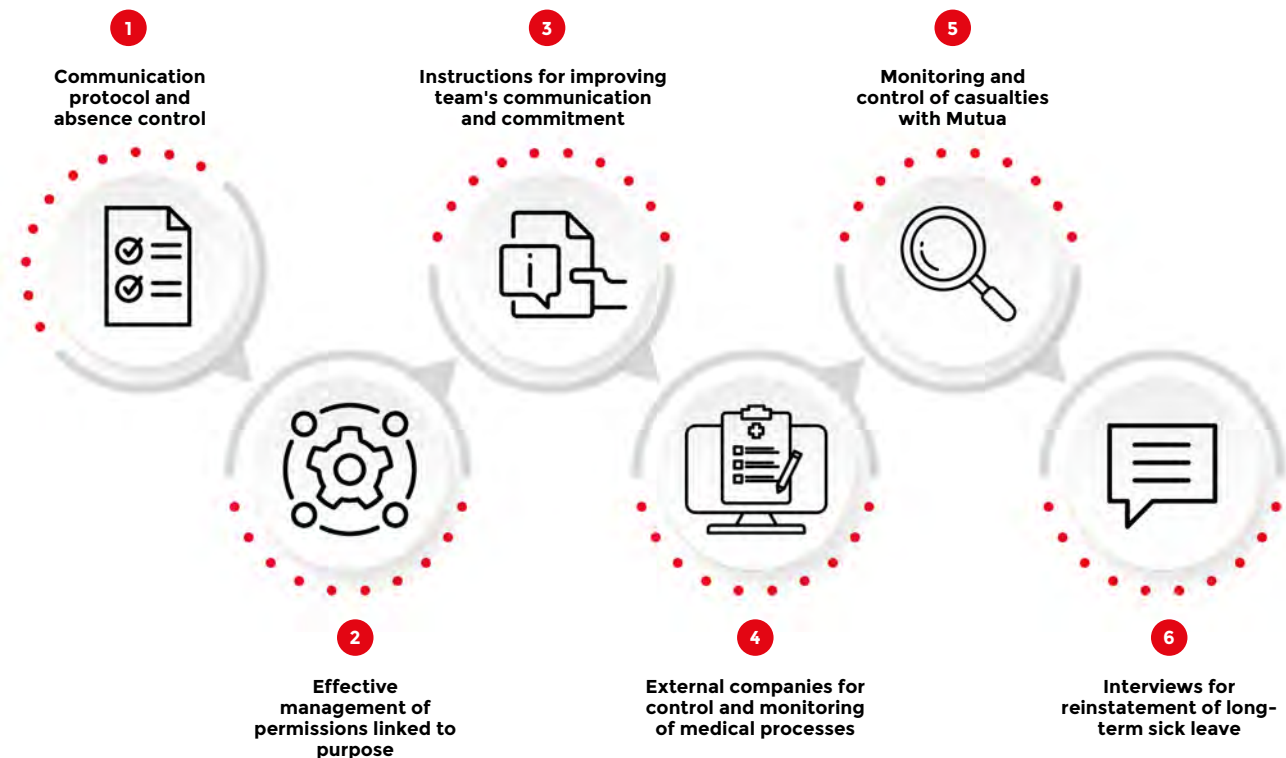
The main improvements in the management system relate to the involvement of managers in following up actions resulting from regular audits. Employee training is also a key point and a fundamental pillar around which to make prevention revolve, as it makes employees aware of their fundamental role in prevention and of how their actions have an impact on their health and on the Company. As well as essential prevention training (building evacuation, machinery and load handling, etc.), employees are offered a wide range of training options aimed at improving their well-being and that of their families (self-esteem, stress management, healthy eating, cardiovascular prevention, breast cancer prevention, first aid and CPR, to name but a few).

Pilot projects have also been launched in logistics centres to provide assistance with workers' ergonomics as well as the help of a physiotherapist to prevent problems by improving postural hygiene.

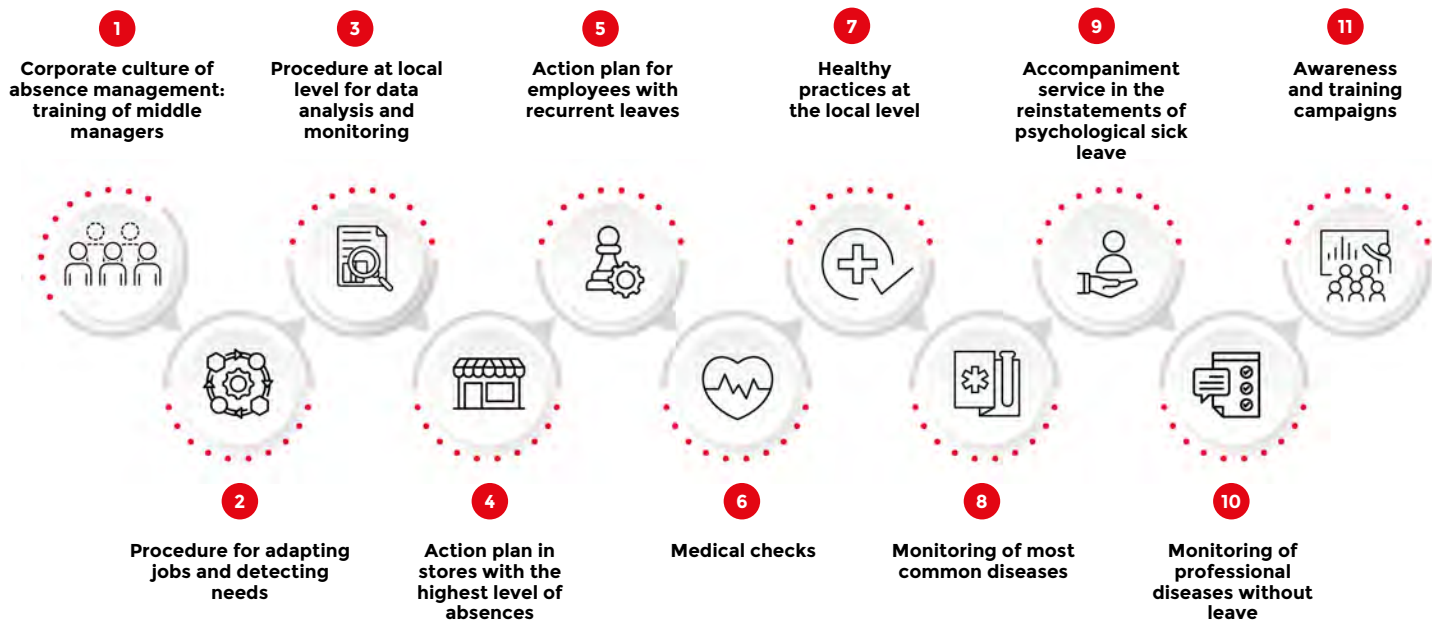
Another milestone in 2023 was the effort to understand and reduce absenteeism rates in the countries where the Group operates. In Portugal and Argentina, the human resources team undertook specific actions that were directly supported by a medical team with employees to understand their situation and needs. In Portugal, it was decided to reward attendance at work with specific incentives. A physiotherapist is also on hand and yoga and Pilates classes are held for office personnel. These measures have been successfully implemented and have enabled the desired objectives to be achieved.

In regard to absenteeism, Spain has for several years had a plan for preventing absences. The main measures implemented by the company in this respect are:

Control measures: Duration



## Control measures: Number


Absenteeism and main health and safety indicators  
(403-9; 403-10)

	Men		Women	
	2023	2022	2023	2022
Hours of absenteeism	1,194,279	1,461,851	3,165,518	3,751,996
Number of accidents	655	758	776	924
Accident frequency rate	33	32	24	24
Number of serious accidents	11	7	2	3
Severity rate	0.8	0.74	0.6	0.57
Work-related illness	3	3	16	31
Deaths	-	-	-	-

Table 7: absenteeism and main health and safety indicators. Absenteeism reflects hours of absence due to illness (including COVID-19), accident or unjustified absence. The accident frequency rate represents the number of injuries per 1,000,000 employee hours worked. The severity rate represents the number of working days lost due to accidents resulting in sick leave, in thousands, divided by the number of hours worked.



### 6.1.4. Diversity and inclusion

In the Dia Group we create a diverse and inclusive environment with equal opportunities. Our business model based on proximity and our determination to be closer every day allow us to be part of the socio-economic fabric of a large number of neighbourhoods and municipalities, offering professional opportunities to many people and being a reflection of all these real situations. We believe in diversity, equality and inclusion as growth drivers to make an impression on the communities in which we are present.

With the aim of creating an atmosphere based on respect for differences and individualities and at the same time on "being closer every day", with an effective coexistence, geared to the well-being of all who have dealings with us, for the first time we have defined a DEI (Diversity, Equity & Inclusion) strategy for the Group as part of the commitments in the Sustainability Plan 2024-2025 aligned with the Sustainable Development Goals (SDG).

We have focused the Strategy on the groups to which we can contribute the greatest value in the key area of diversity as it relates to sex, socio-economic circumstances and sexuality, favouring access to employment of vulnerable groups depending on the situation on the ground in each country. Efforts to achieve this are based on three pillars:

- Cultural diversity: from learning, because we believe that continuous training and awareness-raising of our teams allows us to generate an environment of trust and respect.
- Inclusive environment: favouring coexistence of all groups through policies and protocols that ensure adherence to the principle of equality and turbocharging the socio-economic fabric by generating employment in vulnerable groups.
- Active company: we form partnerships with social actors aligned with our values, to learn from their knowledge and experience and to make our commitment visible.

Looking at this in greater detail, it is worth highlighting that one of the main actions taken in 2023 to favour an inclusive environment was the creation of the first Group DEI Policy, which is governed by the principle of guaranteed rights of all persons regardless of race, skin colour, ethnicity, gender identity, sexual orientation, disability, religion, political or other opinions, national or social origin, birth or any other condition as well as by the UN Guiding Principles on Business and Human Rights and our Code of Ethical Conduct.. This Policy has been approved by the Management Board and will be approved by the Board of Directors during 2024.

The aim of this document was to formalise our commitment to valuing Diversity and ensuring Equal Opportunities and universal Inclusion. Through this Policy, we seek to establish the guidelines and affirm our position against prejudice and discrimination, wishing to create an atmosphere within our company and beyond that is increasingly characterised by innovation, safety and plurality.

This Policy applies in all companies and countries forming part of the Dia Group. The contents of the Policy form an explicit part of all the people management processes in

each country and compliance is mandatory for all employees of the Dia Group.

Continuing with the details of the action plans, the following are examples of local actions that have taken place so far:

- The Diversity and Inclusion Manifesto approved by the Management Committee in Brazil
- The creation of Diversity committees on which top management sit, in Argentina and Brazil
- The development of specific training programmes on the subject, to counteract sub-conscious bias while at the same time raising awareness and contributing tools for store employees to better manage the functional diversity of customers in Spain.
- In Spain and Portugal, regulated training programmes are also delivered in the Dia Schools and Academies, providing students (sometimes from groups at risk of exclusion, together with partners such as the Red Cross or Cáritas) with the opportunity of working as a cashier, warehouse assistant or section head either in Dia or in any other company in the sector.
- In the case of Portugal, we also worked on a pilot scheme with Associação Cais, which supports people in situations of social or job-related vulnerability, enabling them to re-enter the labour market, with training sessions that improve the skills and employability of the candidates, who may be invited to take part in a recruitment process or a work experience programme.
- Argentina also made strides in promoting inclusion in the labour market, signing up to the "Te Sumo" programme promoted by the Ministry of Productive Development to provide jobs for unemployed youngsters, especially through franchises.

In terms of functional diversity, the following stand out:

- The huge effort made to increase the percentage of people with disabilities in the workforce, by means of a communications and awareness-raising plan specifically on the subject, the creation of tools for the selection and subsequent recruitment of people with functional diversities and the company's presence on specific employment websites. Furthermore, a work experience programme for graduates with disabilities was launched.
- In regard to accessibility, improvements were made by renewing the website, making it more accessible to all groups. Also, particularly in the case of Spain, in the past few years all architectural accessibility regulations have been complied with in all new stores and extensions and we have worked on eliminating barriers of any kind.
- Additionally, with the Light Remodelling project (which has renovated nearly 2,880 stores since it started) some accessibility problems in the oldest stores have been resolved

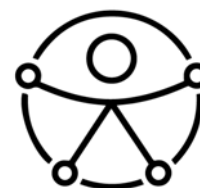
We would mention in this context that there were no significant maintenance alerts or complaints about accessibility in Group stores.

Employees with a disability at 31 December (405-1)

		<30 years		30-50 years		>50 years	
		2023	2022	2023	2022	2023	2022
Directors	Men	—	—	1	1	—	—
	Women	—	—	—	—	—	—
Managers	Men	1	—	1	1	1	—
	Women	1	1	5	5	—	1
Employees	Men	72	63	144	151	28	28
	Women	36	26	120	129	65	54
<b>TOTAL</b>		<b>110</b>	<b>90</b>	<b>271</b>	<b>287</b>	<b>94</b>	<b>83</b>

Table 8: Dia Group employees with a disability by professional category, sex and age at 31 December.

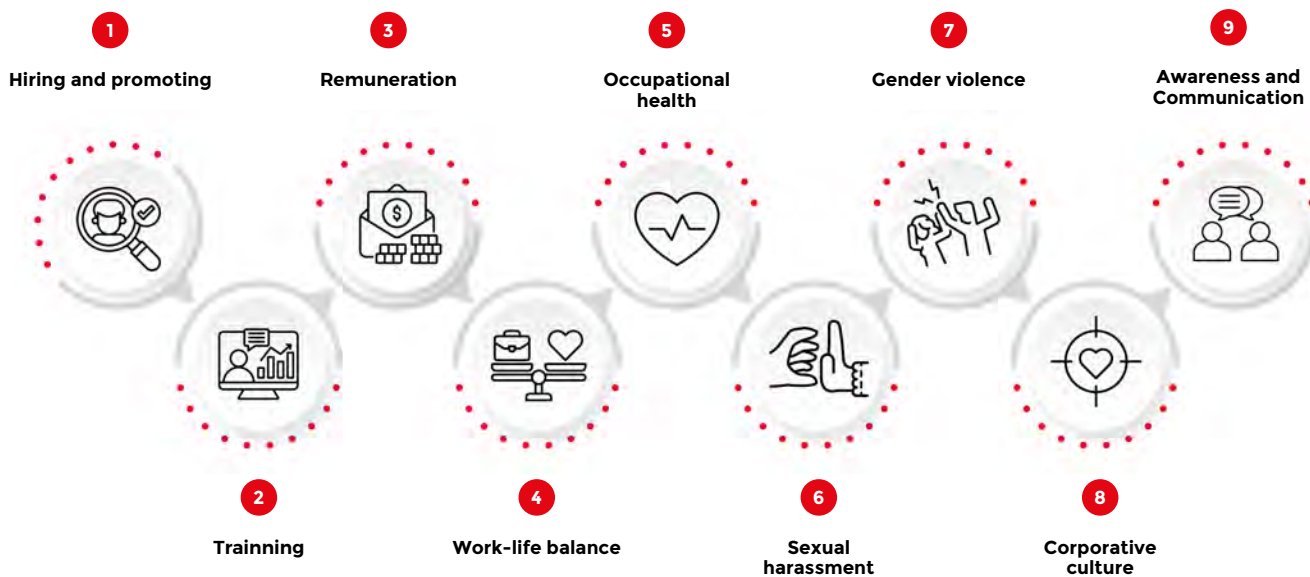
Total employees with disabilities



2023  
**475**

2022  
**460**

In terms of sex equality, one of the most important instruments is the Equality Plan introduced in Spain in 2012 and renewed during 2023 for the following four years. This Plan includes measures for the following areas:



The Plan is preventive, so the intention is to eliminate any possibility of sex-based discrimination in the future. The implementation of various protocols for harassment and sex-based violence, prevention and discrimination systems (access, promotion, compensation, language) and specific awareness-raising campaigns, are some of the practical improvements linked to this programme. Proof of this is the awareness-raising campaign conducted on sex equality in the stores and warehouses networks and offices and the existence of a general protocol promoting the introduction to the labour force of women who have been victims of sex-based violence.

Dia's Second Sex Equality Plan seeks to continue and intensify the current actions by including new measures to ensure equity, work-life balance and greater flexibility in terms of working hours, as well as a specific plan for promoting and detecting female talent and initiatives to raise awareness of and to prevent sexual harassment and sex-based violence.

Furthermore, the details of the action plans of each business unit include a review of all the processes associated with the experience of team members, including selection policies in which preference will be given to the person of the minority sex in the position concerned. These policies, and the efforts made to bring women to the final phases of the selection processes, have not as yet brought about significant changes in the total number of women in management positions. Nonetheless, one of the commitments made is to reach 40% by 2025, and we start from a very good basis in that women form 65% of the workforce and more than 50% of them occupy managerial positions.

In regard to the remuneration policy, Dia salaries are in line with market conditions and the various employment agreements. Merit is the main driver of salary growth and the Dia Group has various performance assessment mechanisms.

Store and warehouse employees are assessed based on their performance and productivity, both on an individual and group basis. In the offices, individual objectives are focused on individual performance and they are aligned with the Company's results.

For the calculation of average remuneration (GRI 405-2) and the salary gap, these do not take into account key factors that allow comparability, such as professional category, functional department, performance, knowledge or professional experience, and which can significantly influence the end data. This takes into account everything

received by employees during 2023, except for remuneration in kind, which is considered to be less than 5% (this includes fixed pay actually processed and paid, additional payments dependent on working hours, productivity or performance bonuses and profit sharing).

#### Average remuneration paid (euros)

	2023	2022
Men	19,676	19,262
Women	16,671	16,306

Table 9: average remuneration paid by sex in the DIA Group (in euros)

#### Average remuneration paid (euros)

	2023	2022
<30 years	10,572	10,664
30-50 years	18,261	17,920
>50 years	24,807	22,508

Table 10: average remuneration paid by age group in the Dia Group (in euros)

#### Average remuneration paid (euros)

	2023	2022
Directors	223,514	161,924
Managers	37,487	33,370
Employees	14,744	15,122

Table 11: average remuneration paid by category in the Dia Group (in euros)

#### Gross pay gap (405-2)

	Directors		Managers		Employees	
	2023	2022	2023	2022	2023	2022
<b>ARGENTINA</b>	71.62	91.75	89.93	62.41	101.63	108.78
<b>BRAZIL</b>	75.42	76.32	78.37	78.73	86.55	82.52
<b>SPAIN</b>	60.34	72.65	87.68	88.23	82.48	84.04
<b>PORTUGAL</b>	61.76	74.07	88.85	90.57	92.95	91.11

Table 12: Gross pay gap percentages by sex (ratio calculated as the average remuneration of women divided by that of men for each category)

Lastly, we would stress that the Dia Group recognises the importance of employees' right to disconnect from work, but this has not so far been identified as a priority subject in the conversations held with them and their representatives, so no formal rules or policies on digital disconnection have been created.



Dia Group recognizes the importance of a work-life balance. A hybrid mode of working has been implemented for central office -based employees.



## 6.2. Socially responsible

The Dia Group is fully aware of the importance and impact of the food retail sector on society, whether it be supplying products to meet some of a person's basic needs, such as food and personal hygiene products, and making them available to everyone, or creating quality entrepreneurship opportunities and wealth through commerce. This is why the sections of this report describe the Dia Group's relations with its main stakeholders and how the Company creates value through these relationships.

Dia also acknowledges its accountability to other stakeholders that could be included in the notion of "society" (general public, public entities, the media, among others). An important part of Dia's accountability to this large group is related to tax accountability, to which the following section is devoted. Additionally, the Dia Group considers that it has a particular responsibility to give support to groups that need it. A specific section has been included in this chapter to describe the initiatives for support to the community.



### 6.2.1. Support for the community

As mentioned above, Dia has made it a priority in terms of social action to increase donations of surplus food to reduce food waste and also to help disadvantaged groups by donating food that is not suitable for sale but is fit for human consumption.

#### Salient initiatives of 2023

- We continued to donate surpluses from warehouses and dark stores. Specifically, from dark stores in Spain alone, we donated more than 350,519 kg (449,479 kg in 2022, figure restated due to review and error detection) of food to partners such as Banco de Alimentos food bank and Cáritas. The overall quantity of surplus donations was 721,490 kg (more than 675,000 kg in 2022), but it still represents a large quantity of products that are channelled to the communities most in need rather than being destroyed.

- As well as direct donation of surpluses, Dia collaborates with organisations that attend to vulnerable persons in all countries through the donation of more than 954,000 kg of additional products and over 133,000 euros to provide food and other types of assistance to those most in need. Fundraising campaigns are also organised among customers and employees to support various causes.

As in 2022, no sponsorship actions by the Group were identified in 2023.

#### Main sector partnerships

The Dia Group is aware that many of the global challenges facing the industry and society as a whole require different players to come together and act in partnership. For the sake of transparency, below are the main industry associations with which the Dia Group is involved worldwide:



CEOE (Confederación Española de Organizaciones Empresariales)



ASEDAS (Asociación Española de Distribuidores, Autoservicios y Supermercados)



Círculo de Empresarios



Ecoembes



AECOC (Asociación Española de Fabricantes y Distribuidores)



CEL (Centro Español de Logística)



PACKNET (Plataforma Tecnológica Española de Envase y Embalaje)



AEA (Asociación Española de Anunciantes)



AGERS (Asociación Española de Gestión de Riesgos y Seguros)



IGREA (Iniciativa de Gestores Asociados de Riesgos Españoles)



AEF (Asociación Española de la Franquicia)



ISMS FORUM (Asociación Española para el Avance de la Seguridad de la Información)



ISACA (Asociación de Auditoría y Control de Sistemas de Información)



ABF (Asociación Brasileira de Franquicias)



APAS (Asociación Paulista de Supermercados)



APED (Asociación Portuguesa de Empresas de Distribución)



APF (Asociación Portuguesa de Franquicias)



ASU (Asociación de Supermercados Unidos)



AAMF (Asociación Argentina de Marcas y Franquicias)



CGF (Consumers Good Forum)



APAN (Associação Portuguesa de Anunciantes)



SENAC (Serviço Nacional de Aprendizagem Comercial)



SESC (Serviço Social de Comércio)



Sociedade Ponto Verde Portuguesa



Forética



Fundación SERES



Club de Excelencia en Sostenibilidad



Corporate Excellence



REDI-Red Empresarial por la Diversidad e Inclusión LGBTI

### 6.2.2. Tax management and governance

The Dia Group's tax strategy was approved by the Board of Directors in 2015 and its main aim is to ensure compliance with tax regulations while ensuring that the Company's interests are covered and supporting the Group's business strategies. The tax principles and good practices forming the Company's tax strategy must guide decision making at all levels.

As part of the good tax practices that guide Dia's activity, the tax strategy stipulates that the Group does not use opaque corporate structures of any kind or companies located in tax havens for tax purposes. The company also adheres to the Code of Good Tax Practices<sup>13</sup>. In this respect, it should be noted that the current corporate structure and the operation of Hive Down is a response to the financial agreement reached with the syndicated lenders, as explained above, and not for tax reasons.

The Dia Group is also committed to complying with the "OECD Guidelines for Multinational Enterprises" on tax matters.

As a result of the Dia Group's tax strategy, the company has designed a Tax Risk Control and Management System, even though it is not strictly required to do so by law. Its aim is to manage the main tax risks identified in each business unit to monitor the effectiveness of the controls that mitigate them within the overall risk management system.

With effect from 2023, the Tax Risk Control and Management System supervises these matters and reports to the Audit and Control Committee and the Group Internal Control department.

Concerning tax information, the results obtained in the year are shown in the following table:

	Profit before tax (thousands of euros)		Tax paid (thousands of euros)	
	2023	2022	2023	2022
<b>ARGENTINA</b>	37,169	60,085	-13,040	-12,165
<b>BRAZIL</b>	-154,340	-69,968	-31	108
<b>SPAIN</b>	84,326	-61,055	-24,896	35
<b>PORTUGAL</b>	-175	-19,050	-498	-429
<b>TOTAL</b>	<b>-33,020</b>	<b>-89,988</b>	<b>-38,465</b>	<b>-12,451</b>

Table 13: Profit before tax and tax paid (thousands of euros). A negative tax paid figure reflects tax paid and a positive tax paid figure reflects a tax refund. In 2022 and 2023, profit/(loss) before tax for Switzerland and Luxembourg (-18 in 2023 vs -408 in 2022 and -507 in 2023 vs. -466 in 2022, respectively) are included as part of Spain. Tax paid for Switzerland (-1 in 2023 vs. -8 in 2022) is also included as part of Spain

Tax paid has been calculated on a cash basis, for which the main considerations taken into account are as follows: withholdings borne during the year, interim payments on account for the year, tax payment/refund (normally relates to the prior year) and payments arising from tax inspections.

Further information about tax management, including litigation and periods open to inspection can be found in Note 18 to the 2023 Consolidated Annual Accounts.

Regarding other transactions with government bodies in 2023 (as in 2022), the Dia Group did not receive any government grants in any of the countries in which it operates<sup>14</sup>.



The Dia Group is also committed to complying with the "OECD Guidelines for Multinational Enterprises" on tax matters

<sup>13</sup> [https://www.agenciatributaria.es/AEAT.internet/Inicio/\\_Segmentos\\_/Empresas\\_y\\_profesionales/Foro\\_Grandes\\_Empresas/Codigo\\_de\\_Buenas\\_Practicas\\_Tributarias/Adhesiones\\_al\\_Codigo\\_de\\_Buenas\\_Practicas\\_Tributarias.sht](https://www.agenciatributaria.es/AEAT.internet/Inicio/_Segmentos_/Empresas_y_profesionales/Foro_Grandes_Empresas/Codigo_de_Buenas_Practicas_Tributarias/Adhesiones_al_Codigo_de_Buenas_Practicas_Tributarias.sht)

<sup>14</sup> Public subsidies are defined as any financial contribution paid by a public body to the company to carry out a specific activity in the current year. Social security bonuses received for training or other concepts are not included here.



# 7

Understanding  
and supporting our  
partners at source

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## UNDERSTANDING AND SUPPORTING OUR PARTNERS AT SOURCE

Dia works to build transparent and fair relationships with its strategic partners with the ultimate aim of creating a relationship of trust and mutual support in which everyone wins: company, strategic partners and customers. This chapter explains how Dia manages its relationship with these strategic partners to achieve this result.

### 7.1. Franchisees, allies in the roll-out of the proximity strategy

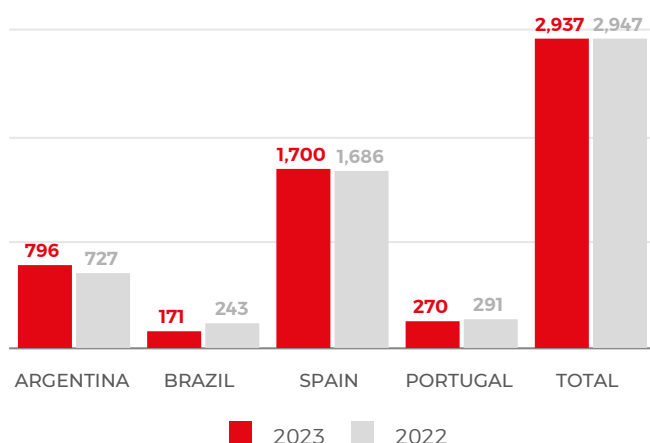
With over 30 years of experience in developing the franchise model, the Dia Group ended 2023 with 54.54% of its stores managed under the franchise model (in 2022, the percentage was 51.6% of the store network) and led by 2,048 franchisees.

The Company provides its franchisees with its historical knowledge of the industry, the strength of its brand and its logistics services, while the franchisee brings their sales

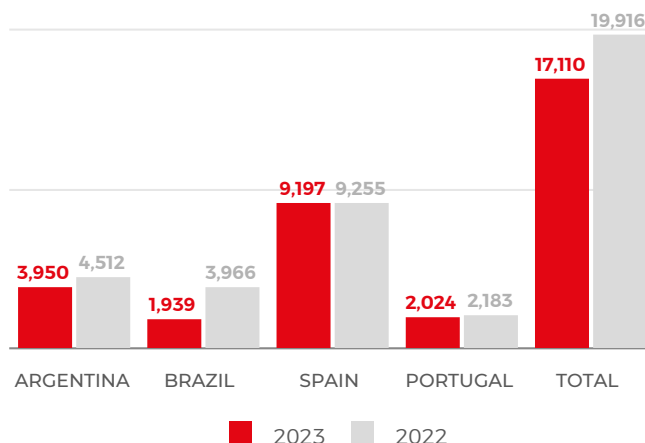
vocation and knowledge of the local market, which is key to developing the proximity model.

This relationship of trust between the Dia Group and its franchisees also generates value and wealth in the communities where the franchises are established. In 2023, Dia's franchise business generated 17,110 direct jobs (nearly 19,900 in 2022).

Franchised stores



Number of franchise employees



#### Main communications channels with franchisees

- Satisfaction surveys prepared by NielsenIQ, the independent consultancy firm. This anonymous and confidential survey collects information from franchisees on where they see room for improvement.
- The Franchise Portal, an online platform franchisees can use to access databases of proprietary and comparative information and contact the Group directly.
- Franchise newsletters in all countries in which the Group operates.
- Regular discussion forums with senior management, where two-way communication is key and franchisees have access to decision-making processes.
- Daily communications with supervisors and franchise analysts.

#### Main policies governing franchisee relations

- [Corporate Franchise Policy](#): sets out related guidelines to ensure that the legislation in each country is respected, that the information provided is accurate and that agreements with franchisees who choose to manage a Dia store through the franchise model are complied with.
- The Mandatory Standard for the Recruitment of and Relations with franchisees aims to guarantee the effective recruitment of, relationship with and management of Dia Group franchisees.

Although Dia has been evaluating franchisee satisfaction for many years, since 2021 it has measured this satisfaction rate based on the net promoter score and improving this index is part of the objectives of the Group's own Management Committee. Results in 2023 show a satisfactory score for franchisees of 2.6 points, which is up on the previous year.

**The main projects that explain a large part of the improvement registered are as follows:**

- Improvement of franchisee attraction and selection processes, with even more transparency around the commercial relationship and what is expected from both parties. Additional filters have also been outlined to ensure that the profile of the potential franchisee fits in with the success model proposed by Dia.
- Greater investment in franchisee training: investments have been made in processes that not only support the franchisee to resolve doubts and operational issues, but also, in many cases offer training on key aspects of business management. The role of the franchisee analyst, a position created in all countries where the Group operates, is key in this regard.
- Achieving more effective communication with franchisees, i.e. two-way communication through which partners not only feel informed of the key issues that concern them, but also feel supported and skilled to participate in the improvements that are relevant to their business.
  - In addition to greater investment in classic communications channels such as updating the Franchisee portal or constantly updating the KPIs of most concern to franchisees, regular meetings have been set up between groups of franchisees and Dia management in all countries where the Group operates to ensure that the concerns of these preferred partners are always channelled and resolved.
- Implementing a new contract model that simplifies processes, guarantees correct store supplies and improves franchisee liquidity, among other improvements. This contract model, which started to be implemented in 2020, is already fully in place in Spain, Argentina and Portugal and is well advanced in Brazil.

**Training services to franchisees and their employees:**

- In Spain, a corporate university known as Campus Dia was created in 2021 for franchisees to support their growth as entrepreneurs and to help them achieve a profitable, competitive franchise that is closer to the customer every day. The development of this project has led to the creation of an ecosystem of training tools for franchise leaders and their teams, adding another key piece to the network of support provided by Dia for the day to day management of the business.
- In line with Spain's experience, Portugal also created the Dia Franchise Academy in 2022, the objective of which is to promote a new induction plan for new franchisees and to update the knowledge of those already working with the company. In Argentina, support for the franchisee network is also a key focus, and the Franchise Academy was relaunched in 2021 with a training catalogue covering important areas in business management and leadership for franchisees, as well as training segments for their teams.
- Brazil also has similar training services that are increasingly used by franchise partners.
- Another initiative for 2023 was the "Multifranchisee Talent Plan", where work is being done to strengthen the skills development of the Group's franchisees in its network, with the aim of increasing the number of stores. This Talent Plan has two phases; the first is to identify the skills level and the second is an individual training plan to develop those skills than need improvement.
- Lastly, the Dia Group has a "Franchisee Recruitment Service" in Spain, which offers support for the recruitment and selection of people that may be needed.

All business units have already drawn up action plans to ensure that work continues in 2024 to significantly improve the franchisees' perception of the value proposal and the business relationship that Dia offers and, together, continue improving a business model that makes the business mission possible.



**Achieving more effective communication with franchisees, i.e. two-way communication through which partners not only feel informed of the key issues that concern them but also feel supported and skilled to participate in the improvements that are relevant for their business**



## 7.2. Suppliers

### 7.2.1. Dia: a benchmark partner for suppliers

Dia works to build transparent and fair relationships with its strategic partners with the ultimate objective of creating a relationship of trust and mutual support in which everyone wins: company, strategic partners and customers.

This section explains how Dia manages its relationship with these strategic partners to achieve this result.

The Dia Group's activity involves responding to the needs of customers with the best products at the best prices and in the most convenient and accessible way for everyone.

Some 96% of purchasing expenditure is with local suppliers (national) (95% in 2022), whose size and location varies greatly, since the Dia Group works with both large multinational groups and small local suppliers.

#### Main communications channels with suppliers

- Supplier portal: an online platform where suppliers can access historical databases, the invoicing system and, in some cases, stock status reports.
- Regular meetings with Management.
- Sales and support team.
- Online channel for potential new suppliers.

- Reduction in the number of tools used to communicate with suppliers; creation of a single channel to improve efficiency and speed of communications.

- Supplier satisfaction survey as to their relations with Dia.

#### Policies

- [Corporate Franchise Policy](#): it aims to develop a trust-based relationship with customers via a system that rigorously guarantees the proper production, processing and management of all products offered by the company. Accordingly, the Company controls product quality and safety throughout the supply chain, monitoring storage, transport and sales processes..
- [Policy on Respect for Human Rights in the supply chain](#): it aims to set out how the Dia Group prevents or mitigates potential adverse impacts on human employment rights that may be linked to its operations with third parties.
- [International Sanctions Policy](#): it aims to establish a regulatory framework on international sanctions, as explained above.





## 7.2.2. Managing potential impacts associated with the Dia Group's value chain

### 7.2.2.1. Sustainability of raw materials

Although, due to their location and nature, Dia's direct activities do not have a significant impact on biodiversity, the Group's supply practices may have an indirect impact on the environment and on society as well as on the normal functioning of ecosystems. Therefore aspects such as deforestation, sustainable fishing and animal welfare are issues that the Dia Group decided to tackle head-on in its first Strategic Sustainability Plan 21-23.

Much of the effort made in 2023 and 2022 to fulfil this work plan has focused on obtaining an initial diagnosis of the situation based on existing information, a better understanding of our suppliers' practices and on designing tools to maintain monitoring over time to provide us with up-to-date information.

The following are some of the best practices in regard to raw materials:



#### Fishing

Dia is committed to advancing in the sustainability of the fish and seafood products that it sells under its private label.

In this respect, Dia has the following initiatives:

- More and more products in its range bear the Marine Stewardship Council (MSC) certified sustainable fishing stamp.
- The Group was recognised for the second year in a row for its contribution to sustainable fishing, receiving the "Mares Para Siempre" award this time for its support of an "MSC Communication on Sustainable Fishing" 2023.
- The Dia Group also continues to work with the NGO Sustainable Fisheries Partnership (SFP) to provide information on the fishing grounds used to supply the fish products that it sells under its own brand, with the aim of identifying potential risks and drawing up a supply policy that allows it to promote a more sustainable fish and seafood market.



#### Animal welfare

A total of 165 meat, eggs and dairy products have the Animal Welfare stamp which identifies products that come from animals raised in facilities that conform to the four basic principles of animal welfare: good feeding, good housing, good health and appropriate behaviour.

Furthermore, the Group has made a commitment that Dia stores will only sell eggs from free-range hens (2025 in Spain and 2028 in Argentina and Brazil).



### Deforestation

One of the main causes of deforestation and forest degradation is the expansion of crop farming, linked to a series of basic food products. This has been identified by the EU, which has passed legislation focusing on cocoa, coffee, palm oil, beef, soy, rubber and wood.

In this area, Dia has the following initiatives:

- It has carried out a monitoring process to gain better knowledge of the supply chain and identify potential negative impacts. The objective is to begin to minimize them, promoting their reduction or elimination, with measures such as working only with raw materials that come from "non-risk" areas or, in any case, that have a sustainability certificate
- A new feature this past year was the creation of an in-house working group to control compliance with the due diligence requirements contained in the regulation on cocoa, coffee, soy, palm oil, wood, rubber and cattle. The tasks of this work group are to define a roadmap, deadlines and people responsible. As one of its first actions was to study how to identify the products affected and automate the tracking indicators so as to improve the process.
- Dia also took part in an external and multisectorial Work Group through the workshop "Actions to guide the private sector in applying the European Regulation on the fight against deforestation and forest degradation (EUDR)". This working group has been organized by "Iniciativa Española Empresa y Biodiversidad" belonging to the "Ministerio para la Transición Ecológica y el Reto Demográfico".
- As for the product catalogue items, more than 80% of those containing sustainable palm oil have the RSPO (Roundtable on Sustainable Palm Oil) certificate, and some coffee and cocoa products have Rainforest Alliance sustainability certification.



### Paper

- All items containing cellulose are FSC (Forest Stewardship Council) certified.
- Most of our primary and secondary packaging coming from forest with sustainable forest management and is also FSC certified.

## 7.2.2.2. Human Rights Management

Recognising that the farming sector is an industry with a high risk of breaching basic human and employment rights, such as child labour and slave labour, the prevention and mitigation of these potential impacts on the value chain has been deemed as material within the Dia Group's Sustainability Plan.

Dia is committed to ensuring that the people who provide the products and services it buys and sells are treated fairly and that their fundamental human rights are protected and respected.

Implementing this commitment is grounded in different regulatory instruments and management systems which are being created for this purpose<sup>15</sup>, in accordance with the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

The [Policy for Respecting Human Employment Rights in the Supply Chain](#) approved in July 2021 by the Dia Group's Executive Committee, aims to establish how Dia prevents or mitigates the adverse impacts on human employment rights that may be connected to its operations with third parties. This policy, which uses employment standards set forth in the Ethical Trading Initiative (ETI) Base Code, **applies to all suppliers (direct or indirect) and franchisees of all regions and subsidiaries of the Dia Group.**

In 2023, the commitment of suppliers and franchisees to these principles became part of the contractual reality of the Dia Group and 94% of its suppliers in Spain have committed to this policy (in 2022 it was 92%).

<sup>15</sup> Based on factors such as the operations sector, geographical location and the existence of sufficient internal controls (active union representation among Dia workers and the policies, procedures and dialogue channels dedicated to detecting any non-compliance and promoting well-being improvements), compliance with human employment rights is not deemed to be material in relation to Dia Group business activities. Therefore, this chapter focuses on the prevention and mitigation of human rights breaches by third parties or in the value chain.

Another decisive step in applying this policy was the definition of a risk assessment and due diligence process so the company could pro-actively manage real and potential risks to the human rights of suppliers.

- To this end, Dia collaborates with Sedex<sup>16</sup>, an ethical exchange platform that enables the entire supply chain monitoring programme to be defined and monitored. It can identify the risk of human rights violations through questionnaires and audits provided by the supplier. Of course, any other reliable source of information that points to potential non-compliance (such as information in the media or reported by an NGO) could give rise to new control processes involving any supplier.
- In 2023, we continued to make progress on identifying suppliers with relatively high inherent risk, namely those that are labour-intensive and/or make substantial use of migrant or informal labour, among other issues. Country risk and the type of product made are also taken into account. These suppliers are asked, as a matter of priority, to enter into a self-assessment process for us to gain a better understanding of how they deal with the various sustainability-related matters.
- If the existence of a problem is confirmed, Dia establishes action plans to collaborate with the suppliers concerned to tackle the fundamental causes. Although cancelling the commercial relationship is not the company's first option, Dia will not hesitate to sever relations with suppliers who conceal, cause or contribute to adverse impacts on human rights and who do not act responsibly to remedy such situations within a reasonable time frame.



Dia is committed to ensuring that the people who provide the products and services it buys and sells are treated fairly and that their fundamental human rights are protected and respected

<sup>16</sup> <https://www.sedex.com>



# 8

Working  
proactively  
on environmental  
challenges

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## WORKING PROACTIVELY ON ENVIRONMENTAL CHALLENGES

The Dia Group considers the environment as a priority matter in the Sustainability Plan 2021-23, since it can affect the performance of the business, while at the same time Dia is concerned to manage appropriately and minimise its impact on the various environmental vectors. The specific issues mentioned in this report are those that are most relevant and those upon which action is taken to prevent or minimise their negative impacts. This is carried out by various departments in all business units.

In the Sustainability Plan, objectives have been set for the most material aspects for the Group in relation to its environmental impact, such as packaging to improve recyclability and the use of plastic in private-label products, reducing waste and food waste and reducing emissions generated by its operations.

### Main communication channels with stakeholders linked to the environment

Individual meetings with non-profit environmental organisations and active listening to channels for legislative changes are the main tools for communication with this stakeholder group. This activity is also reinforced by the institutional agenda kept, mainly through the industry organisations to which the Company belongs.

### Main policies governing relations with this stakeholder group and their performance

The Dia Group's commitment to the environment is defined in its [Sustainability Policy](#) in which the company undertakes to pro-actively manage the potential impacts related to its activity in order to eliminate or minimise them, beyond regulatory compliance. In turn, the Strategic Sustainability Plan specifies Dia's environmental commitments for the coming years.

No significant fines for non-compliance with environmental regulations were recorded in 2023 or 2022. The significant thresholds for the reporting of penalties are: 0 euros for issues relating to competition; 30 thousands of euros for issues relating to the environment; and 50 thousands of euros for other issues. The Company considers that no significant contingencies exist concerning the protection and improvement of the environment and, accordingly, no provision has been made in this regard, nor have guarantees been put in place for environmental risk.



The Sustainability Plan 2021-23 sets objectives related to the key aspect for the Group in regard to its impact on the environment





## 8.1. Circular economy

### 8.1.1. Compliance with the rules in force

Reducing excess packaging and achieving more sustainable containers, with all the implications that this entails, has been included as one of the material issues in the Dia Group's Sustainability Plan. A commitment has therefore been adopted, which specifies the following goals:

- Reduce the amount of material in containers and packaging, specifically plastic (20% less in 2025 compared to 2020).
- Improve the recyclability of containers and packaging opting, wherever possible, for single-material packaging and/or packaging that can easily be recycled (100% of recyclable private-label packaging in 2025).
- Replace virgin materials with recycled materials, thus supporting the circularity of raw materials. The goal is to incorporate 25% recycled plastic into drinks bottles by 2025.



With a focus on these three goals, in 2021 a packaging identification process began to analyse the recyclability of around 2,000 private-label products, based on eleven characteristics, including composition (material type and combination), colour, and presence, size and composition of the label. In Spain, more than 73% (69% in 2022) of private-label products analysed already comply with the recyclability criteria.

Moreover, in partnership with ITENE (Technological Packing, Transport and Logistics Institute), Dia has developed a "Guide to sustainable packaging" that includes desirable characteristics and those to avoid, for each type of packaging and material, when designing new packaging or changing existing packaging. Following this guide, eco-design measures have been used on 550 products (around 20% of all private-label products) in Spain alone, thereby reducing the use of virgin plastic in packaging by approximately 3.8 million kilograms. Some examples are highlighted below:

- 100% rPET juice bottle
- 100% paper bags for bread
- Porous plastic boxes replaced by reusable boxes for fish and seafood products
- Replacement of the flowpack of certain scouring pads for cardboard wrapper
- Incorporation of five refill products to avoid customers' having to buy the complete product with its packaging, which has considerably more plastic (soap, gel, shampoo).
- Replacement of virgin plastic for recycled plastic in the handles of certain razors and their packaging. Also in the individual packaging of sanitary towels and the flowpack of tea towels.
- Also, we continue to increase the number of meat and fish products with rPET trays.

### 8.1.2. Responsible use of natural resources

The following table summarises the consumption of auxiliary materials in the Dia Group<sup>17</sup>: Paper and cardboard, and plastics have seen their consumption reduced, as shown in the following graph. Management improvements include the significant reduction in paper used, due mainly to a decrease in paper advertising leaflets distributed in favour of digital leaflets.

Furthermore, through the zero paper option in DIA Spain's app, all sales receipts can now be received on a mobile device, thus avoiding waste of paper.

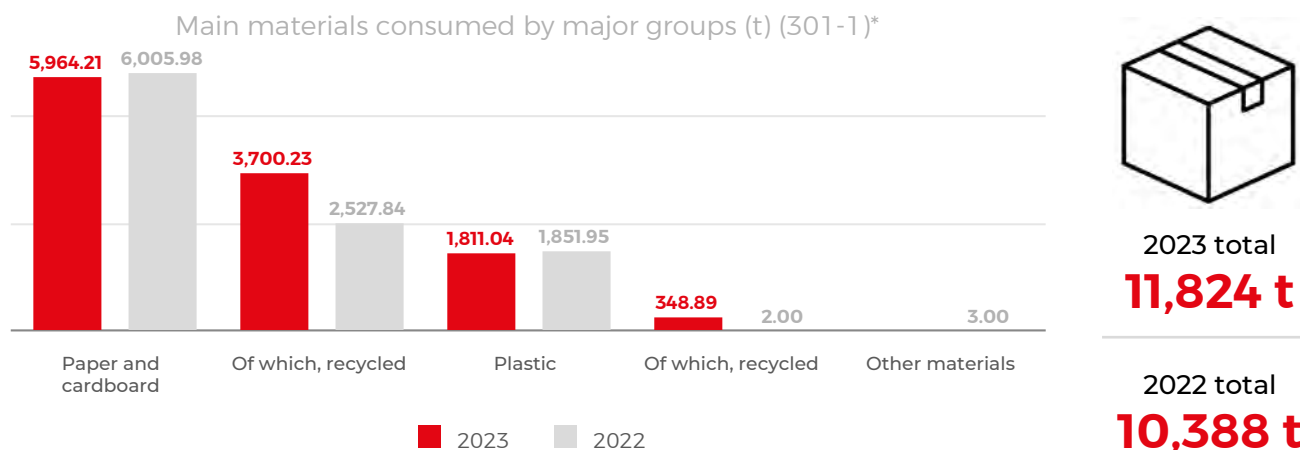
This initiative aims to eliminate more than 180 million paper receipts, as well as giving customers a more practical, simpler and more orderly buying experience in line with their digital transformation.

With regard to consumption of plastic, we have switched to compostable plastic bags at store checkouts instead of conventional plastic bags.

Cardboard consumption has also decreased, largely due to better management of this material in the store supply and stock management systems in Brazil.

<sup>17</sup> Main materials consumed by Dia Group by large groups (t). "Other" includes bags for individual use in Brazil, adhesive tape and plastic sealing for lorries in Portugal and also rubbish bags in Portugal and Spain (not produced in 2023). The data reported includes inputs from the franchise network. As a result of errors detected upon review, the figure for plastic in 2022 has been restated.





### 8.1.3. Responsible waste management<sup>18</sup>

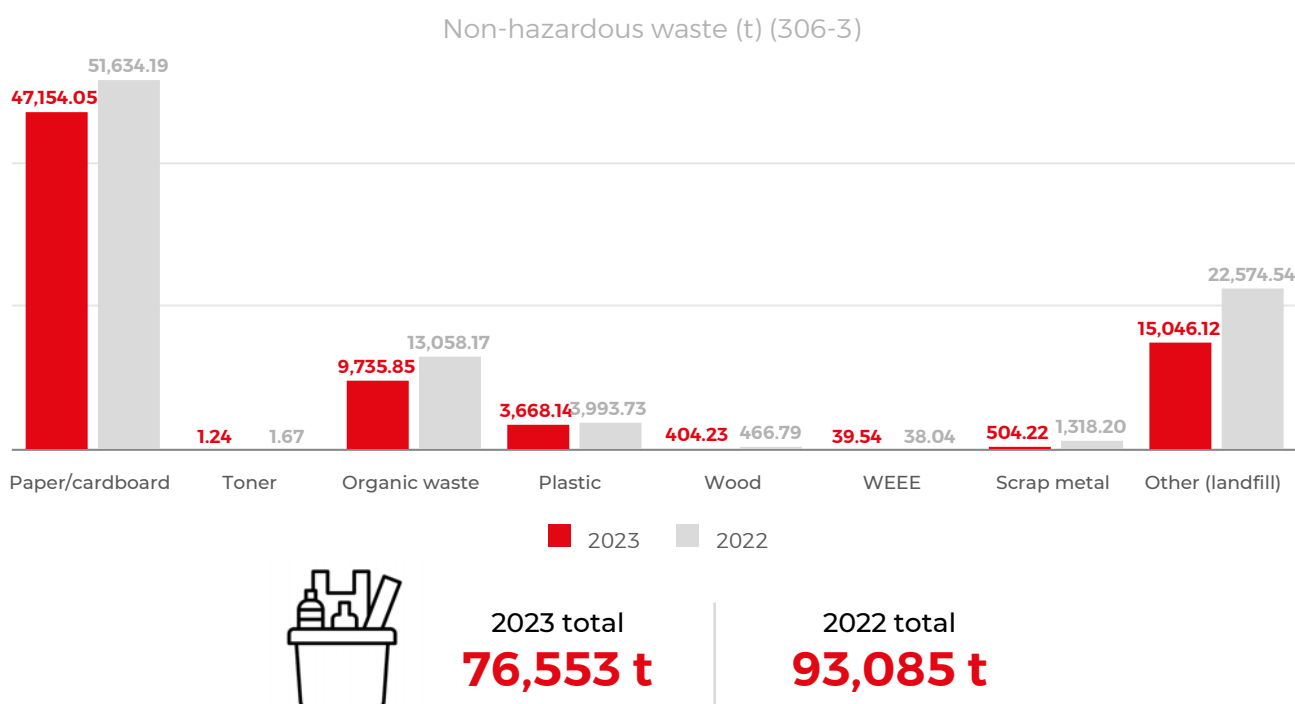
The objective of the Sustainability Plan 2021-23 in relation to waste management is to reduce the amount of waste disposed of in landfill by 40% compared to 2020. To this end, Dia has introduced a waste management model which has been progressively rolling out to all platforms and countries whereby waste that can have a second life is separated at source, following the waste hierarchy model, i.e. giving priority to prevention and avoiding landfill disposal whenever possible. Under this premise, the Dia Group reduced waste generation by more than 16,531 tonnes in 2023 (it had already reduced it by 14,500 tonnes in 2022) and reduced the % going to landfill by 67.9% compared to 2020 (against the target of 40% set) as well as the % of waste generated (a reduction of 26.5% compared to 2020). The percentage of waste reused or recycled has also increased.

Improved range and stock management (using service-based and order preparation formats adapted to each product and each store or using IT tools for order optimisation) and better

in-store management of products close to their sell-by dates are the cornerstones of the strategy to prevent wastage. As a result, wastage was reduced by over 91% compared to the previous year, with some countries such as Brazil recording reductions of as much as 98%.

Dia is also implementing a circular waste segregation project in its stores, which enables waste to be returned to the warehouse in separate lots, facilitating its reuse, recycling or recovery, thus avoiding landfill. These actions, in which store employees played a leading role, resulted in three more warehouses being awarded the zero waste certification in 2023 (added to the five warehouses that obtained this certification in 2022). Of the waste generated on the Zero Waste platforms, 100% of bakery waste is used for animal feed and 100% of fruit and organic waste is composted.

Due to the sector in which it operates, the Dia Group does not have material hazardous waste.



<sup>18</sup> As a result of errors detected upon review, the figure for toner in 2022 has been restated.

## Disposal of non-hazardous waste (%) (306-4; 306-5)

% recycled		% reused		% energy recovered		% landfill / incinerated	
2023	2022	2023	2022	2023	2022	2023	2022
75,22	65,73	0,22	0,21	2,63	3,79	21,94	25,42

Table 14. Disposal of non-hazardous waste in the Dia Group

In addition, Dia pays special attention to reducing food waste, an issue that is important from an environmental point of view in the context of waste management, but also from a social perspective. To improve monitoring and management, Dia has created a common indicator to measure this parameter, for which a 40% reduction target has been set over three years.

In addition to the waste management improvements outlined above, there are also improvements aimed specifically at reducing this waste (306-2):

- Increased donations of products fit for human consumption, but not for sale, from new locations such as dark stores, (see chapter 6.2.2 on Supporting the Community).

- Increased engagement with technology partners that encourage the clearance of products that are close to their expiry date, such as TooGoodtoGo. Furthermore in Brazil, working with the B4Waste platform made it possible to save more than 200,000 kg of food in 2023, as in the previous year.

As a result of these actions, food waste in Portugal and Spain relative to total net food receipts in warehouse and stores fell from 23,451,484 kg generated in 2022 to 14,977,761 kg in 2023.

## 8.2. Climate change

### 8.2.1. Emissions

The activity of distribution and sale of food products, despite not being considered a priority sector for climate change mitigation, entails significant emissions of greenhouse gases, particularly upstream, in everything related to the production of the goods that the distribution places on the market.

To manage the company's impact in relation to climate change, the first step is to carry out a detailed characterisation of the carbon footprint associated with its activity and, as far as possible, with the activities that are part of its value chain.

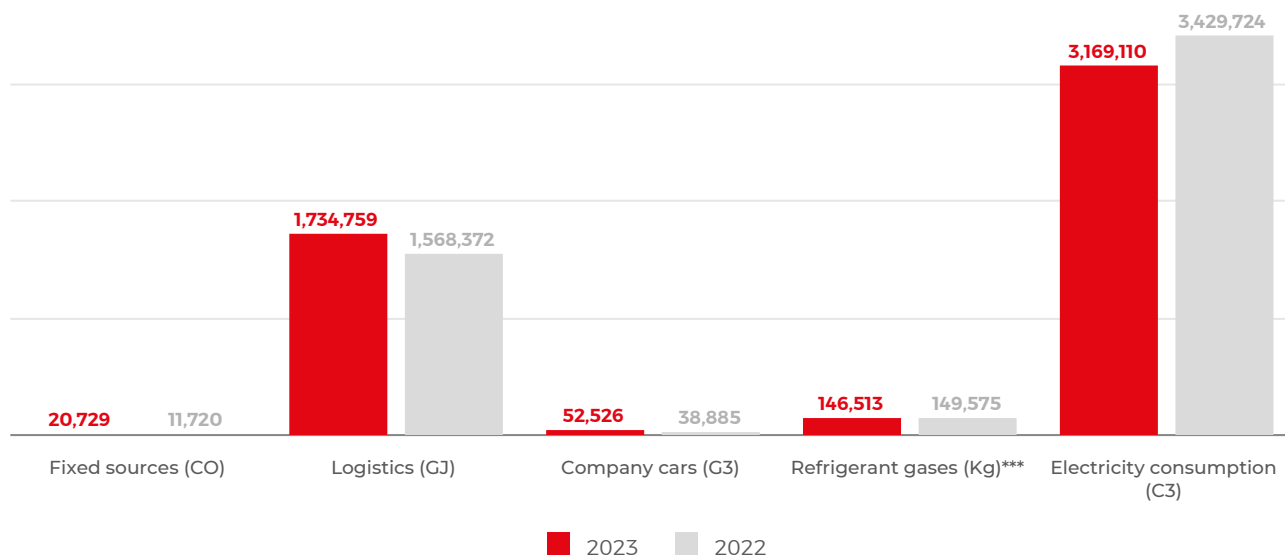
The Dia Group's emissions are calculated using the operational control approach. The Dia Group has operational control over the activity that it manages, except for the FOFO (Franchised-Owned, Franchised-Operated) franchise stores. The method of calculating inventory applies to all business units in all countries where the Group is present. It is based on the GHG Protocol. Emission factors are updated regularly and depending on the emission source, the DEFRA "Greenhouse Gas Conversion Factor Repository" and the GHG Protocol "Emission Factors from Cross-Sector Tools" are used.

The following table shows the emissions associated with the Dia Group's activities and facilities, taking the following scopes into consideration

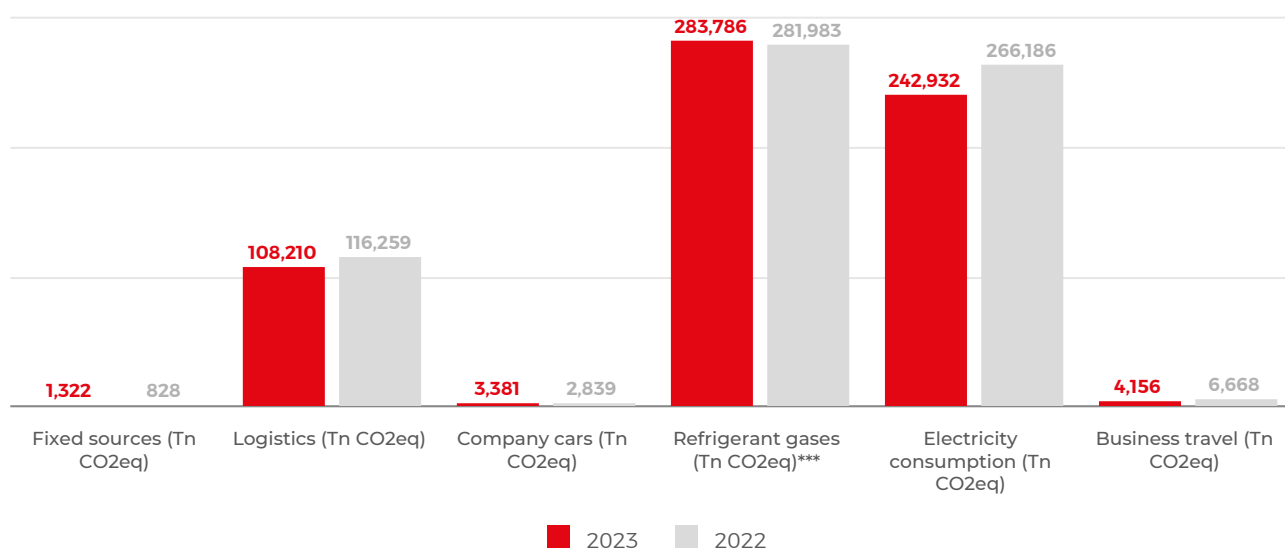
- Scope 1: direct emissions from stationary and mobile fuel combustion in company cars, exhaust emissions from refrigerant gases (air conditioning/cooling equipment), transport and the distribution of goods from suppliers to warehouses and from warehouses to stores.
- Scope 2: indirect emissions from electricity use, the Dia Group the market-based method, including the electricity use of its own shops as well as its offices, franchises and warehouses in this scope.
- Scope 3: indirect emissions from the value chain. The Dia Group only reports the business travel category for Brazil and Spain.

Since 2021, Dia has been working on the segregated identification of electricity consumption (7% of the total electricity used comes from renewable sources) and refrigerant gas recharges in its own and franchised shops, in order to be able to progress in the reporting of other scope 3 categories in the coming years. Also, to minimise the impact of logistical transport of the products to each store, Dia has established exhaustive and careful checks on the fleet (periodic renewals, fuel used, etc.), the load and the routes used, to achieve the greatest efficiency and best storage and deliveries, reducing the environmental impact (such as CO<sub>2</sub> emissions) every year. Reducing the footprint of Dia's own operations and addressing the challenge of working with suppliers to reduce scope 3 emissions are the objectives to work towards in the coming years.

## Energy and refrigerant gases consumption (302-1; 302-2; 302-4)\*



## CO2 emissions (TN CO2 eq) (305-1; 305-2; 305-3; 305-5)\*


2023 total  
**643,786 t**

2022 total  
**674,764 t**

- (\*) Energy consumption (GJ), refrigerant gas consumption (Kg) and CO2 emissions (Tn eq) in the Dia Group.
- (\*) In the case of logistics, the data reported includes the global franchise network's contribution. Furthermore, in 2023 the kilometres travelled by primary transport lorries in Spain (from suppliers to logistics warehouses) - which is residual and is significantly reduced each year due to the Group's strategy of progressively transferring operational control of this activity completely to suppliers - have been taken into account.
- (\*) The figures for electricity and refrigerant gases include only part of the franchise network (the part over which Dia has the greatest operational control).
- (\*\*) Breakdown of refrigerant gases reported: R134A, R404A, R407A/C/F, R410A, R422D, R442A, R448A, R449A, R450A, R513A, R22 and other less representative gasses



During 2023, Dia made significant investments in refrigeration and air conditioning equipment and improved its logistics footprint. It made improvements in energy efficiency (modification of facilities and instructions for warehouses and stores) and modified several cold stores to avoid the emission of fluorinated gases, using CO<sub>2</sub> refrigeration systems in stores instead of refrigerant gases.

Looking ahead, the next Strategic Sustainability Plan, for 2024-2025, includes a commitment to formalising a Decarbonisation Plan defining both objectives and specific plans for their attainment. However, although this working framework remains to be defined, in recent years important measures have been taken to move ahead with the reduction of GHG emissions, in particular:

- Embarking upon energy efficiency improvements in stores and warehouses (doors in walls, LED lighting, remote-controlled building automation, automation of opening and closing of doors to cold stores and loading bays) through the Remodelling Plan.
- Establishment of an operating standard favouring energy efficiency in stores and warehouses (Energy Efficiency Model -EEM-).

### 8.2.2. Climate risks

Climate change may interfere with the normal functioning of operations and the achievement of company objectives, both in the short and long term. The Dia Group is therefore working on the implementation of energy efficiency measures, the quest for sustainable technological solutions for air conditioning and refrigeration systems, optimisation of transport, etc. This approach allows DIA to anticipate potential risks and develop opportunities for improving its management of climate change.

Dia prioritises the risks identified depending on their probability of occurrence, their potential impact on the Company's operations and objectives, the speed with which they might materialise and the degree of influence and control that the Company has over them.

During 2023, the Group performed an analysis to identify its exposure to Physical and Transitory Risks and opportunities associated with Climate Change. For each of the climate-related Risks and opportunities considered in the analysis, the impacts in terms of timeframe associated with each, which are expected to materialise significantly, have been assessed. The assessment has been carried out considering the impact in four timeframes:

- Renovation of commercial refrigeration equipment, air conditioning and cold stores (through the Renove Cold and Climate Plan), use of gases with lower GWP, use of alternatives to refrigeration with fluorinated gases (CO<sub>2</sub>, NH<sub>3</sub> and propane).
- Development and implementation (under way) of a transport management system allowing optimisation of routes and therefore reduction of emissions.
- Incorporation, in collaboration with Mercedes Benz, of a 100% electric lorry for sort-distance transport in the city of Madrid (from Illescas).
- Collaborative logistics pilot scheme carried out using duo trailers for long hauls (achieving a 26% reduction in emissions relative to transport with conventional vehicles).
- Optimisation of last-mile routes serving e-commerce (customer option to select the most sustainable delivery time when placing the order).

- Current (0-2 years:2022-2024)
- Short term (3-8 years: 2025-2030)
- Medium term (9-28 years: 2031-2050)
- Long term (> 29 years: beyond 2050)

This analysis includes the assessment of the potential financial impact that these Risks and opportunities could cause to the group and the effect they could have on its business, strategy and financial planning. The exercise was performed in the countries where the Dia Group is present: Spain, Portugal, Argentina and Brazil. The definition of the Risks universe included in the analysis considered the IPCC AR6 regarding the drivers of Climate risks: "Primary climate impact driver" and "Secondary climate impact driver". In addition, the types of Climate risks defined by the TCFD were also taken into account: Physical risks (acute and chronic) and Transition risks (political and legal, technological, market and reputational). Resulting from this, the Risks analysed can be seen in the following table

Assessed climate risk categories with a negative impact on the company and time-scale. Includes the entire value chain

Category	Rationale	Horizon	Medidas de control y gestión
<b>Transition risk: emerging regulation</b>	Development of new climate change legislation that imposes new operational and management requirements and could involve a significant adaptation cost.	Short term (0-5 years)	The Dia Group prevents the impact of changes in waste legislation and the increase in landfill fees by using alternatives to sending waste in landfills, opting for its recovery through reuse and recycling.
<b>Transition risk: reputational and market risks</b>	Corporate climate change strategy can influence the decisions of investors and customers and have a potential impact on the Company's share value, sales volume and reputation.	Short term (0-5 years)	The Dia Group has a Sustainability Plan - which it keeps updated - that includes the most significant aspects for each stakeholder and for the environment.
<b>Material risk: acute physical</b>	Suppliers' productivity can be affected, qualitatively and quantitatively, by extreme weather conditions (floods, large-scale droughts, etc.).	Medium term (5-15 years)	Sustainability in the supply chain is one of the pillars of the new Strategic Plan 2024-2025.
<b>Material risk: chronic physical</b>	It isn't just acute risks that can affect the productivity of the supply chain, but also chronic risks, for example livestock production being influenced by rising temperatures and the reduction of available water. On the other hand, ocean acidification is a source of stress for aquatic populations, affecting current fishing patterns.	Short term (0-5 years)	The Dia Group has the "Wellfair - Animal Welfare" certification, which is generally applicable to unprocessed meats (beef, pork and poultry), 100% of egg products and some dairy products. With regard to fishing, the group works with sustainable fishing initiatives and is a collaborating member of the "Sustainable Fisheries Partnership" (SFP), with which it assesses the risk of the range of seafood products. In Spain, it uses "Metrix" (a solution for tracking, monitoring and assessing the seafood supply) in which it collaborates with its suppliers. It also has MSC and ASC certificates.
<b>Riesgo material: físico crónico</b>	Rising average temperatures in the areas where Dia operates entail a risk of an increase in the direct costs of running refrigeration and air conditioning systems on its premises to ensure the cold chain, product safety and the thermal comfort of customers and staff.	Short term (0-5 years)/ Long term (50-100 years)	The Dia Group fights against rising temperatures with energy efficiency in facilities and equipment, constantly monitoring applicable technological innovations. In this regard it has invested in energy efficiency, replacing air-conditioning and refrigeration systems with more energy-efficient equipment and installing remote management equipment, which together reduce electricity consumption and therefore GHG emissions, in order to combat not only the short-term increase in the average temperature (which results in a need for greater energy consumption), but also so that contributing to a very low emissions scenario in the long term (SSP1-1.9) as envisaged in the "Intergovernmental Panel on Climate Change, Assessment Report 6" (IPCC AR6) can be achievable.

Category	Rationale	Horizon	Medidas de control y gestión
<b>Riesgo material: físico crónico</b>	<p>The impacts of climate change are not evenly distributed.</p> <p>The most likely areas will be: communities where people's livelihoods are directly linked to the environment, through agriculture, fishing or tourism, as well as communities that lack the physical and financial resources.</p>	Medium term (5-15 years)	<p>One of the pillars of the Strategic Sustainability Plan is "Access to healthy food", with programmes such as "Fight against nutritional deserts", where a project has been carried out in rural areas, as well as in collaboration with the University of Zaragoza to further the knowledge of the barriers that hinder access to a healthy diet in areas with a low population density.</p>
<b>Riesgo material: físico crónico</b>	<p>Reduced water availability. Although water consumption is not a material issue for the Dia Group, as it is only used for cleaning the facilities, it could be affected by the availability of drinking water in cities or cuts to the supply.</p>	Short term (0-5 years)	<p>The Dia Group has measures in place to reduce water consumption, such as the installation of low-flow devices in the renovation of its entire store network.</p>



# 9

Good corporate governance and commitment to the highest ethical standards

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## GOOD CORPORATE GOVERNANCE AND COMMITMENT TO THE HIGHEST ETHICAL STANDARDS

The Dia Group's corporate governance system strives to ensure not only the meeting of targets and Company growth, but also an appropriate climate of control and compliance with both internal and external regulations.

The company's internal regulations are in line with the Corporate Enterprises Act, the CNMV's Code of Good Governance for Listed Companies and best practices in listed companies. The most significant regulations are the Articles of Association, the General Shareholders' Meeting Regulations, the Board of Directors Regulations, the Audit and Compliance Committee Regulations, the Internal

Code of Conduct on the Securities Market, the Code of Ethics and corporate policies.

To move forwards with corporate governance issues and notwithstanding what is already included in the Board of Directors Regulations (available on [Dia's corporate website](#)), the Company has a specific policy on Managing Conflicts of Interest and Related-Party Transactions, which contains applicable standards with a clear commitment to transparency, independence and a focus on complying with the best corporate governance standards.

### 9.1 Composition and structure of the Board of Directors

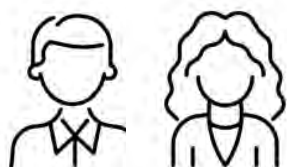
In line with its regulations and through its Appointments and Remuneration Committee, the Board of Directors ensures that director selection procedures encourage a diversity of expertise, experience, age and sex. Proposed appointments are always based on a prior analysis of the Board's needs so that each member is a professional with a clear executive background and ample experience in retail and consumer goods related businesses.

The professional background of the members of the Board of Directors can be viewed on [Dia's corporate website](#), as

can the changes in its composition during the reporting year, which can be seen also on the [Annual Corporate Governance Report \(ACGR\)](#). Generally speaking, the aim is to create a leadership culture with a strong focus on accountability, ethics, performance management and a sense of commitment.

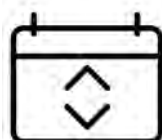
At 31 December 2023, the composition of the Board of Directors was as follows:

#### Directors and Chairman



##### Distribution by sex

2023	2022
<b>5</b> Men	<b>5</b> Men
<b>2</b> Women	<b>2</b> Women



##### Distribution by age

2023	2022
<b>1</b> 30-50 years	<b>1</b> 30-50 years
<b>6</b> >50 years	<b>6</b> >50 years



##### Distribution by type

2023	2022
<b>1</b> external proprietary	<b>3</b> external proprietary
<b>4</b> independent	<b>4</b> independent
<b>2</b> other external	<b>1</b> other external

## Directors' remuneration

In accordance with the Corporate Enterprises Act and the Company's internal regulations, members of the Board of Directors receive remuneration, in their capacity as directors, determined by the General Shareholders' Meeting in the form of a Remuneration Policy, submitted for approval at least every three years. (It was last approved by the General Shareholders' Meeting on 7 June 2022 and is valid until 31 December 2025.)

Directors' remuneration for each financial year, which is explained in detail in the Annual Remuneration Report for Board members, consists of a fixed monetary amount and a deferred share-based payment.

The objective of the Directors' Remuneration Policy is to contribute to the business strategy and the Company's interests and long-term sustainability, and is based, among other things, on the principles of commitment, attraction and retention of talent, transparency, external and internal equity and the promotion of value creation for the Company and its shareholders in the long-term. It should be noted that proprietary directors do not receive remuneration as directors.

### Average remuneration paid (thousands of euros) (405-2)

	2023		2022	
	Men	Women	Men	Women
Average remunerations of Directors	113.7	147.8	130	109

Tables 15a. Average remuneration paid to directors for all items of remuneration, taking into account the actual time each director has served as a director during 2023 into the average remuneration calculation, in thousands of euros. Since proprietary directors do not receive any remuneration for their work on the Board, they have not been taken into account in the calculation of average remuneration. We should also point out that the Board Committee have a rotating chairmanship in 202 they were chaired by a man in 2023 and for this reason their average remuneration is higher. More information on this can found in Note 22 to the Consolidated Financial Statements and in the Annual Report on Directors' Remuneration for 2023.

### Average remuneration paid (thousands of euros) (405-2)

	2023		2022	
	Directors	Senior Management	Directors	Senior Management
Average remuneration of Senior Management	762	340	580	428

Table 15b. Average remuneration paid to Senior Management for all items of remuneration, taking into account the actual time each director has served during 2023 into the average remuneration calculation, in thousands of euros. The difference between the average remuneration of men and women is largely explained by the Global CEOs in Spain, Brazil and Argentina being men, and receiving a higher remuneration due to their position and not their sex.

## Board committees

There are two Board committees that are governed by the Company's Articles of Association, the Board of Directors Regulations and the specific committee regulations, in the case of the Audit and Compliance Committee. At 31 December 2023, the structure of the Board committees was as follows:

### Audit and Compliance Committee

#### Chair

- **Ms Gloria Hernández** (independent director)

#### Members

- **Mr Sergio Ferreira Dias** (external director, other)
- **Mr José Wahnnon Levy** (independent director)

### Appointments and Remuneration Committee

#### Chair

- **Ms Luisa Delgado** (independent director)

#### Members

- **Mr Vicente Trius** (independent director)
- **Mr Marcelo Maia** (external director, other)

## 9.2. Supervision and control model

The Dia Group has a supervision and control model based on the three lines of defence. The first line relates to the functions in charge of day-to-day operations, responsible for setting out the controls that mitigate the risks linked to their lines of business. The second line is represented by the internal control, risk management, compliance and ethics functions, which assess, supervise and guarantee that the controls implemented by the first line are effective, that the identified risks are correctly managed and that regulations are effectively complied with.

Lastly, a third line is provided by internal audit, which gives independent assurance on the effectiveness and proper running of the Group.

The second line of this supervision and control model is managed by two committees made up of senior executives who ensure that business goals are achieved in line with the agreed values and applicable regulations. These committees regularly report to the Board of Directors' Audit and Compliance Committee.

### 9.2.1. Risk Management Committee and Internal Control

Its purpose is to make decisions and proposals to senior management on the comprehensive risk management system, ensuring its operation and due compliance, promoting and updating the internal regulations that govern it, and rolling out the tools and procedures needed to identify, prevent, minimise and manage the risks linked to all areas of activity, guaranteeing the fulfilment of business objectives over time. This committee is made up of the most senior managers from the business and corporate areas, as well as the head of internal control and risk management.

The Committee's responsibilities are as follows:

- Ensure the proper functioning of the risk management system (to identify, measure, control, manage and report the most important potential risks affecting the Group).
- Ensure that the system effectively eliminates or mitigates identified risks.
- Guarantee that emerging risks are properly identified, analysed, assessed, monitored and reported.
- Promote the effectiveness of the internal control system and develop and update the internal rules governing it. If the control environment is considered to be insufficient, the committee suggests new controls linked to each process. These controls may include the segregation of responsibilities, the preparation and introduction of certain policies or procedures and the independent control of certain activities, to name a few.

The Group defines risk as any internal or external contingency that, if it were to materialise, would impede or hinder attainment of the objectives set by the organisation. Therefore it considers that a risk arises as a consequence of the loss of opportunities and/or loss of strengths, as well as of the materialisation of a threat and/or increase in a weakness.

To mitigate and control these risks, the Dia Group has a comprehensive risk management system that includes both the assessment of inherent risks and the evaluation of controls, mitigating measures and action plans to control each of the risks identified, both financial and non-financial. The system is based on "Enterprise Risk Management-Integrating with Strategy and Performance",

published by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

As for the methodology followed by the system, it starts out from a risks catalogue in which the most significant risks at corporate level are identified and evaluated periodically and in any case definitely at least once a year. This catalogue, which can always include new emerging risks as they are identified, divides the risks into five categories: financial, operational, strategic, compliance and reputational.

Based on this catalogue and depending on whether the risk applies to a particular business unit or to the Group, it is assessed by each of the managers, as appropriate.

A risk map is then drawn up for each business unit and these are subsequently grouped/added to a Group risk map. Risk management is digitalised in the Risk Management SAP GRC system.

Dia applies it to all its activities at the following levels:

- Execution of strategy
- Attainment of business objectives
- Correct performance of operations



**DIA defines risk as any internal or external contingency that, if it were to materialise, would impede or hinder attainment to the objectives set by the organisation.**



During 2023 we supervised the degree of implementation of the action plans identified in the previous period to improve the management of the risks in the current map.

We also tested the checks and controls associated with the risk maps of each business unit and the global Group map, obtaining positive results in regard to their effectiveness, indicating an environment of reasonable control.

Lastly, we updated the [Corporate Business Risks Policy](#) of the DIA Group, approved by the Board of Directors and communicated it internally to all employees and published it on the Group's corporate website.



With regard to the **regulatory system**, the Dia Group has several instruments that have been appropriately documented and disseminated across the organisation and, where applicable, the value chain as well:

- [Code of Ethics](#): foundation of the company's regulatory and values system.
- **Corporate policies<sup>19</sup>**: these policies set out the general principles that should govern all Company matters, following the recommendations of the Unified Good Governance Code of Listed Companies. If applicable, they are approved by the Board of Directors.
- **Mandatory standards regulate high impact**, key issues for the Group and describe the main controls and requirements for the actions to be taken in a process or area. These standards were developed in 2020 by mandate of the Audit and Compliance Committee and are approved by the Risk and Internal Control Committee and updated as and when deemed appropriate.
- **Group and country-specific internal regulations**: these are the set of standards, procedures and manuals that govern area operations in each country where the company is present.



To execute the internal control function, there are also specific control systems in place, mainly comprising the following **implemented control models**:

**Financial reporting control system**: To establish a framework of principles and best practices, and help improve the transparency of information, Dia has an internal control system where risk assessment, control activities, reporting, communication and monitoring operations work together to prevent, detect, compensate, mitigate and correct errors with a material impact or fraud in financial reporting.

**Crime Prevention Model (Spain)**: To assess the crimes to which Dia is most exposed as a direct consequence of its activity, the risk of each crime identified as potentially applicable to the Company is assessed and the established controls (general, cross-department and specific) are subsequently analysed and assessed.

**Anti-fraud model**: The Dia Group has an anti-fraud and anti-corruption programme that identifies and assesses the risks of corruption and fraud in relation to its activity, as well as the control environment for the prevention and detection of corrupt and fraudulent practices.

**Non-Financial Reporting Internal Control System**: to improve the reliability of the non-financial information reported, the internal control system is being redesigned so that specific risks and control activities will be identified and documented in accordance with the new CSRD regulations and the effectiveness of the system will be regularly supervised.

<sup>19</sup> Policies that cannot be delegated by the Board of Directors according to law, the Company's Articles of Association or the Code of Good Governance recommendations are available on [www.diacorporate.com](http://www.diacorporate.com)

### 9.2.2. Ethics Committee

The Dia Group has one Group Ethics Committee and an Ethics Committee in each country. The Group Ethics Committee is made up of the compliance and human resources managers. The main purpose of these committees is to promote a culture of ethics and integrity within the organisation and to manage the queries and complaints received. The Board of Directors receives a quarterly report from the Group Ethics Committee and is responsible for assessing its effectiveness and issuing the amendments it deems appropriate to meet the desired objectives, through the Audit and Compliance Committee.

The **Code of Ethics** is not only the cornerstone of the ethics and compliance programme, but also the foundation for the development of the other internal policies and standards governing the business. This Code, which formalises the Company's ethics model and the guidelines for conduct that must be complied with by all employees, managers and directors of the Group, including the parent company and all its subsidiaries, was updated in 2021 to ensure that the ethical principles are fully aligned with the Dia Group's values and culture. In addition to this Code, the Ethics Channel is available for Dia staff and any external third party to submit queries or complaints about irregularities. This channel is a tool provided by an external provider and managed internally by the Compliance department at a Group level, guaranteeing the confidentiality and indemnity of whistleblowers at all times, as well as the traceability of all reports and the impossibility of their being amended or altered manually.

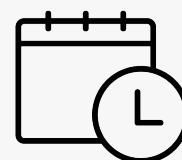
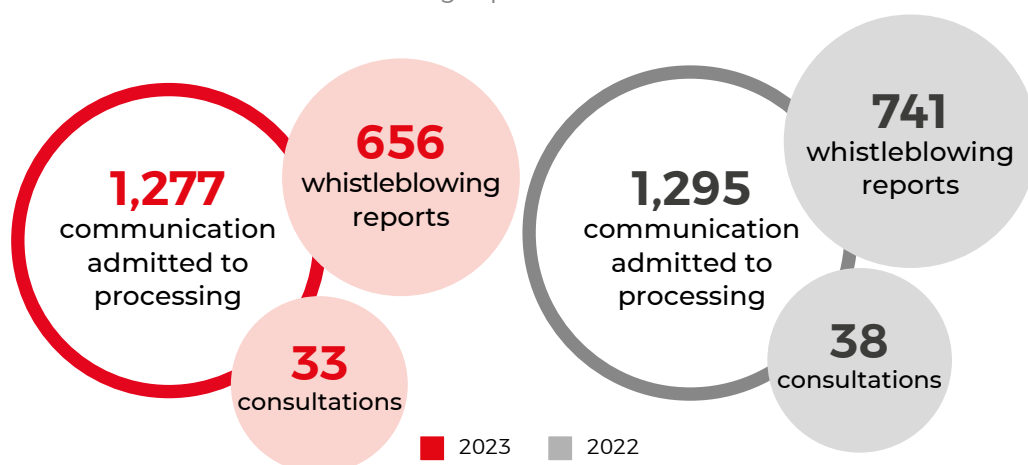
Suppliers, franchisees and contractors are informed of the existence of the Code of Ethics, the Ethics Channel and the Whistleblower Channel, and these tools are available to them with the same guarantees as those applying to any employee.

To manage the **Whistleblower Channel**, the Ethics Committee's action procedure is to open a file where the reliability and accuracy of the information contained in the complaint will be verified.

To this end, a hearing involving all those affected, witnesses and the Committee will be held and such investigative measures as the committee deems necessary are carried out to clarify the problem, issuing a final report with recommendations and their subsequent communication.

- In 2023, 1,277 reports were received and admitted for processing via the Ethics Channel (1,295 in 2022), 656 of which were complaints relating to a breach of ethics (741 in the previous year) and 33 were enquiries (38 in the previous year).
- Following investigation of the complaints received in 2023 (and of 80 that were still pending from the previous year), of the 674 cases closed in 2023 (661 in 2022), 456 (484 in 2022) were dismissed on the basis that there were no indications of breach of ethics or because there was insufficient information and 218 were confirmed (177 in 2022).
- Among the complaints confirmed following investigation, note:
  - Complaints of corruption confirmed: No complaints of corruption were confirmed in either 2023 or 2022.
  - Complaints of discrimination or harassment: there were 4 cases (in 5 complaints) which led to the dismissal of the people reported. In 2022, one case of discrimination was confirmed and eight cases of harassment, leading to the dismissal of the people reported (some complaints concerned the same breaches).
- Another of the priorities for improving the Group's ethics management and for increasing the confidence of employees and other stakeholders is to achieve greater agility in the management of the reports received through the ethics channel. In 2023, the average resolution time was 53.16 days at a Group level (59 days in 2022).

Data regarding the Ethics Channel Communications received, whistleblowing reports and consultations



Average resolution time to whistleblowing

2023

**53**  
days

2022

**59**  
days

## Training on compliance and ethics

Lastly, the organisation's commitment to ethics resulted in a new investment in training in 2023, which complemented the efforts already made in previous years. It should be noted that the ethics and compliance training programmes aim to raise awareness of employees in all countries in which Dia operates and train them so that they share the same values, the same ethical culture of integrity and so that unethical behaviours can be prevented or mitigated. For this reason they are always designed in a standard and unified manner for all countries. The Group is working to identify effective training channels for the store network to improve training rates in all Group countries..

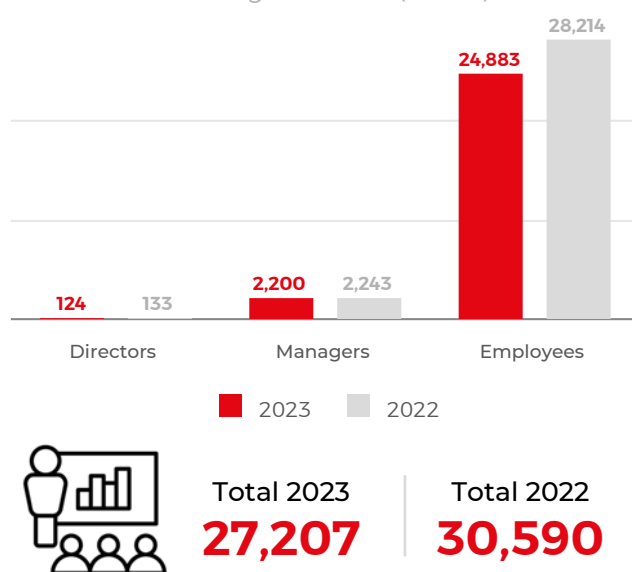
As far as the Directors are concerned, they all have profiles with knowledge and extensive experience in ethics policy training. Specifically, the members of the Audit and Compliance Committee are regularly informed of the content, planning and execution, as well as the results, of all training programmes on ethics issues carried out in the Group.

Support and monitoring from the Board of Directors is a priority. As an example, the Group's strategic objectives include is continuous training of all professional categories on Regulatory Compliance.

As part of the goal to promote an ethical culture, the Dia Group has a Regulatory Compliance division, which aims to identify, advise, control and report on the risks of non-compliance with applicable legislation. To deal with these risks of non-compliance, as well as Regulatory Compliance Policy, which outlines the principles and foundations for how the function operates, the existence of the following related policies should also be noted:

- The [Policy on Managing Conflicts of Interest and Related-Party Transactions](#), which aims to establish and regulate the procedure applicable in situations in which there is a direct or indirect clash between the interests of Dia or the Dia Group companies and the personal interests of the members of the governing bodies of the Dia Group companies and their representatives.
- The [International Sanctions Policy](#) which aims to establish a regulatory framework in this regard, for all operations in which the Dia Group may be involved in carrying out its commercial activities and to establish an authorisation procedure that allows the Company to maintain control of all relations entered into with third parties. To implement this policy, a tool has been available since 2021 that centrally validates suppliers before the start of any business relationship.

Training on ethics (205-2)



Also, as already mentioned the Dia Group has an anti-fraud and anti-corruption programme to identify and assess these risks in each of the jurisdictions in which it operates, overseen by an appointed manager. The risks identified by this programme include bribery, facilitation payments, money laundering<sup>20</sup>, conflicts of interest, distortion of market competition, financing political parties, their candidates or their foundations, or influence peddling<sup>21</sup>. As measures to avoid or minimise these risks, there are control systems in place, including the [Crime Prevention and Anti-Corruption Policy](#), the [Anti-Bribery Policy](#), the [Gift Policy](#), the [Code of Ethics](#) and specific regulations that govern purchase and sales prices and contract management, or regulations concerning the separation of functions.

Additionally, Dia Spain has updated its **Crime Prevention Model** to detect and assess the risk of a crime being committed that could result in the legal entity being held criminally liable, as well as the standards, procedures and controls needed to prevent these crimes from being committed.

<sup>20</sup> In terms of money laundering, Dia is not subject to application of Law 10/2010 and it has not therefore prepared a specific money laundering prevention policy within the anti-fraud programme. The Company does however have control and restriction systems within its procedures to manage issues relating to money laundering: authorisation platforms are used for payments to suppliers for goods and services and cash payments are strictly limited within the Company (generally speaking, cash payments are not allowed and if they are needed under exceptional circumstances, they are duly registered and documented under the mandatory controls). As with the other risks relating to the prevention of crimes that could lead to the legal entity being held liable, they are reviewed and reported on regularly.

<sup>21</sup> The risk of corruption and bribery is particularly relevant in procurement-related activities (the smaller the supplier, the higher the risk) and business expansion, i.e. purchasing or renting premises and building work (a higher risk is recognised in cases involving public entities). In turn, there is a higher inherent risk factor for activities carried out in Argentina and Brazil, as the risk of corruption and bribery is considered higher than in Europe.

### 9.2.3. Internal Audit

The Dia Group's internal audit function plays a fundamental role in the good governance of the company, providing independent and objective assurance and consultation designed to add value and improve the organisation's operations. As such, this function helps the organisation to meet its objectives by providing a systematic and disciplined approach to assessing and improving risk management, control and governance processes.

Internal audit performs its work in strict compliance with the mandatory elements of the International Professional Practices Framework of the Institute of Internal Auditors, which includes the following elements:

- The International Standards for the Professional Practice of Internal Auditing,
- The Code of Ethics,
- The Standards,
- The Definition of Internal Auditing.

The Group's annual audit plan is drawn up on the basis of the Company's risk map, taking into account the most relevant risks and identifying the processes associated with them.

The tests performed provide an independent opinion on whether the controls in place in the reviewed processes are effective and efficient in mitigating the risks. The results of the work carried out are reported both to the company's management and to the Dia Group's Audit and Compliance Committee. Since 2022, and to complement risk-based auditing, the Internal Audit function has included continuous auditing through the monthly monitoring of indicators (Audit Monitoring Indicators) on certain key aspects

At the end of the 2023 financial year, an external quality assessment of the internal audit function was carried out by the Spanish Institute of Internal Auditors, which resulted in the highest rating of "Generally complies".



# 10

## Taxonomy

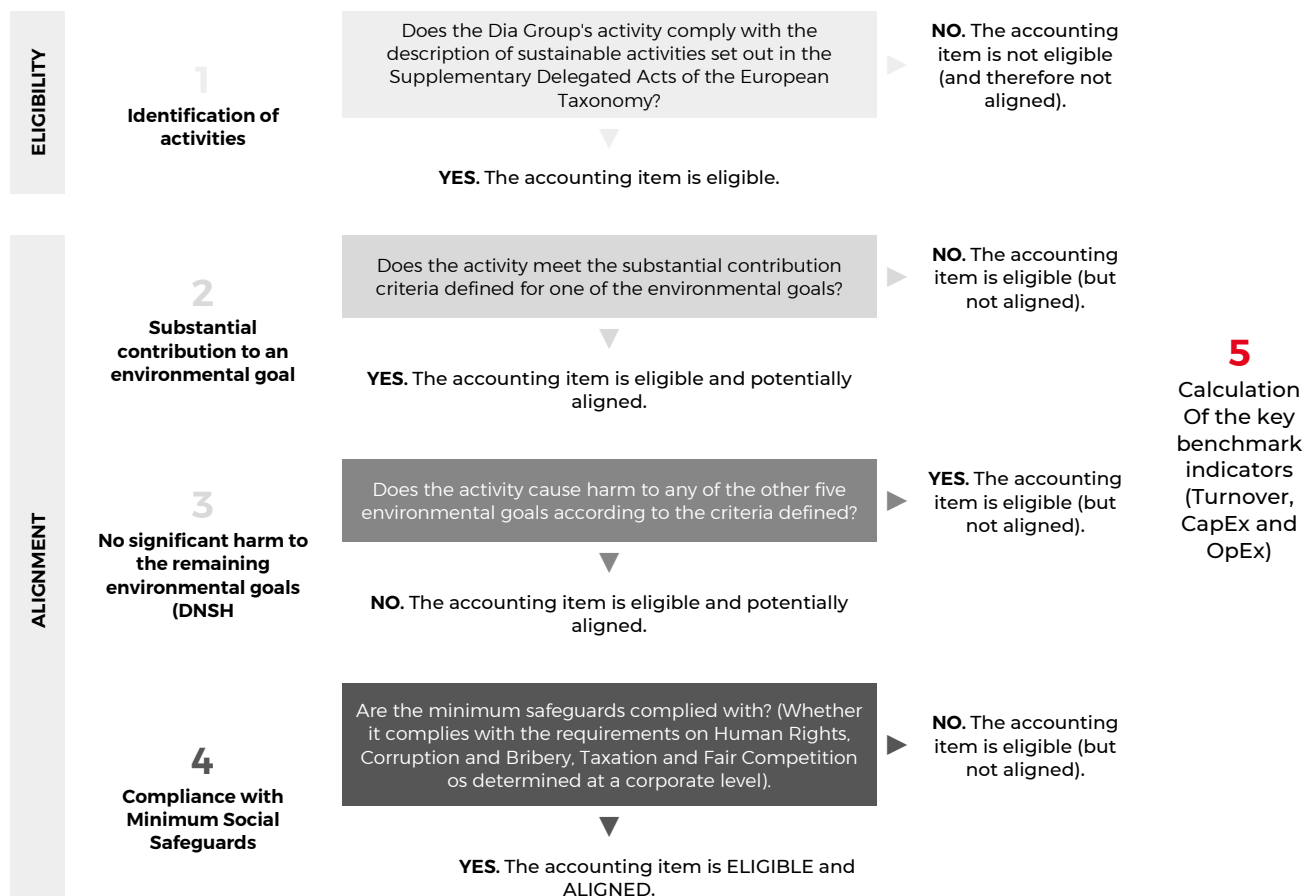
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## TAXONOMY

For companies to make the information that the capital markets need to incorporate sustainability criteria into their decision-making public, the Delegated Regulations of the European Taxonomy oblige companies to analyse the degree of compliance under two criteria – eligibility and

alignment – and report the results in their Non-Financial Information Statements (future corporate sustainability reports).



For the 2023 report, the obligation to disclose the key benchmark indicators in terms of eligibility, as well as in terms of alignment, was established for the first two published objectives:

- Climate Change Mitigation.
- Climate Change Mitigation

Also new was the obligation to disclose the key benchmark indicators in terms of eligibility for the four new published targets:

- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Preventing and controlling pollution,
- Protection and recovery of biodiversity and ecosystems.

This is why the Dia Group, in 2023, reviewed the previous year's eligibility exercise, deepening the analysis carried out in 2022 by giving consideration to the new updates, legislative changes and FAQs, so that the eligible activities in the current year satisfy a criterion that is more precise and homogeneous. In addition, the alignment exercise has been carried out for the second time, analysing compliance with the criteria of substantial contribution, respect for the "Do No Significant Harm" principle and compliance with the Minimum Social Safeguards for the Mitigation and Adaptation to climate change goals.

In light of this, and pursuant to the provisions of the Delegated Regulations, the consolidated Non-Financial Statements must present the following key performance indicators:

- The proportion of turnover that comes from products or services related to economic activities that are considered environmentally sustainable (billings).
- The proportion of total fixed assets (CapEx).
- The proportion of operating expenses related to assets or processes associated with economic activities that are considered environmentally sustainable (OpEx).

In applying and calculating these indicators, the Dia Group's activity has been considered in accordance with the scope included in the consolidated Annual Accounts

## 10.1 Identification of eligible activities

To assess the eligibility of the activities within the six environmental objectives, coordinated work was carried out among the infrastructures, operations and finance teams.

Detailed and specific questionnaires have been prepared that consider all of the Dia Group's possible eligible activities for each of the six environmental objectives. They include questions adapted to each taxonomic activity and the Dia Group's specific situation that intend to find out about the projects that have been undertaken in the company, as well as to obtain the amount related to each of them and their relationship with the activities of the Taxonomy. Technical staff have mainly been involved in answering these questions and, if necessary, the other corresponding areas.

Once all the answers are obtained, the finance team analyses them, defining those activities that are eligible, and involving accounting to identify those projects defined by the technical staff with the corresponding accounts or asset additions, with full traceability between the amounts of each eligible activity and the annual accounts.

The activities identified as eligible for mitigation, climate change adaptation or circular economy in 2023 are as follows:

ECONOMIC ACTIVITY	CODE	TAXONOMY DESCRIPTION OF ECONOMIC ACTIVITY	DESCRIPTION OF DIA'S ACTIVITY
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1 or L.	Renewal of the corporate car fleet with more efficient and modern models.
Renovation of existing buildings	7.2/3.2	Construction and civil engineering works or preparation of such.	Renovation of warehouse and stores.
Installation, maintenance and repair of energy efficiency equipment	7.3	Individual renovation measures consisting of installation, maintenance or repair of energy efficiency equipment.	Renewal of refrigeration, cooling and air-conditioning equipment with more efficient equipment and with refrigerant gases with lower GWP; LED renovation projects to reduce electricity consumption.
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.	Renewal of refrigeration control systems in several warehouses and stores to improve control and energy efficiency.
Acquisition and ownership of buildings	7.7*	The activity consists of the acquisition of property (buildings, land or other property) and the exercise of the rights of ownership of these assets.	Purchase of a store in Dia Portugal.

\*New activity identified during eligibility analysis in 2022/3



Deriving from the re-evaluation of the criterion defined in 2022, activity 6.6 - transport of merchandise by road for the Dia Group has been reclassified as non-eligible. It was identified in 2023 that this activity is more typical of contracting goods transport services, and not a short-term rental as was considered in 2022, and has therefore been excluded from this section and its comparative effect.

In relation to the new application objectives in the 2023 financial year, established in Regulation 2023/2486, after the analysis of the technical criteria and their application to Dia Group, activity 3.2 "Renovation of existing buildings" has been identified, which also If it is common for the objectives of mitigation and adaptation to climate change, it is also part of the "Circular Economy" objective.





## 10.2 Identification of taxonomy-compliant activities (alignment)

After identifying the eligible activities, a second individualised questionnaire was drawn up for each of them with the corresponding alignment requirements. These questionnaires were given to the technical teams so that they could provide the requested information in relation to each specific project identified in the first questionnaire. Once the necessary responses have been obtained, the finance team interprets the results and classifies the activities that fit the taxonomy. After an suitability analysis, it has been determined that the efforts and investments made are intended for the minimization and elimination of Greenhouse Gases (CHG), which will be reported as aligned with the Climate Change Mitigation objective if they comply with the technical requirements of said objective. The financial information is identified to calculate the key turnover, CapEx and OpEx indicators.

Based on this analysis, it is concluded that none of the eligible activities is an income-generating activity for the Company; therefore, the turnover benchmark indicator takes on a value of 0%.

According to the calculation criteria described in the Taxonomy, 16% of CapEx is eligible under the climate mitigation delegated act, of which 0.2% is aligned.

Calculations have shown that 38% of OpEx is eligible and not aligned, corresponding to 173,004 thousands of euros with respect to the 454,928 thousands of euro of OpEx defined in the Taxonomy regulation.

Economic activity	Proportion of eligible and aligned economic activities	Proportion of eligible economic activities that are not aligned	Proportion of non-eligible economic activities
Turnover	—%	—%	100.00%
Capital expenditure (CapEx)	0.22%	15.36%	84.42%
Operational expenditure (OpEx)	—%	0.73%	99.27%

### 10.2.1 Compliance with the substantial contribution criteria

- Activity 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: The equipment installed corresponds to automation equipment. This equipment is part of a control system designed to efficiently manage lighting, air conditioning, security alarms, electrical power control and to manage the system itself in the buildings where it is installed. Therefore, the substantial contribution criterion would be implicitly met, as the control system corresponds to the "Installation, maintenance and repair of building automation and control systems, building energy management systems, lighting control systems and energy management systems".
- Activity 7.7 Acquisition and ownership of buildings: The building acquired in Dia Portugal was constructed prior to 31.12.2020 and has an A-label energy efficiency certificate.

### 10.2.2 Compliance with the criteria of no significant harm to other objectives (DNSH):

In terms of compliance with the application appendices required for Activities 7.5, and 7.7 in this regard, it should be noted that the Dia Group complies with the requirements of Appendix A as it has a physical climate risk analysis and adaptation plan for risks that have been identified as material.

## 10.3 Analysis of minimum safeguards

These are assessed at a corporate level and act as a guarantee to prevent income/investment/expenditure being considered sustainable if they generate a negative effect in social terms. In other words, as well as meeting a series of objective technical criteria for each activity in the Taxonomy (which in global terms measure environmental performance), alignment depends on compliance at a corporate level with a series of minimum social safeguards set out in Art. 18 of Delegated Regulation 2020/8529 in which four large thematic blocks are identified, as set out in the following table:

HUMAN RIGHTS	
Requirements	
1. Has a process of due diligence been established in accordance with the "United Nations Guiding Principles on Business and Human Rights" (UNGPs) and "OECD Guidelines for Multinational Enterprises?"	
Aspects to be evaluated	Compliance by DIA
1. Adopting and embedding a commitment to HRDD into policies and procedures ("UNGP 16 and OECD Guide RBD DD step 1") HRDD: Human Resources Due Diligence.	Dia has a Human Rights Policy aligned with the principles contained in the UN Global Compact, the Guiding Principles on Business and Human Rights, the OECD Guidelines and the Social Policy of the ILO among others. This Policy mentions its alignment with the principles required: "Dia's approach is essentially based on the principles of the Universal Declaration of Human Rights, the fundamental standards of the International Labour Organisation (ILO) and the main national and international laws. It is also governed by the framework of the UN Guiding Principles on Business and Human Rights as regards the way in which the Group approaches its responsibility for respecting and protecting the human rights associated with its operations".
2. Identification and assessment of adverse impacts, including through stakeholder engagement ("UNGP 17, 18 and OECD RBD DD Guide step 2")	<p>1) Dia has a Human Rights Due Diligence process with which it identifies and manages the potential risks associated with the value chain by means of a questionnaire which must be completed by all suppliers that work with the company, and which enables us to identify the risks of each supplier based on its responses. To perform this monitoring, Dia works with the Sedex platform, an ethical exchange platform that enables the entire supply chain monitoring programme to be defined and monitored. It can identify the risk of human rights violations through questionnaires and audits provided by the supplier. To identify and assess these risks, the high-risk suppliers are first defined based on various criteria (sector, immigrant workforce ratio, formality of employment, etc.).</p> <p>2) The Dia Group has a Crime Prevention Model (CPM), the objective of which is to control and prevent transactions and/or actions that may entail the criminal liability of the legal person or that may lead to the imposition of any of the accessory sanctions provided in the Criminal Code. This model identifies the risks of criminality being attributed in each business area and establishes a matrix of risks of various types, including those relating to human rights, as well as the corresponding standards and controls to mitigate them.</p> <p>3) The General Human Resources Policy is structured around seven Areas of action which guide the Dia Group's commitment to creating employment and managing people.</p>
3. Taking actions to cease, prevent, mitigate, and remedy adverse impacts ("UNGP 17, 19 & OECD RBD DD Guide step 3")	<p>1) Dia has a Human Rights Due Diligence process with which it identifies and manages the potential risks associated with the value chain by means of a questionnaire which must be completed by all suppliers that work with Dia, and which enables us to identify the risks of each supplier based on its responses. To perform this monitoring, Dia works with the Sedex platform, an ethical exchange platform that enables the entire supply chain monitoring programme to be defined and monitored. It can identify the risk of human rights violations through questionnaires and audits provided by the supplier. Having identified the risk associated with each supplier and the relatively high-risk ones, we define a tolerable risk threshold, above which suppliers are asked to undergo an audit or are monitored appropriately to reduce the risk that has been identified.</p> <p>2) The Dia Group has a Crime Prevention Model (CPM), the objective of which is to control and prevent transactions and/or actions that may entail the criminal liability of the legal person or that may lead to the imposition of any of the accessory sanctions provided in the Criminal Code. This model identifies the risks of criminality being attributed in each business area and establishes a matrix of risks of various types, including those relating to human rights, as well as the corresponding standards and controls to mitigate them. Subsequently, we carry out an analysis and assessment of the general, transversal and specific controls established and of the incidents detected.</p> <p>3) The General Human Resources Policy is structured around seven Areas of action which guide the Dia Group's commitment to creating employment and managing people.</p>

4. Tracking the implementation of these actions and its results ("UNGP 17, 20 & OECD RBD DD Guide step 4")

1) The Dia Group carries out regular supervision of the internal control systems implemented, draws up reports on the actions of the Body Responsible for Criminal Compliance and the functioning of the Model itself with such recommendations and updates as are considered appropriate for submission to the Board of Directors. We also make sure that the Body Responsible for Criminal Compliance has the material and human resources necessary to effectively carry out the functions entrusted to it. Complaints of alleged irregular acts and behaviours are investigated, guaranteeing the confidentiality of the complainant and the rights of those investigated, applying the appropriate sanctions, if applicable, in accordance with current legislation in a fair, non-discriminatory and proportional manner.

2) The Dia Group establishes a series of goals and commitments regarding customer, employee, franchisee and supplier satisfaction in the Sustainability Plan, for which it develops key indicators with measures to stop, prevent, mitigate and remedy adverse impacts delegated to the corresponding department for implementation and monitoring. This same Sustainability Plan develops the action plan for complying with these indicators, defining specific measurements. Each year, the results are disclosed in an external audited report (the NFIS).

5. Communicating publicly on the approach to HRDD, and actions taken to avoid and address adverse impacts. ("UNGP 17, 21 & OECD RBD DD Guide step 5")

The Dia Group published all its corporate policies on its website so that they are within reach of all its stakeholders. Among them is the Human and Labour Rights Policy, which sets out the company's hope that the labour standards established in the Base Code of the Ethical Trade Initiative (ETI) will be applied throughout the supply chain. The Anti-Corruption and Anti-Bribery Policies are also published.

Furthermore, the Dia Group provides training on Anti-Corruption Policies and compliance with the Code of Ethics, among other aspects relevant to employees, included in the training plan. The result of these measures and the degree of fulfilment of the main indicators are published in the NFIS. During 2023 employees were trained on the Code of Ethics: "Respect for the Code of Ethics as an Ethical Principle".

6. Providing or cooperating in remediation, including establishing or participating in grievance mechanisms where individuals and groups can raise concerns about adverse impacts ("UNGP 22, 29, 31 & OECD RBD DD Guide step 6")

Dia provides secure complaint mechanisms for any worker or third party wishing to report any possible non-compliance. It also places special emphasis on those commercial relationships in which the Company has most responsibility and influence, where there can be greater risk of breach of fundamental employment rights and where the contribution of Dia may be more significant. Whenever Dia cannot resolve complex issues by itself, the Group works with others to drive a larger-scale transformational change. It also provides total transparency by implementing appropriate internal channels that favour the immediate communication of possible irregularities, among them the Whistleblower Channel.

## Requirements

2. Is there any indication that this process has not been implemented properly and/or that human rights have been violated?

### Aspects to be evaluated

### Compliance by DIA

The company or its senior management has been sentenced definitively for certain types of judicial causes. These include: labour rights, human rights, data protection, consumer protection, humanitarian and criminal law.

No convictions or court cases have been identified.

An OECD National Contact Point (NCP) has accepted a case and the company refuses to compromise with the party instigating it, or the NCP shows that the company does not conform to the OECD guidelines.

No NCP complaints have been identified.

The Business and Human Rights Resource Centre (BHRRC) has looked into a complaint against the company and there has been no response in three months. In this case it will be considered non-conforming for two years."

No BHRRC complaints have been identified.

## CORRUPTION

### Requirements

- Does the company have processes to prevent corruption, such as appropriate internal controls, ethics and compliance programmes, or means to prevent and detect bribes?

### Aspects to be evaluated

Policies, processes, programmes or measures relating to the prevention of corruption

### Compliance by DIA

1) The Dia Group has a Policy for the prevention of crimes and corruption. This policy is published and accessible to all employees and stakeholders. Its purpose is to define and establish the principles of action and behavioural guidelines for actions of the directors and employees of the Dia Group in exercising their functions with regard to the prevention, detection, investigation and remediation of any corrupt practice within the organisation. The Dia Group has an anti-fraud and anti-corruption programme and a regulatory compliance programme that identify and assess the risks of corruption and fraud in relation to its activity, as well as the control environment for the prevention and detection of corrupt and fraudulent practices.

2) The CPM implemented by Dia has specific risks and controls on corruption, including "Business corruption offences", "Money laundering offences", "Offences against the Treasury and Social Security", "Bribery offences", etc.

3) The group has an Anti-Bribery Policy, which aims to establish compliance rules to oversee and safeguard Dia's position against bribery and establish effective communications and awareness-raising mechanisms among those responsible for this in order to prevent, detect and react to bribery issues.

4) The group also has a Risk Management and Internal Control Committee to make decisions and proposals to senior management on the comprehensive risk management system, ensuring its operation and due compliance, promoting and updating the internal regulations that govern it, and rolling out the tools and procedures needed to identify, prevent, minimise and manage the risks linked to all areas of activity, guaranteeing the fulfilment of business objectives over time. This committee ensures the proper functioning of the risk management system (to identify, measure, control, manage and report the most important potential risks affecting the Group).

### Requirements

- Is the company free of definitive sentences for corruption or bribery?

### Aspects to be evaluated

Definitive sentences relating to corruption or bribery

### Compliance by DIA

At present no definitive sentences have been detected for corruption or bribery.

## TAX

### Requirements

- Are governance and compliance in tax matters treated as important subjects for supervision and are there appropriate strategies and tax risk management processes as described in the OECD guidelines on taxes for multinationals?

### Aspects to be evaluated

The company complies with the spirit of the tax laws and regulations taking reasonable steps to understand the legislator's intention and interpret these rules taking account of such intention in the light of the legislative text and contemporary legislative antecedents.

The Dia Group has signed the Code of Good Tax Practices with the Spanish Tax Authorities, with a view to promoting transparency, good faith and cooperation, increasing legal certainty, reducing litigiousness and avoiding conflicts. We have checked to see that on the official website of the Tax Agency Distribuidora Internacional de Alimentación, S.A. is shown as one of the companies that has adopted this code, thereby collaborating with the tax authorities.

Cooperating with the tax authorities and providing them with the information necessary to ensure the effective and equitable application of the tax laws.

One of the good tax practices described in the Group's Tax Policy consists of providing the tax authorities with the information that they require in accordance with the legally established procedures and in the shortest time that is reasonable possible.



The commitments of companies in terms of cooperation, transparency and tax compliance must be reflected in risk management systems, structures and policies.

1) ) The Dia Group is committed to complying with the tax regulations in force. It has a Tax Policy in which it commits to following good tax practices – in the context of its activity – that lead to the reduction of significant tax risks and the prevention of conducts likely to generate them. This policy develops a series of good practices, towards which the Group orients its activity. Some of these practices involve:

Developing the Risk Management Policy and establishing of a system of tax risk control and management aimed at preventing and minimising them. This Policy develops the functioning of the Risk Management System from beginning to end, from the identification of the risks, through their assessment, the preparation of a response (controls and mitigation measures associated with the risks assessed by the Risks Control and Management area, the supervision and finally reporting.

2) The Dia Group also states in its Code of Ethics that it assumes the commitments to good practices defined by the tax authorities as its own. In this regard, it has signed the Code of Good Tax Practices with the Spanish Tax Authorities, with a view to promoting transparency, good faith and cooperation, increasing legal certainty, reducing litigiousness and avoiding conflicts.

#### Requirements

2. Is the company free of sentences for violating competition laws?

#### Aspects to be evaluated

#### Compliance by DIA

Definitive sentences relating to tax evasion

At present, no definitive sentences have been detected relating to tax evasion.

### FAIR COMPETITION

#### Requirements

1. Is employee awareness-raising promoted as to the importance of compliance with all applicable competition laws and regulations and is senior management trained on these?

#### Aspects to be evaluated

#### Compliance by DIA

Policies relating to competition

The Dia Group commits to not engage in practices that may be considered illegal, anti-competitive, misleading or unfair, as shown in the Code of Ethics: "We comply with free competition regulations and we compete honourably and fairly, without engaging in practices that may be considered illegal, anti-competitive, misleading or unfair. Market information must be obtained appropriately and no use must be made of confidential information without express authorisation, especially if it is the property of other organisations or companies. We must exercise special care to avoid breaching business secrecy".

Awareness-raising/training on the importance of respecting all the laws and regulations relating to competition.

This Code of Ethics is published on Dia's website and is thus accessible to all workers in the group. Additionally, it states that the Dia Group promotes knowledge of and compliance with its internal regulations and policies. All Dia Group employees must comply strictly with the internal regulations and policies. For this, they have at their disposal constant training and receive communications on updates to these internal regulations and policies, with a view to their taking better decisions for the Company. During 2023 employees were trained on the Code of Ethics: "Respect for the Code of Ethics as an Ethical Principle".

#### Requirements

2. Is the company free of sentences for violating competition laws?

#### Aspects to be evaluated

#### Compliance by DIA

Definitive sentences relating to breach of prioritization laws

At present no definitive sentences have been detected relating to breaches of competition laws.

## 10.4 Accounting policy

To avoid double accounting, the Dia Group has put the necessary oversight and control measures in place to ensure consistency and reliability from the process of extracting and transforming the information, to its calculation and final reporting and thereby guarantee the integrity and traceability of the information. These measures include checking the subtotals to ensure that all the information is included.

The indicators have been calculated following the same accounting criteria that govern the financial accounting of the Dia Group. In this sense, the main source of information is the accounting information used for the consolidated annual accounts and technical documents on each project carried out during the year in the group's various facilities.

Below is a description of how turnover (billings), fixed asset investments (CapEx) and operating expenses (OpEx) were determined and assigned to both the numerator and denominator of each indicator reported

### Turnover

The key turnover indicator is defined in Delegated Regulation (EU) 2021/2178 as the proportion of income arising from taxonomy-compliant activities (numerator) divided by total Group income (denominator), in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No. 1126/2008. The numerator for this indicator continues to be zero, as the Group has no income-generating activities among those described in the Taxonomy regulations. The amount shown in the denominator, therefore, relates to the amount shown as net turnover<sup>22</sup> in the consolidated income statement in the 2023 Consolidated Annual Accounts of the Dia Group.

### CapEx

The numerator of this indicator was obtained by identifying the eligible activities that meet the alignment requirements based on the detail of additions of fixed assets for the year at the highest level of breakdown, recorded in accordance with International Accounting Standards (hereinafter "IAS") and the requirements described in Section 1.1.2 of Annex I of Delegated Regulation 2021/2178 of 6 July 2021.

Based on the indications of the technical staff responsible for each investment project identified, the assets corresponding to each have been identified, starting from the accounting basis, so that all the numerator amounts can be traced back to the annual accounts.

Each activity included has only been accounted for by one area of the Company, thus avoiding the double accounting of such investments. For the denominator, additions to tangible and intangible assets before amortisation/depreciation and possible revaluations, including those resulting from revaluations and impairment, have been included for 2023, excluding changes in fair value.

Additions to tangible and intangible assets resulting from business combinations, if any, would also have been included, covering costs that are accounted for in accordance with IAS 16 Property, plant and equipment and IFRS 16 Leases. In accordance with our consolidated financial statements, total CapEx<sup>23</sup> is disclosed in Notes 5, 6.2 and 7.1 to the 2023 Consolidated Annual Accounts. The proportion obtained in the eligible CapEx indicator in 2022 was 16%, compared with 23% in 2021. This decrease is due to a large part of the amounts associated with the eligible activities corresponding to projects started in prior years, so that each year the remaining work is carried out until the project is completed (such as the renovation of stores, installation of new equipment or the energy management system).

### OpEx

For OpEx, the indicator represents the share of operating costs specified in the regulations for taxonomy-compliant activities (numerator) divided by the total OpEx as specified in the taxonomy (denominator). This is understood to be the direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the Dia Group or third party to whom these activities are outsourced and which are necessary to ensure the continued and effective functioning of such assets. The amount expressed in the denominator is shown in Note 20.4 to the Dia Group's 2023 Consolidated Annual Accounts. Compared with 2022, OpEx<sup>24</sup> went from 38% eligibility to 1%. The reduction corresponds to removing the activity "6.6 transport of merchandise by road", which is considered to cater more to the provision of services by a third party rather than a short-term rental of transportation elements as considered in 2022.

Taking this into account, the amount of eligible + ineligible activities (denominator) reported in the Taxonomy tables will not include "transport" from Note 20.4 of the 2023 Consolidated Annual Accounts this year, as it does not relate to short-term leases. The following OpEx items have been maintained: "repair and maintenance", "property rentals" and "movable asset rentals".

## 10.5 Next steps

The Dia group is currently working on adapting and improving its systems, and incorporating the Taxonomy analysis. Projects have therefore begun to adapt the financial and infrastructure information processes, and including fields related to the Taxonomy. The aim is to have systems sufficiently equipped to identify and classify this information in a more automated manner, incorporating it into the day-to-day reality as a priority.

<sup>22</sup> Note 19.1 Net amount of turnover from continuing activities 5,720 millions of euros plus 1,041 millions of euros from discontinued activities (Note 13 to Consolidated Financial Statements)

<sup>23</sup> Note 5, 6.2 and 7.1 CAPEX of continuing activities (354,624 millions of euros) plus the amount of CAPEX of discontinued activities (24,903 millions of euros)

<sup>24</sup> Note 20.4 The amounts considered are the headings "Repairs and maintenance", "Rental, property" and "Rental, equipment".

# A

## Appendix

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## APPENDIX 1. Details of Indicators (businesses unbundled)

Throughout the Non-Financial Information Statement and following the requirements of Law 11/2018, consolidated information is provided for the Dia Group (including the scope of businesses over which the Dia Group had operational control during the year in order to report on all aspects and impacts of the business). However, this Annex shows the detail of the quantitative indicators, segregating the information of those operations that have been classified as discontinued in the financial statements (Portugal and Clarel), in order to have a better traceability of the evolution in future reports.

### Dia Group in the world

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of stores	1,452	3,956
Net sales (millions of euros)	879.30	5,720.46

### Quality food accessible to all

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of communications managed	59,274	700,582
No. of claims and complaints	51,166	228,200

### Food safety

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of internal audits carried out (Cold chain, Cleaning and hygiene, Internal laboratories, Store audit)	591	5,209

### Human capital

#### Total employees by sex, age and professional category at 31 December

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Men	1,085	9,024
Women	4,571	45,096
<30 years	1,217	5,994
30-50 years	3,040	14,197
>50 years	1,399	2,929
Directors	24	119
Managers	319	1,697
Employees	5,313	21,304



### Total employees by contract type and working hours at 31 December

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Permanent	5,411	22,044
Temporary	245	1,076
Full time	3,435	19,390
Part time	2,221	3,730

### Average annual contracts by sex (number)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Permanent, Men	88	725
Permanent, Women	363	1,113
Temporary, Men	2	27
Temporary, Women	18	62
Full time, Men	83	719
Full time, Women	210	951
Part time, Men	9	59
Part time, Women	189	271

### Average annual contracts by a (number)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Permanent <30 years	90	442
Permanent 30-50 years	246	1,155
Permanent >50 years	115	241
Temporary <30 years	12	58
Temporary 30-50 years	7	29
Temporary >50 years	1	3
Full time <30 years	58	428
Full time 30-50 years	171	1,012
Full time >50 years	63	231
Part time <30 years	54	109
Part time 30-50 years	88	203
Part time >50 years	56	19

## Average annual contracts by professional category (number)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Permanent, Directors	2	10
Permanent, Managers	27	162
Permanent, Employees	422	1,666
Temporary, Directors	—	—
Temporary, Managers	—	1
Temporary, Employees	20	89
Full time, Directors	2	10
Full time, Managers	26	161
Full time, Employees	265	1,499
Part time, Directors	—	—
Part time, Managers	—	4
Part time, Employees	198	327

## Dismissals by sex

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Men	42	1,288
Women	271	1,917

## Dismissals by age group

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
<30 years	131	1,054
30-50 years	130	1,812
>50 years	52	339

## Dismissals by professional category

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Directors	1	16
Managers	9	150
Employees	303	3,039

## Hours of training by professional category

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Hours of training undergone by Directors	103	2,450
Hours of training undergone by Managers	7,630	40,500
Hours of training undergone by Employees	26,693	247,899

## Absenteeism and main health and safety indicators

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Absenteeism in men, hours	92,330	1,101,949
Number of accidents, men	65	590
Number of serious accidents, men	1	10
Work-related illnesses, men	—	3
Deaths, men	—	—
Frequency rate, men	30.23	30.01
Severity rate, men	1.79	2.34

## Absenteeism and main health and safety indicators

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Absenteeism in women, hours	647,609	2,517,910
Number of accidents, women	211	565
Number of serious accidents, women	—	2
Work-related illnesses, women	11	5
Deaths, women	—	—
Frequency rate, women	26.58	18.98
Severity rate, women	3.40	3.52

## Employees with disabilities

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of men with disabilities	20	228
No. of women with disabilities	49	178

## Average remuneration by sex (euros)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Men	19,946	19,644
Women	16,813	16,629

## Average remuneration by age (euros)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
<30 years	13,514	10,085
30-50 years	16,998	18,516
>50 years	20,875	26,458

## Average remuneration by professional category (euros)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Director	149,368	239,389
Manager	35,963	37,776
Employee	15,292	14,619

## Wage gap (%)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Director	69.05	67.16
Manager	88.83	96.70
Employee	103.44	101.46

## Average remuneration of Senior Management by sex (thousands of euros)

Indicator	Information for Portugal and Clarel 2023 <sup>25</sup>	Information for Consolidated Group 2023 (not including Portugal and Clarel) <sup>22</sup>
Men	367	881
Women	343	338

## Tax management

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Profit before tax (thousands of euros)	(1,344)	(31,678)
Tax paid (thousands of euros)	(506)	(37,959)

## Support for the community

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Donation of surpluses (kg)	43,256	678,234
Donation of additional products (kg)	139,996	814,549
Monetary donations (€)	44,418	89,060

## Franchisees

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of franchised stores	488	2,449
No. of franchisees	404	1,644
Number of franchise employees	2,488	14,622

<sup>25</sup> The difference between the average remuneration of men and women is largely explained by the Global CEOs in Global, Spain, Brazil and Argentina being men, and receiving a higher remuneration due to their position and not their sex.



## Raw materials

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Paper and cardboard	337	5,627
Of which, recycled	293	3,407
Plastic	182	1,629
Of which, recycled	—	349

## Non-hazardous waste

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Paper/cardboard	6,786	40,368
Toner	—	1
Organic waste	346	9,390
Plastic	479	3,189
Wood	30	375
WEEE	39	—
Scrap metal	257	247
Other (landfill)	37	15,009

## Energy consumption

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Fixed sources (GJ):	1,226.82	19,501.74
Logistics (GJ):	302,895.77	1,431,864.36
Company cars (GJ)	18,735.14	33,790.96
Refrigerant gases (Kg)	7,408.90	139,104.67
Electricity consumption (GJ)	423,748.07	2,745,362.36

## Emissions (Tn CO<sub>2</sub>eq)

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Fixed sources	73.58	1,247.97
Logistics	18,893.91	89,316.30
Company cars	1,169.02	2,211.67
Refrigerant gases	12,030.27	271,755.44
Electricity consumption	35,458.12	207,473.73
Business travel	475.19	3,680.81

## Ethics committee

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
Communications in query format	—	33
No. of complaints closed	22	652
No. of cases of discrimination	1	3

## Training on ethical policies

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
No. of directors trained	26	98
No. of managers trained	295	1,905
No. of employees trained	5,159	19,714

## Taxonomy

Indicator	Information for Portugal and Clarel 2023	Information for Consolidated Group 2023 (not including Portugal and Clarel)
CAPEX Eligible (€m)	26,962	262,961
CAPEX Aligned	295	1,905
OPEX Eligible	259	1,385
OPEX Aligned	—	—

## APPENDIX 2. TABLE OF CONTENTS OF LAW 11/2018 VS GRI INDICATORS/BENCHMARK REPORTING CRITERIA<sup>26</sup>

Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
<b>GENERAL INFORMATION</b>				
<b>Business model</b>				
Description of the business model, business environment, organisation and structure	2-1	N/A	10	3.1. Dia Group Presentation
	2-6		13-14	3.4. Business context: trends and risks affecting the food retail sector
Markets in which the Group operates	2-6	N/A	10-11	3.1. Dia Group Presentation 3.2. Dia Group in the world
Objectives and strategies	2-23	N/A	13-15; 19-23	3.4. Business context: trends and risks affecting the food retail sector 3.5. Pillars of transformation for value creation 4.2. A sustainable business model
Key factors and trends that may affect the Group's future development	2-1	N/A	13-15; 17-18	3.4. Business context: trends and risks affecting the food retail sector 3.5. Pillars of transformation for value creation 4.1. Materiality analysis
	2-6		13-15; 17-18	3.4. Business context: trends and risks affecting the food retail sector 3.5. Pillars of transformation for value creation 4.1. Materiality analysis
Materiality	3-1	N/A	17-18	4.1. Materiality analysis
	3-2		17-18	4.1. Materiality analysis
	3-3		17-18	4.1. Materiality analysis
Description of policies, including due diligence procedures and verification and control procedures, including what measures have been taken	2-23	N/A	Throughout the report.	5. Quality food accessible to all 6. Another member of the neighbourhood 7. Understanding and supporting our partners at source 8. Working proactively on environmental challenges 9. Good corporate governance and commitment to the highest ethical standards
The results of these policies and associated KPIs (these KPIs should enable the assessment of progress and comparability between companies and sectors, in accordance with national, European or international benchmark frameworks used for each area)	2-24	N/A	Throughout the report.	5. Quality food accessible to all 6. Another member of the neighbourhood 7. Understanding and supporting our partners at source 8. Working proactively on environmental challenges 9. Good corporate governance and commitment to the highest ethical standards
Main risks identified, risk management model and materialisation of risks	3-3	N/A	Throughout the report.	3.4. Business context: trends and risks affecting the food retail sector 4.1. Materiality analysis 9.2.1. Risk Management Committee
<b>ENVIRONMENTAL ISSUES</b>				
<b>General information about environmental performance</b>				
Current and foreseeable effects of the Group's activities on the environment and, where appropriate, on health and safety	2-23	Yes (Packaging; waste management and food waste; climate change)	56	8. Working proactively on environmental challenges
	3-3		56	8. Working proactively on environmental challenges

<sup>26</sup> The tags referring to the GRI thematic standards used to aid identification of the text and data that respond to the various requirements of Law 11/2018 have been included throughout the NFIS, except for the tags relating to universal standards GRI-2 and GRI-3, since these concern more general information about the company or management approaches mentioned in the various chapters.

Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
Environmental assessment or certification procedures	2-23	Yes (Packaging; waste management and food waste; climate change)	56	8. Working proactively on environmental challenges
	3-3		56	8. Working proactively on environmental challenges
Resources dedicated to preventing environmental risk	2-23	Yes (Packaging; waste management and food waste; climate change)	56	8. Working proactively on environmental challenges
	3-3		56	8. Working proactively on environmental challenges
Application of the cautionary principle	2-23	Yes (Sustainability of raw materials)	56	8. Working proactively on environmental challenges
	3-3		56	8. Working proactively on environmental challenges
The amount of provisions and guarantees for environmental risks	2-27	Yes (Packaging; waste management and food waste; climate change)	56	8. Working proactively on environmental challenges
	3-3		56	8. Working proactively on environmental challenges
<b>Pollution</b>				
Measures for preventing, reducing or offsetting carbon emissions that seriously affect the environment; taking into account any kind of atmospheric pollution specific to an activity, including sound and light pollution	3-3	Yes (Climate change)	59;61	8.2.1. Emissions
<b>Circular economy and waste prevention</b>				
Waste: Measures for prevention, recycling, reusing, other forms of recovery and waste elimination	3-3		57-59	8.1.1. Eco-design of packaging and packing 8.1.3. Responsible waste management
	306-3	Yes (Waste management and food waste)	57-59	8.1.1. Eco-design of packaging and packing 8.1.3. Responsible waste management
	306-4		57-59	8.1.1. Eco-design of packaging and packing 8.1.3. Responsible waste management
	306-5		57-59	8.1.1. Eco-design of packaging and packing 8.1.3. Responsible waste management
Actions to combat food wastage	3-3	Yes (Waste management and food waste)	57-59	8.1.1. Eco-design of packaging and packing 8.1.2. Responsible use of natural resources 8.1.3. Responsible waste management
	306-2		57-59	8.1.1. Eco-design of packaging and packing 8.1.2. Responsible use of natural resources 8.1.3. Responsible waste management
<b>Sustainable use of resources</b>				
Water consumption and water supply according to local limitations	3-3	Not material	18	N/A
	303-3		18	N/A
Consumption of raw materials and measures taken to improve efficiency of use	3-3	Yes (Packaging)	52-53; 57	7.2.2.1. Sustainability of raw materials 8.1.2. Responsible use of natural resources
	301-1		52-53; 57	7.2.2.1. Sustainability of raw materials 8.1.2. Responsible use of natural resources
Direct and indirect consumption of energy, measures taken to improve energy efficiency and use of renewable energies	3-3		59-61	8.2.1. Emissions
	302-1	Yes (Climate change)	59-61	8.2.1. Emissions
	302-2		59-61	8.2.1. Emissions
	302-4		59-61	8.2.1. Emissions
<b>Climate change</b>				
Significant elements of greenhouse gas emissions generated as a result of the Group's activity, including the use of goods and services it produces	305-1		59-61	8.2.1. Emissions
	305-2	Yes (Climate change)	59-61	8.2.1. Emissions
	305-3		59-61	8.2.1. Emissions
	305-5		59-61	8.2.1. Emissions
	305-6		59-61	8.2.1. Emissions
The measures taken to adapt to the consequences of climate change	3-3	Yes (Climate change)	59; 61-62	8.2.1. Emissions 8.2.2. Climate risks



Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
Medium and long-term voluntary reduction targets for greenhouse gas emissions and the measures implemented for this purpose	3-3	Yes (Climate change)	59; 61-62	8.2.1. Emissions 8.2.2. Climate risks
<b>Protection of biodiversity</b>				
Measures taken to preserve or restore biodiversity	3-3	Yes (Sustainability of raw materials)	52-53	7.2.2.1. Sustainability of raw materials
Impacts caused by activities or operations in protected areas	304-2	Non-material direct impacts; Material indirect impacts (Sustainability of raw materials)	52-53	7.2.2.1. Sustainability of raw materials
<b>LABOUR AND EMPLOYEE ISSUES</b>				
<b>Employment</b>				
Total number of employees by sex, age, country and professional category	2-7	Yes (Diversity and inclusion)	35	6.1. Human capital 9.1. Composition and structure of the Board of Directors
	405-1		65	6.1. Human capital 9.1. Composition and structure of the Board of Directors
Total number of employees by type of contract	2-7	Yes (Diversity and inclusion)	36	6.1.1. Responsible approach to quality employment
Average annual number of permanent contracts, temporary, full and part-time contracts by sex, age and professional category	2-7	Yes (Diversity and inclusion)	37	6.1.1. Responsible approach to quality employment
Number of dismissals by sex, age and professional category	401-1	Yes (Diversity and inclusion)	37	6.1.1. Responsible approach to quality employment
Average remuneration and evolution by sex, age and professional category or equivalent value	3-3	Yes (Team and employee development)	44	6.1.4. Diversity and inclusion
Wage gap, remuneration of equal jobs	3-3	Yes (Diversity and inclusion)	44	6.1.4. Diversity and inclusion
	405-2		44	6.1.4. Diversity and inclusion
Average remuneration of board members and executives, including variable remuneration, allowances, indemnities, payment of long-term savings plans and any other benefit, broken down by sex	3-3	Yes (Employee development aspect)	44;66	6.1.4. Diversity and inclusion 9.1. Composition and structure of the Board of Directors
Implementation of policies safeguarding employees' right to disconnect	3-3	Yes (Team and employee development)	43	6.1.4. Diversity and inclusion
Employees with disability	405-1	Yes (Diversity and inclusion)	44	6.1.4. Diversity and inclusion
<b>Work organisation</b>				
Organisation of work time	3-3	Yes (Team and employee development)	38	6.1.1. Responsible approach to quality employment
Number of hours of absenteeism	3-3	Yes (Team and employee development)	41	6.1.3. Occupational health and safety
Measures taken to facilitate work-life balance and promote shared responsibility by both parents	3-3	Yes (Team and employee development)	37-39; 43-44	6.1.1. Responsible approach to quality employment 6.1.2. Employee development 6.1.4. Diversity and inclusion
<b>Health and safety</b>				
Occupational health and safety conditions	3-3	Yes (Health and safety)	40-41	6.1.3. Occupational health and safety
	403-1		40-41	6.1.3. Occupational health and safety
Work-related accidents, specifying accident rates and severity, reported by sex	403-9	Yes (Health and safety)	41	6.1.3. Occupational health and safety

Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
Work-related illnesses broken down by sex	403-10	Yes (Health and safety)	41	6.1.3. Occupational health and safety
Labour relations				
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff	3-3	Yes (Team and employee development)	37	6.1.1. Responsible approach to quality employment
Percentage of employees covered by a collective labour agreement, by country	2-30	Yes (Team and employee development)	37	6.1.1. Responsible approach to quality employment
Balance of collective labour agreements, particularly in the area of occupational health and safety	3-3	Yes (Team and employee development)	37	6.1.1. Responsible approach to quality employment
Mechanisms and procedures that the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	2-29	Yes (Team and employee development)	36	6.1. Human Capital
Training				
Policies implemented in the area of training	3-3	Yes (Team and employee development)	39	6.1.2. Employee development
	404-2	Yes (Team and employee development)	39	6.1.2. Employee development
Total hours of training by professional category	3-3	Yes (Team and employee development)	39	6.1.2. Employee development
	404-1	Yes (Team and employee development)	39	6.1.2. Employee development
Universal accessibility for people with disabilities				
Universal accessibility for people with disabilities	3-3	Yes (Diversity and inclusion aspect)	42-43	6.1.4. Diversity and inclusion
Equality				
Measures taken to promote equal opportunities for and treatment of men and women	3-3	Yes (Diversity and inclusion)	42-44	6.1.4. Diversity and inclusion
Equality plans, measures taken to promote employment, protocols against sexual and sex- based harassment	3-3	Yes (Diversity and inclusion)	42-44	6.1.4. Diversity and inclusion
	2-23		42-44	6.1.4. Diversity and inclusion
Measures taken to promote the integration and universal accessibility of persons with disabilities	3-3	Yes (Diversity and inclusion)	42-43	6.1.4. Diversity and inclusion
Policy against all types of discrimination and, if applicable, diversity management	3-3	Yes (Diversity and inclusion)	42:44	6.1.4. Diversity and inclusion
	2-23		42:44	6.1.4. Diversity and inclusion
HUMAN RIGHTS				
Application of due diligence procedures with regard to human rights	2-26			7.2.2.2. Human Rights Management
	3-3	Yes (Human rights)	53-54	7.2.2.2. Human Rights Management
	414-2			7.2.2.2. Human Rights Management
Prevention of risk of human rights violations and, if applicable, measures to mitigate, manage and address possible abuses committed	2-23		53-54	7.2.2.2. Human Rights Management
	2-26	Yes (Human rights)	53-54	7.2.2.2. Human Rights Management
	3-3		53-54	7.2.2.2. Human Rights Management
	414-2		53-54	7.2.2.2. Human Rights Management
Cases of human rights violations reported	406-1	Yes (Human rights)	37; 69	6.1.1. Responsible approach to quality employment 9.2.2. Ethics Committee.

Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
Promotion and compliance with the provisions of the core agreements of the International Labour Organization relating to respect for freedom of association and the right to collective bargaining	2-23	Yes (Human rights)	37; 53:69	6.1.1. Responsible approach to quality employment 7.2.2.2. Human Rights Management 9.2.2. Ethics Committee.
	3-3		37; 53:69	6.1.1. Responsible approach to quality employment 7.2.2.2. Human Rights Management
Elimination of workplace job discrimination	3-3	Yes (Diversity and inclusion)	42	6.1.4. Diversity and inclusion
	2-23		42	6.1.4. Diversity and inclusion
Elimination of forced labour	2-23	Yes (Human rights)	37; 53:69	6.1.1. Responsible approach to quality employment 7.2.2.2. Human Rights Management 9.2.2. Ethics Committee.
	3-3		37; 53:69	6.1.1. Responsible approach to quality employment 7.2.2.2. Human Rights Management 9.2.2. Ethics Committee.
Abolition of child labour	2-23	Yes (Human rights)	53:69	7.2.2.2. Human Rights Management
	3-3		53:69	7.2.2.2. Human Rights Management 9.2.2. Ethics Committee.
CORRUPTION AND BRIBERY				
Measures taken to prevent corruption and bribery	2-23	Yes (Business ethics)	69-71	9.2.2. Ethics Committee 9.2.3 Internal Audit
	2-25		69-71	9.2.2. Ethics Committee 9.2.3 Internal Audit
	2-26		69-71	9.2.2. Ethics Committee 9.2.3 Internal Audit
	205-2		69-71	9.2.2. Ethics Committee.
	205-3		69-71	9.2.2. Ethics Committee 9.2.3 Internal Audit
Anti-money laundering measures	2-23	Yes (Business ethics)	69-71	9.2.2. Ethics Committee 9.2.3 Internal Audit
	2-26		46	9.2.2. Ethics Committee 9.2.3 Internal Audit
Contributions to foundations and non-profits	201-1	Yes (Business ethics)	46	6.2.1. Support for the community
	3-3		46	6.2.1. Support for the community
SOCIETY				
Commitments to sustainable development				
Impact of the company's activity on local jobs and development	3-3	Yes (Diversity and inclusion)	42;46; 49-50	6.1.4. Diversity and inclusion 6.2.1. Support for the community 7.1. Franchisees, allies in the roll-out of the proximity strategy
Social impact of the Group's activity on local towns and the region	3-3	Yes (Diversity and inclusion)	42;46; 49-51	6.1.4. Diversity and inclusion 6.2.1. Support for the community 7.1. Franchisees, allies in the roll-out of the proximity strategy
Relations with local community players and types of dialogue with these	2-29	Yes (Listening to stakeholders prior to defining material issues)	17-18;42;46; 49-50	4.1. Materiality analysis 6.1.4. Diversity and inclusion 6.2.1. Support for the community
	3-3		17-18;42;46; 49-50	7.1. Franchisees, allies in the roll-out of the proximity strategy 7.2.2.1. Sustainability of raw materials
		2-28	Not material	46
Association activities and sponsorship	2-28	Not material	46	6.2.1. Support for the community

Requirements of Law 11/2018	GRI	Material for Dia	Page	NFIS Chapter
Outsourcing and suppliers				
Social issues, gender equality and environmental issues in the procurement policy; consideration in the relationships with suppliers and subcontractors of their social and environmental responsibility	2-6	Yes (Sustainability of raw materials; Human Rights)	53-54; 57	7.2.2.2. Human Rights Management 8.1.2. Responsible use of natural resources
	2-24		53-54; 57	7.2.2.2. Human Rights Management 8.1.2. Responsible use of natural resources
	3-3		53-54; 57	7.2.2.2. Human Rights Management 8.1.2. Responsible use of natural resources
Supervision and auditing systems and their results	2-6	Yes (Human rights)	30-33; 53-54	5.1. Eating better every day 5.2. Food safety 5.3. Nutritional quality of the Dia brand 7.2.2.2. Human Rights Management
	2-24		30-33; 53-54	5.1. Eating better every day 5.2. Food safety 5.3. Nutritional quality of the Dia brand 7.2.2.2. Human Rights Management
	3-3		30-33; 53-54	5.1. Eating better every day 5.2. Food safety 5.3. Nutritional quality of the Dia brand 7.2.2.2. Human Rights Management
Consumers				
Measures for consumer health and safety	3-3	Yes (Food safety)	32-33	5.2. Food safety 5.3. Nutritional quality of the Dia brand
Claims and complaints systems and resolution	2-16	Yes (Food safety)	29	5. Quality food accessible to all
	2-25	Yes (Food safety)	29	5. Quality food accessible to all
	3-3	Yes (Food safety)	29	5. Quality food accessible to all
Tax information				
Profits obtained, by country	207-4	Yes (Business ethics)	47	6.2.2. Tax management and governance
Tax on profits paid	207-4	Yes (Business ethics)	47	6.2.2. Tax management and governance
Public grants received	201-4	Yes (Business ethics)	47	6.2.2. Tax management and governance
ADDITIONAL INFORMATION				
Other information on the profile of the Group	2-1	N/A	8	2. Basis of preparation of the Non-Financial Information Statement 3.Dia Group: business model and strategic pillars
	2-6		10-15	3.Dia Group: business model and strategic pillars
Corporate governance	2-9	N/A	65	9.1. Composition and structure of the Board of Directors
Stakeholder participation	2-29	N/A	17-18	4.1. Materiality analysis
Other information on the profile of the report	2-2	N/A	8	2. Basis of preparation of the Non-Financial Information Statement
	2-3		8	2. Basis of preparation of the Non-Financial Information Statement
	2-5		101	Appendix 4. Verification report
TAXONOMY: response to the requirements arising from the EU Taxonomy Regulation 2020/852, using the delegated regulations implementing this regulation as criteria.				
Eligible and aligned turnover	—	N/A	76;81	10.2 Identification of taxonomy-compliant activities (alignment) 10.4 Accounting policy
Eligible and aligned CapEx	—	N/A	76;81	10.2 Identification of taxonomy-compliant activities (alignment) 10.4 Accounting policy
Eligible and aligned OpEx	—	N/A	76;81	10.2 Identification of taxonomy-compliant activities (alignment) 10.4 Accounting policy
Information complementary to key performance indicators (accounting policy, assessment of compliance with the regulation and contextual information)	—	N/A	73-75; 81	10. Taxonomy 10.1.Identification of eligible activities 10.4 Accounting policy



## APPENDIX 3. Taxonomy: Disclosure Table

Proportion of **Turnover** from eligible and non-eligible economic activities according to the Taxonomy for 2023<sup>27</sup>.

Economic activities	Codes	Turnover (euros or thousands of euros, or millions of euros)	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover conforming to the taxonomy (A.1.) or eligible according to taxonomy (A.2), 2022	Facilitating activity category	Transitional activity category
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (taxonomy-compliant)</b>																			
<b>Turnover from environmentally sustainable activities (taxonomy-compliant) (A.1)</b>		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which: facilitating		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %	F	
Of which: transitional		0	0 %	0 %													0 %		T
<b>A.2. Taxonomy-eligible activities, but not environmentally sustainable (not taxonomy-compliant activities)</b>																			
<b>Turnover from taxonomy- eligible activities, but not environmentally sustainable (not taxonomy-compliant activities) (A.2)</b>		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
<b>A. Turnover from taxonomy eligible activities (A.1+A.2)</b>		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
Turnover from taxonomy non-eligible activities (B)		6762201	100%																
<b>TOTAL</b>		€	100%																

<sup>27</sup> Portugal and Clarel are included in discontinued activities

Proportion of **CapEx** from taxonomy-eligible and taxonomy-non-eligible economic activities in 2023<sup>28</sup>.

Financial year 2023	Year			Substantial contribution criteria						No significant harm criteria ("Cause no significant harm").									
Economic activities	Codes	CapEx (€)	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of CapEx conforming to the taxonomy (A.1.) or eligible according to taxonomy (A.2), 2022	Facilitating activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-compliant)																			
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	514,131	0.14%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.2%	F	
7.7. Acquisition and ownership of buildings	CCM 7.7	323,117	0.09%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0%		
CapEx from environmentally sustainable activities (taxonomy-compliant) (A.1)		837,248	0.22%	0.22%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0.2%		
Of which: facilitating		514,131	61.41%	61.41%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	100%	F	
Of which: transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T
A.2. Taxonomy-eligible activities, but not environmentally sustainable (not taxonomy-compliant activities)																			
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5/ CCA 6.5	2,802,650	0.74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0%			
7.2. Renovation of existing buildings	CCM 7.2/ CCA 7.2/CE 3.2	39,567,523	10.43%	EL	N/EL	N/EL	N/EL	EL	N/EL							21.6%			
7.3. Installation, maintenance and repair of energy efficiency equipment	CCM 7.3/ CCA 7.3	15,922,559	4.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							1.2%			
CapEx from taxonomy-eligible activities, but not environmentally sustainable (not taxonomy-compliant activities) (A.2)		58,292,731	15.36%	15.36%	0%	0%	0%	0%	0%							22.9%			
A. CapEx from taxonomy eligible activities (A.1+A.2)		59,129,979	15.58%	15.58%	0%	0%	0%	0%	0%							22.9%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx from taxonomy-non-eligible activities (B)		320,396,895	84%																
TOTAL		379,526,873	100%																

<sup>28</sup> Portugal and Clarel are included in discontinued activities

	Proportion of CapEx/ total CapEx	
	that is taxonomy-eligible per goal	according to the taxonomy per goal
Climate Change Mitigation (CCM)	0.22%	15.58%
Climate Change Adaptation (CCA)	—%	15.58%
Protection of Water and Marine resources (WTR)	0%*	0%*
Circular economy (CE)	0%*	10.43%
Preventing and Controlling Pollution (PPC)	0%*	0%*
Biodiversity (BIO)	0%*	0%*

Proportion of **OpEx** from taxonomy-eligible and taxonomy-non-eligible economic activities in 2023<sup>29</sup>.

Financial year 2022	Year			Substantial contribution criteria						No significant harm criteria ("Cause no significant harm")									
Economic activities	Codes	OpEx	Proportion of OpEx 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of OpEx conforming to the taxonomy (A.1.) or eligible according to taxonomy (A.2). 2022	Facilitating activity category	Transitional activity category
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (taxonomy-compliant)</b>																			
<b>OpEx from environmentally sustainable activities (taxonomy-compliant) (A.1)</b>		-	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which: facilitating		-	0%	0%						-	-	-	-	-	-	-	0%	F	
Of which: transitional		-	0%	0%						-	-	-	-	-	-	-	0%		T
<b>A.2. Taxonomy-eligible activities, but not environmentally sustainable (not taxonomy-compliant activities)</b>																			
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5/CCA 6.5	1,498,313	1.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.70%		
7.3. Installation, maintenance and repair of energy efficiency equipment	CCM 7.3/CCA 7.3	145,936	0.10%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
<b>OpEx from taxonomy-eligible activities, but not environmentally sustainable (not taxonomy-compliant activities) (A.2)</b>		<b>1,644,249</b>	<b>110.00%</b>	<b>0.73%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>								<b>38.0%</b>		
<b>A. OpEx from taxonomy eligible activities (A.1+A.2)</b>		<b>1,644,249</b>	<b>110.00%</b>	<b>0.73%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>								<b>38.0%</b>		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
OpEx from taxonomy-non-eligible activities (B)		147,725,751	98.90%																
<b>TOTAL</b>		<b>149,370,000</b>	<b>100%</b>																

<sup>29</sup> Portugal and Clarel are included in discontinued activities



	Proportion of OpEx/ total OpEx	
	that is taxonomy-eligible per goal	according to the taxonomy per goal
Climate Change Mitigation (CCM)	0%*	1,1%
Climate Change Adaptation (CCM)	0%*	1,1%
Protection of Water and Marine resources (WTR)	0%*	0%*
Circular economy (CE)	0%*	0%*
Preventing and Controlling Pollution (PPC)	0%*	0%*
Biodiversity (BIO)	0%*	0%*

#### Activities related to nuclear energy and fossil gas

Fila	Activities related to nuclear energy	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Activities related to fossil gas		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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## APPENDIX 4. Verification report

Independent Limited Assurance Report on the Consolidated  
Non-Financial Statement for the year ended  
December 31, 2023

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.  
AND SUBSIDIARIES

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

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

To the shareholders of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.:

Pursuant to Article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2023, of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. and subsidiaries (hereinafter DIA Group or the Group) that forms part of the accompanying Consolidated Management Report of the Group.

The content of the NFS in the Consolidated Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the "Appendix 2. Table Of Contents of Law 11/2018 vs GRI Indicators/ Reporting Criteria" included in the accompanying NFS.

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### **Responsibility of the Board of Directors**

The preparation of the NFS included in the Consolidated Management Report of the Group, and its content, is the responsibility of the Board of Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. The NFS has been prepared in accordance with the content required by current mercantile regulations and in conformity with the criteria outlined in the selected *Sustainability Reporting Standards of Global Reporting Initiative (GRI standards)*, as well as other criteria described in accordance with that indicated for each subject in the "Appendix 2. Table Of Contents of Law 11/2018 vs GRI Indicators/ Reporting Criteria" of the NFS.

The Board of Directors is also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

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### **Our independence and quality management**

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

Our Firm applies International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of experts in the review of non-financial information and, specifically, information on economic, social, and environmental performance.

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### **Our responsibility**

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower.

Our work consisted in making enquiries of Management and the various DIA Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and selective tests by means of sampling as described below:

- ▶ Meetings with DIA Group personnel to obtain an understanding of the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023 based on the materiality analysis made by DIA Group and described in section 4.1 Materiality Analysis, considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2023 NFS.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.



- ▶ Check, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

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### **Emphasis of Matter paragraph**

Pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and pursuant to the Delegated Acts enacted in accordance with the provisions of that Regulation, undertakings shall disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities in relation to the following environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems (other environmental objectives). For certain new activities included in the climate change mitigation and adaptation objectives, undertakings shall disclose for the first time for the year 2023 additional information on eligible and aligned activities that was already required in 2022 in relation to the climate change mitigation and adaptation objectives. As a result, no comparative information on eligibility has been included in the accompanying NFS in relation to other environmental objectives listed above or to the new activities included in the climate change mitigation and adaptation objectives. Additionally, to the extent that the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying NFS is not strictly comparable, either. Furthermore, it should be noted that DIA Group directors have included information on the criteria that, in their opinion, allow for better compliance with the aforementioned obligations. These criteria are defined in Note 10. Taxonomy of the accompanying NFS. Our conclusion is not modified in respect of this matter.

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### **Conclusion**

Based on the limited assurance procedures conducted and the evidence obtained, nothing has come to our attention that causes us to believe that DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. and Subsidiaries NFS for the year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the "Appendix 2. Table Of Contents of Law 11/2018 vs GRI Indicators/ Reporting Criteria" of the aforementioned NFS.

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### **Use and distribution**

This report has been prepared as required by current mercantile regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Elena Fernández García

February 29, 2024