

Environmental Policy

Dia Group

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INTRODUCTION

The objective of this policy is to establish a framework and formal commitment to guide the Dia Group's environmental practices, and to help determine the metrics and targets of the environmental standards set out in the Corporate Sustainability Reporting Directive (CSRD). This alignment guarantees that the metrics, targets and measures adopted address double materiality, the transition to a low-carbon economy, the preservation of biodiversity and the efficient management of natural resources, ensuring consistency with the Taxonomy Regulation and the objectives of the European Green Deal, and that this policy complies with national and international legislation on human, environmental and labour rights.

This policy complements other regulations and procedures, such as the Sustainability Policy. The content of this policy is globally applicable and mandatory for all the companies that make up the Dia Group and is binding for all its professionals, regardless of their position and functions.

Its underlying pillars are defined below:

- Climate change: long-term alteration of the Earth's climate conditions, caused by natural factors and, above all, by human action that increases the concentration of greenhouse gases in the atmosphere, affecting climate conditions worldwide.
- Pollution: deterioration of air or soil as a result of the release of harmful substances or the alteration of natural conditions.
- Water and marine resources: planning and actions to sustainably manage aquatic and marine ecosystems and their resources, promoting their conservation, efficient use and equitable distribution. This includes ensuring the well-being of the communities that depend on them, protecting biodiversity and guaranteeing their long-term availability and health in the face of challenges such as pollution, overexploitation and climate change.
- Biodiversity and ecosystems: management and conservation of the variety of species and natural resources that the Company uses and influences, as they are crucial for maintaining ecosystems and ensuring the long-term viability of activities.
- Circular economy: efficient management of natural resources, reduction of waste and adoption of a sustainable and circular approach in all operations and activities of the organisation.

GOVERNANCE OF ENVIRONMENTAL POLICY

To ensure the integration of the Environmental Policy in the Dia Group's strategy and its transparency, the Board of Directors, through two of its committees (Appointments and Remuneration Committee and Audit and Compliance Committee), carries out regular monitoring of performance and regulatory compliance in this area. The bodies, committees and working groups defined at different levels are:

- **Board of Directors:** responsible for approving the Company's sustainability strategy, its objectives and main lines of action. It has the non-delegable responsibility of approving this policy and its updates, which shall be carried out at least every time the Company's Strategic Sustainability Plan is updated.
- **Appointments and Remuneration Committee (ARC):** responsible for supervising management's performance in relation to the environmental strategy, the objectives set, the lines of action and achievement of the main indicators defined by the Dia Group, and for reporting these to the Board of Directors when appropriate.
- **Audit and Compliance Committee (ACC):** ensures compliance with environmental regulations, reviews and proposes to the Board of Directors the approval of the Sustainability Report, approves and supervises adequate risk management and a system of internal control over sustainability information, and raises issues to the Board of Directors when appropriate.
- **Management Board:** the highest body responsible for defining, implementing and monitoring the Strategic Sustainability Plan, reporting to the Board of Directors both directly and through its committees. The Sustainability Department is represented on the Management Board and is responsible for raising ESG issues.
- **Sustainability Committee:** an organisation-wide body whose purpose is to propose and guarantee compliance with the Strategic Sustainability Plan. It also ensures the coordination of all necessary actions within the Group and supports the Management Board in its supervision and monitoring.
- Other management committees with ESG-related functions: the **Risk Management and Internal Control Committee** approves the methodological framework that allows for an adequate management of the most important risks that may affect the Group and is responsible for implementing an effective control system. The **Group Ethics Committee** reviews the contents of the Code of Ethics and develops the necessary policies, processes and controls to address relevant ethical and integrity issues from time to time.

CLIMATE CHANGE AND POLLUTION

The Dia Group considers it very important to lead the transition towards low-carbon business models that reduce or mitigate the adverse effects of climate change. The Company promotes the adoption of global emission reduction targets and develops projects, products and services that contribute to the reduction of Greenhouse Gases (GHG).

Principles

- Compliance with applicable environmental legislation as a fundamental premise for the Dia Group.
- Environmental management: integrate environmental management, the circular economy approach and the concept of sustainable development into the Company's corporate strategy, using documented environmental criteria in planning and decision-making processes.
- Control: maintain, in all its activities, a permanent control of compliance with the legislation in force, as well as with the voluntary agreements entered into.
- Efficiency and excellence: commitment to efficiency and excellence in operations, integrating economic, technical, social and environmental aspects in the management of its stores and logistics processes.
- Sustainable use: sustainable use of energy and water resources and raw materials, optimal waste management, ensuring maximum recovery and promoting the reduction of waste generation, and measuring and reducing environmental impact by applying the best available techniques and practices, fostering innovation and establishing actions aimed at combating climate change.
- Energy efficiency: the Dia Group promotes reductions in energy consumption and improvements in energy efficiency, with the aim of cutting greenhouse gas emissions, by installing remote-controlled automation in its network of stores and upgrading the control system for cold storage facilities in warehouses.
- Decarbonisation: the Dia Group fosters the decarbonisation of its business model through the reduction of emissions in cold storage and the gradual introduction of liquefied natural gas lorries for transport instead of traditional diesel lorries.
- Management of climate change-related risks and opportunities: the Dia Group manages the short, medium and long-term risks and opportunities associated with climate change, in order to adopt the necessary measures to guarantee the adaptation of its businesses to the expected physical and transitional changes.
- Collaboration: the Dia Group cooperates with other private sector companies, public institutions, social organisations and other stakeholders in the fight against climate change.
- Transparency: the Dia Group reports in a transparent and rigorous manner on its climate change activities, and specifically on its risks and opportunities, as well as its mitigation and adaptation actions.
- Value chain and business partners: the Dia Group monitors its scope 3 carbon footprint and works on the implementation of measures to reduce it.

WATER AND MARINE RESOURCES

The main objective of the Dia Group's Water Policy is to contribute to the fundamental human right of access to safe drinking water and sanitation, as recognised in 2010 by the United Nations General Assembly.

The Dia Group recognises that water is a limited and irreplaceable natural resource, and therefore focuses its water management strategy on the availability of the resource, its quality and the balance of the ecosystems in which it is located.

In this respect, the Dia Group promotes the following principles amongst all its stakeholders:

Principles

- Comply with current water regulations, as well as the specifications of international standards of reference and those established internally by the organisation.
- Manage water resources efficiently and responsibly.
- Establish indicators, targets, monitoring protocols and strategies that allow continuous control and evaluation of the efficient management of water and its responsible use in the direct operations of the Dia Group, thus optimising the balance resulting from the Group's water footprint.
- Support the development and implementation of measures that enable more responsible water use, such as flow control at taps in all new openings and refurbishments of the Group's establishments.
- Integrate water use and management into the Company's risk management strategy.
- Communicate the results of the Company's water management in a transparent manner.
- Value chain and business partners: the Dia Group monitors its indirect blue water footprint to identify those activities, goods and services with the greatest impact, and to be able to establish action plans in this regard.

BIODIVERSITY AND ECOSYSTEMS

Although, due to their location, our direct activities do not have a significant negative impact on biodiversity, the Group's sourcing policies may have an indirect effect on biodiversity and the normal functioning of ecosystems. This is particularly true in relation to deforestation, sustainable fisheries and animal well-being, issues that we as a Group have decided to address through the Strategic Sustainability Plan by working to gain a better understanding of the situation with two objectives: support best practices in each field through certification programmes; and reduce the potential risks associated with the use of raw materials.

Principles

- Comply with current biodiversity regulations, as well as the specifications of international standards of reference and those established internally by the

organisation, paying special attention to aspects such as deforestation, sustainable fishing and animal well-being.

- Establish strategies, initiatives, targets and monitoring protocols to identify and assess the main impacts of Dia's activities on biodiversity.
- Promote the protection of biodiversity and natural capital by extending our biodiversity policy to our chain of activities.
- Develop products that have been validated, by means of seals, certification of production systems (RSPO, Rainforest, MSC, FSC, etc.) or other equivalent means, as having been produced taking into account the protection, conservation and improvement of ecosystems and the environment.
- Integrate biodiversity care into the Company's risk management strategy.
- Communicate the results of the Company's biodiversity management in a transparent manner.

CIRCULAR ECONOMY

The circular economy policy establishes a framework for action aimed at the regeneration of the environment, through the elimination of virgin materials and the aspiration of complete circularity of the materials that are used in our processes and products.

Principles

- Reduce the use of resources, use renewable and recycled materials, reintroduce waste into production cycles and reduce water and energy consumption.
- Plan and intensify the use of technology to reduce material and energy consumption, anticipate and avoid wastage and reduce food waste.
- Place a special focus on the maintenance of equipment and facilities to prevent failures, leaks and material fatigue and thus extend the life of assets.
- Give value to the materials, using the waste management and segregation hierarchy, paying special attention to our warehouses, with the aim of being zero waste in all of them
- Have targets and accountability, proposing strategies and improvement plans for circularity indicators, and making them public in order to rigorously meet stakeholder expectations.

RELATIONSHIPS OF TRUST WITH STAKEHOLDERS

The Dia Group promotes transparency in dialogue with all its stakeholders and establishes relationships of trust based on honest engagement and open communication. The Company recognises the importance of listening and responding to the concerns of the community, employees, customers and other stakeholders to work together towards a sustainable and shared future.

- **Customers:**
 - Club Dia: through the platform/app, customers can voluntarily rate their shopping experience in physical stores or e-Commerce in real time.
 - Customer service: through different channels to deal with communications, queries, as well as the management of possible incidents.
 - Social media for the Group's commercial and corporate communications. The Company has profiles on the most widely used platforms in all the countries where it operates, including Facebook, Twitter, Instagram, LinkedIn and YouTube.

- **Employees:**
 - Corporate social portal and/or similar applications in each BU for employees, promoting communication, generating professional knowledge and disseminating corporate information, as well as being an access point for employee applications.
 - Newsletters adapted to needs in Spain and Argentina.
 - Periodic surveys to gauge opinions of collaborators.
 - Regular channels and spaces for communication between senior management and employees to improve trust, bring leadership closer, share business performance and the progress of the transformation process.

- **Franchisees:**
 - Satisfaction surveys.
 - The Franchise Portal, an online platform where you can access proprietary and comparative information databases.
 - Franchise newsletter in all countries where the Group operates.
 - Regular discussion forums with senior management, where two-way communication is a priority.
 - Regular communication with supervisors and the franchise analyst.

- **Suppliers:**
 - Supplier portal: an online platform where suppliers can access historical databases, invoices issued or sent and, in some cases, stock status.
 - Regular meetings with management.
 - Contact with sales and support team.
 - Web channel for potential suppliers.
 - Supplier satisfaction survey on their relationship with Dia.

- **Shareholders and investors:**
 - Official communication through the website.
 - Shareholder general meetings.

- Communication and information through the CNMV.
- **Other stakeholders (associations, media outlets, social entities, NGOs and sectoral organisations).** The Company integrates direct and close dialogue with different entities as a fundamental pillar of the stakeholder relations system.

SUSTAINABILITY MONITORING IN THE DIA GROUP

The Dia Group reaffirms its aim to integrate environmental considerations into the Company's control and supervision systems, seeking to operate in a sustainable and responsible manner. To achieve this, it will focus on:

- **Environmental risk management:** the Dia Group's Internal Control and Global Risks Department is responsible for designing the comprehensive risk system whose objectives are to help identify, assess and manage the environmental risks considered most relevant to the Group and to monitor their evolution. Responsibility for the management of each risk pertains to the risk owners in different areas and countries.
- **Synergies with the Compliance model:** The Dia Group has a corporate governance system that aims to guarantee not only the achievement of the goals set and the growth of the Company, but also an adequate climate of control and compliance with both internal and external regulations.

The Company has developed a solid model of regulatory compliance and corporate governance in line with the recommendations of the CNMV's Good Governance Code for Listed Companies and the best practices of listed companies. Thus, it has developed a wide range of statutes, regulations and policies that ensure the optimal framework to meet the standards in terms of transparency, crime prevention, risk management, tax responsibility, management of conflicts of interest and related party transactions, human and labour rights in the value chain, among other areas related to the activity of the Dia Group.

Aimed at complying with the best standards of good corporate governance, the Dia Group is making progress in the continuous improvement of the Anti-Fraud Programme, the review of the Due Diligence procedures of third parties, as well as the integration of the obligations and main impacts on the compliance model that derive from ESG issues.

UPDATE OF THE ENVIRONMENTAL POLICY

This Environmental Policy was approved by the Board of Directors of the Dia Group on **12 December 2024**. Accordingly, it is integrated in the catalogue of corporate policies and complements the internal regulations of the Dia Group, in particular:

- Environmental Policy.
- Labour Human Rights in the Value Chain Policy.
- Crime Prevention and Anti-Corruption Policy.
- Policy on Directors' Remuneration.

- Responsible Marketing Policy.
- Food Quality and Safety Policy.
- Diversity, Equality and Inclusion Policy.
- Risk Management Policy.
- Anti-bribery Policy.
- Policy on Managing Conflicts of Interest and Related Party Transactions.
- International Sanctions Policy.

The Dia Group undertakes to comply with and enforce compliance with the principles and commitments set out in the Environmental Policy, as well as to update its content in line with possible regulatory obligations, substantial changes in the business model, demands and expectations of stakeholders.

Policy	Version	Date
ENVIRONMENTAL POLICY	01	12/12/24
Process to which it pertains	Pages	
CSRD IMPLEMENTATION	10	

DISSEMINATION OF THE ENVIRONMENTAL POLICY

This policy is available in the applicable section of the corporate website: <https://diacorporate.com/politicas-corporativas/>.

Any communication or query related to its content can be sent to: comunicacion@diagroup.com.