

Sustainability Policy

Dia Group

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INTRODUCTION

For the Dia Group, Sustainability is more than just a driver of value for the business. It is how we realise our mission of getting closer to people every day, so as to offer the best quality products to everyone and create value in our local communities.

This Sustainability Policy updates previous versions and sets out the principles and mechanisms for action that enable the Company to achieve its desire to be "Closer Every Day" to its stakeholders and to establish a framework for responsible relations across its value chain. The network of suppliers and producers, the franchisees, shareholders and investors, the team of professionals that make up the Dia Group, and especially our customers, are key allies for the fulfilment of the sustainability objectives.

The Dia Group is therefore committed to a series of ethical principles, the development of sustainability commitments, and the responsibility to deploy an ethical and trusted management and relationship model with its stakeholders.

SUSTAINABILITY FRAMEWORK IN THE DIA GROUP

The Company's strategy is closely linked to the changes in the current context (global and sector trends, the rise in social and environmental risks, socio-economic concerns, etc.) as well as the main food-related social issues (food gap, impact on people's health, etc.).

These factors also foster the Dia Group's approach to sustainability, which is leveraged in areas where the Group can achieve the greatest impact and is aligned with the Company's priorities and corporate mission. The Dia Group is also committed to making a positive contribution to global challenges such as economic development, environmental protection and the promotion of just and inclusive societies.

The Company has a 2024-2025 Sustainability Plan, called "Every Day Counts", which is aligned with the 17 United Nations Sustainable Development Goals. The Group has indirect impacts on virtually all these goals and direct impacts on 10 of them, 4 of which are the most relevant due to their relationship with the retail sector and because they are core topics of the 2024-2025 Sustainability Plan: SDG 3 (health and well-being), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities) and SDG 12 (responsible production and consumption). This does not mean that the Dia Group is not also acting to make progress towards the other SDGs. To ensure their development and fulfilment, it has set up a system for monitoring the strategy and its objectives.

PURPOSE AND SCOPE OF THE SUSTAINABILITY POLICY

The objective of this policy is to establish a framework and a formal commitment to guide the actions of the Dia Group towards more sustainable environmental, social and corporate governance practices in order to comply with regulations, mitigate risks for both the Company and the value chain, and take advantage of opportunities for transformation and growth in an increasingly sustainability-conscious market.

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.

The Sustainability Policy takes into account the following principles and regulations:

- Corporate Sustainability Reporting Directive (CSRD) and the ESRS (Environmental, Social and Governance standards) .
- Law 5/2021, of 12 April 2021, which amends the Revised Spanish Companies Act, and the guidelines issued in EU 2017/C215/01 on non-financial reporting and its supplement on reporting climate-related information, integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- The recommendations in the "Guide for the Preparation of Management Reports of Listed Companies" of the Spanish Securities Market Commission (hereinafter, "CNMV").
- The Global Reporting Initiative (GRI) standards as a frame of reference 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, lays down the obligation to disclose information on how and to what extent the undertaking's investments are associated with economic activities deemed to be 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.

In addition, it incorporates other regulations and procedures, such as the Labour Human Rights Policy, in the value chain and the due diligence process, which are aligned with the principles set out in the United Nations Global Compact, the Guiding Principles on Business and Human Rights and the OECD Guidelines, and the ILO Social Policy, among others.

GUIDING PRINCIPLES

- **Align sustainability decisions with the Company's mission** and adapt them to the context, the market and the business.
- **Establish a long-term vision** and understand sustainability as a forward-looking commitment that reinforces economic and financial soundness.
- **Focus on material environmental, social and governance (ESG) aspects** with a significant impact on profitability and stakeholders.
- **Incorporate environmental, social and governance risks into corporate risk management** in order to prevent and mitigate their impact on strategy and protect corporate reputation.

- **Deploy effective sustainability governance** to help integrate ESG aspects into the corporate structure, as well as to raise awareness and integration of ESG aspects in the Dia Group's plans.
- **Encourage symmetry in sustainability reporting** through the necessary mechanisms to assimilate the control systems and quality of both financial and sustainability data.
- **Ensure dialogue and ethical and trusting relationships** with stakeholders through integrity, honesty and transparency in all dealings with third parties. Strive to engage stakeholder expectations as regards sustainability.
- **Ensure strict compliance with current legislation** through the catalogue of policies established by the Dia Group available on its [website](#), and the mandatory regulations in place within the internal regulatory framework of the Dia Group.

SUSTAINABILITY GOVERNANCE IN THE DIA GROUP

To ensure the integration of sustainability 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 sustainability strategy, the objectives set, the lines of action and achievement of the main indicators defined by the Dia Group, and for reporting these ESG issues to the Board of Directors when appropriate.
- **Audit and Compliance Committee (ACC):** ensures compliance with ESG 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 ESG 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.

MATERIAL SUSTAINABILITY ISSUES IN THE DIA GROUP

The main sustainability challenges and opportunities for the Dia Group derive from its ecosystem, model and organisation, the impacts on the value chain, the demands of stakeholders, as well as the risks and trends in the contextual scenario. In order to build an integrated and long-term vision, the Dia Group has conducted an in-depth strategic analysis following the principles of double materiality introduced by the Corporate Sustainability Reporting Directive (CSRD) and the standards developed by the European Financial Reporting Advisory Group (EFRAG) for ESRS reporting, which incorporates:

- Regulatory compliance.
- Evaluation of the sector.
- Alignment with international sustainability standards.
- Consideration of sector-specific risks and risks inherent to the activity of the Dia Group.
- Financial perspective: financial risks and opportunities that may affect the organisation economically.
- Impact perspective: both positive and negative, the Company's impact on the environment (considering "environment" as ESG matters), financial materiality (financial risks and opportunities that may affect the organisation economically).

The identification of the Impacts, Risks and Opportunities has been carried out for the Dia Group's material Topics and Subtopics, which originate from AR 16 of Delegated Regulation (EU) 2023/2772.

The assessment of risks and opportunities has been carried out considering different time horizons: short, medium and long term. In line with the CSRD, the short term has been defined as one year, coinciding with that established in the consolidated annual accounts. The long term covers a period of more than 5 years. Consequently, the medium term is between 1 and 5 years.

Material ESG risks are considered in the corporate risk matrix, which is reviewed and assessed on an annual basis.

The 5 topics with the highest double materiality are as follows:

Priority	Topic
1	Nutritional quality of own brand and value chain
2	Working conditions
3	Climate change mitigation
4	Renewable and non-renewable energy consumption
5	Satisfaction of customers and end users

THE DIA GROUP'S SUSTAINABILITY COMMITMENTS

The Dia Group sees sustainability as a source of value creation for all its stakeholders and a vector for minimising risks. In this vein, we are talking about environmental and climate risks, social and governance risks, or reputational risks in own and value chain operations. To this end, the Dia Group is working on the development of traceability mechanisms across the entire value chain, ensuring control and monitoring from the origin of the raw materials to the end consumer. These mechanisms will make it possible to identify the origin of products, verify compliance with sustainability standards, and ensure responsible practices in suppliers and business partners. This reinforces our commitment to quality, sustainability and consumer trust.

Aware of the magnitude of the environmental and social challenges, the Company has designed its Sustainability Strategy 2024-2025 with a 2030 outlook, in order to ground biannual action plans to successfully execute the actions and fulfil the commitments established.

At present, the Company's main areas of action in ESG matters are: the development of the local economy; the promotion of a diverse and inclusive culture; care for the natural environment; and driving a more sustainable value chain.

The Dia Group undertakes to periodically review its sustainability priorities to ensure compliance with its commitments, connecting with new trends, the demands of the contextual situation and strategic business lines.

The Dia Group's sustainability commitments are integrated into four strategic pillars and one all-encompassing cornerstone:

<p>Development of the local economy <i>making healthy food available to all and stimulating employment and entrepreneurship.</i></p>	<ul style="list-style-type: none"> • Facilitate access to healthy, quality food so that everyone can eat better every day, for example by increasing the sale of fresh produce. • Stimulate entrepreneurship and employment through the ecosystem of franchisees and overwhelmingly local suppliers. • Promote a positive social impact in the neighbourhoods and areas where the stores are located, increasing both the socio-economic campaigns and the number of beneficiaries.
<p>Promotion of a diverse and inclusive culture <i>prioritising efforts in house.</i></p>	<ul style="list-style-type: none"> • Ensure equality in a more diverse, inclusive and accessible environment, for example by increasing the percentage of women in leadership positions.

<p>Care for our natural environment <i>integrating environmental management into the business to help decarbonise the food chain.</i></p>	<ul style="list-style-type: none"> • Further the decarbonisation of the business and supply chain, incorporating new categories into Scope 3 measurement and a transition plan for emission reduction. • Increase the recyclability of packaging and foster the circular economy, with all our warehouses being zero waste. • Reduce food waste with strategies based on prevention and redistribution.
<p>Sustainable value chain development <i>with a special focus on aspects such as deforestation, sustainable fisheries and animal well-being.</i></p>	<ul style="list-style-type: none"> • Mobilise the value chain towards a sustainable management model based on responsible production standards and the integration of ESG criteria in our purchasing policy.
<p style="text-align: center;">Sustainability governance</p> <p>Develop an ESG risk management system and strengthen the Sustainability Report, driving a cultural change that integrates sustainability into business decisions and builds relationships of trust with the Company's stakeholders.</p>	

The Dia Group has set clear and specific timelines, with short, medium and long-term goals, which include objectives to promote sustainable practices in its operations and throughout its value chain. This ensures an approach that is aligned with international standards and with a timetable that allows progress to be measured in a transparent manner.

SUSTAINABILITY MONITORING IN THE DIA GROUP

The Dia Group reaffirms its aim to integrate environmental, social and governance (ESG) 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:

- **ESG 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 ESG 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.

- **System of Internal Control over Sustainability Reporting (ICSR):** The Dia Group is making progress in its aim to assimilate financial and sustainability information and is therefore working on the implementation of an Internal Control System for Sustainability Reporting in compliance with the requirements of the European Sustainability Reporting Standards (ESRS).
- **Consolidation and reporting of sustainability information:** The Dia Group, through its global and country-specific teams, is working to strengthen traceability and management of sustainability information. The Accounting & Reporting area is responsible for managing the external assurance of the Sustainability Report, in line with the requirements applicable to the Dia Group.
- **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.

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 country for employees, promoting communication, generating professional knowledge and disseminating corporate information, as well as being an access point for employee applications.
 - Newsletters adapted to the needs of each Business Unit.
 - Periodic surveys to gauge staff opinions.
 - 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, 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.

UPDATE OF THE SUSTAINABILITY POLICY

This Sustainability 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 Sustainability 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.

DISSEMINATION OF THE SUSTAINABILITY 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: sostenibilidad@diagroup.com and comunicacion@diagroup.com.